

CITY OF EDMOND, OKLAHOMA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2012

Look closer, edmond's growing.

CITY OF EDMOND, OKLAHOMA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2012

Prepared by:
Financial Services Department

Ross VanderHamm
Finance Director

**CITY OF EDMOND, OKLAHOMA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORT
For the fiscal year ended June 30, 2012**

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December 31, 2012

Honorable Mayor and Members of the City Council
Of The City of Edmond, Oklahoma

Dear Mayor and Members of Council:

The Comprehensive Annual Financial Report of the City of Edmond (the “City”) for the year ended June 30, 2012, is hereby submitted as mandated by the city charter and state statutes. The City is required to publish within six months of the close of each fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Responsibility of both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Financial Services Department of the City. The City has established a comprehensive internal control framework designed to both protect the City’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Edmond’s financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh the benefits derived from those controls, the City’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe the information, as presented, is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City of Edmond. All disclosures necessary to enable the reader to gain an understanding of the City of Edmond’s activities have been included.

The City’s financial statements have been audited by Arledge & Associates, P.C., firm of licensed certified public accountants. The independent audit was conducted to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent audit examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessed the accounting principles used and estimates made by management, and evaluated the overall financial statement presentation. Based upon the results of their audit, Arledge & Associates, P.C. rendered unqualified opinions on all of the City’s opinion units within the financial statements for the year ending June 30, 2012. An unqualified opinion provides objective confirmation that the City’s financial statements are fairly presented in conformity with GAAP and are free of material misstatement. The independent auditor’s report is presented as the first component of the financial section of this report.

In addition to the independent audit of the financial statements, the City is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget’s Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations.” This audit requires the auditor to report on the government’s internal controls and compliance with legal requirements involved with the administration of major federal grant awards received by the City. These reports are designed to meet the special needs of federal grantor agencies and are available in the City of Edmond’s separately issued Single Audit Report.

Generally accepted accounting principles require City management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A).

This transmittal letter is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The City is situated in the center of the state and is contiguous with the northern boundary of Oklahoma City. The City covers an area approximately 87 square miles, was incorporated in 1890, and according to the 2010 Census, the population is 81,405. The City features quiet suburban living with a central business district, major shopping and office areas, and spacious residential developments.

Edmond is the sixth-largest community in Oklahoma. It has better public schools than 59% of all U.S. communities, and its public schools are better than 96% of schools in the rest of the state. The education level of Edmond ranks among the highest in the nation. Of the 25-and-older adult population in Edmond, 47.78% have at least a bachelor's degree. The typical US community has just 19.23% of its adults holding a bachelor's degree or graduate degree, and a majority of them are homeowners (69.7%).

The Oklahoma City metropolitan area, which includes Edmond, was ranked sixth in the nation and 71st in the world for economic performance from 2011 to 2012, according to a Brookings Institution report. The Global Metro Monitor 2012 report looked at gross domestic product and employment growth for 300 metro areas.

According to the Federal Bureau of Investigation's latest statistics, Edmond is ranked as one of the safest cities in the nation and the safest city in Oklahoma with a population of more than 75,000. The FBI's Uniform Crime Report looks at violent crime numbers including murder, rape, robbery and aggravated assault. "The numbers show Edmond continues to be at the top when it comes to being one of the safest cities to live and raise a family in the entire nation," said Edmond Police Chief Bob Ricks. Edmond ranks 9th overall among U.S. cities with a population of more than 75,000.

The City has adopted a charter and operates under a Council-Manager form of government pursuant to the charter and is recognized by the International City Management Association and the National League of Cities. The legislative authority of the City is vested in a five member elected council, consisting of one council member from each of four wards and the mayor who serves as council member at large. Council members serve four-year staggered terms with two council members elected every two years. The mayor is elected to serve a two-year term. The City Council members are also the Trustees of the Edmond Public Works Authority. The Mayor and Council appoint the City Manager, who is the chief executive officer of the City and is responsible to the Mayor and City Council for the administration of all City services, including budget preparation, and employs all City employees under a merit plan.

The City provides a wide range of municipal services, including police and fire protection, the construction and maintenance of highways, streets and other infrastructure, and a multitude of recreational and cultural events throughout the year. The City also provides electric, water, wastewater, drainage, and solid waste services to its residents under the legal entity of the Edmond Public Works Authority (EPWA). EPWA is a public trust created under applicable Oklahoma statutes on October 6, 1970, with the City named as the beneficiary thereof. These utility systems operate for the benefit of the City of Edmond and are an integral part of City operations. In FY09-10, water rates were increased as part of a 5 year plan to provide partial funding for a long-term 50 year water supply. Sewer rates were also increased to cover anticipated capital project expenses. EPWA's financial statements are blended into the City's financial statements and together they comprise the City's primary financial presentation. The City is also financially accountable for a legally separate economic development authority and a legally separate historic preservation trust. Both of these operations are reported separately within the City's financial statements. Additional information on these operations may be found in Note 1.A in the notes to the financial statements.

Five-year strategic business plans and operating budgets developed to support those plans serve as the foundation for the City's financial planning and control. The City Manager issues corporate guidelines that establish priorities and specific economic factors for the upcoming budget year. Budgets are then developed by departments for all five years. The City Manager's recommended budget is required to be submitted to the City Council by June 1. The City Council must hold a public hearing on the budget by June 15 and adopt the budget at least seven days prior to July 1, which is the beginning of the new fiscal year. The appropriated budget is prepared by fund, department, and object level/category. Department

heads may make transfers of appropriations within an expenditure object category. Transfers between expenditure object categories of a department or fund and budget supplements must be approved by the City Council. Supplemental appropriations must also be filed with the Office of the State Auditor and Inspector.

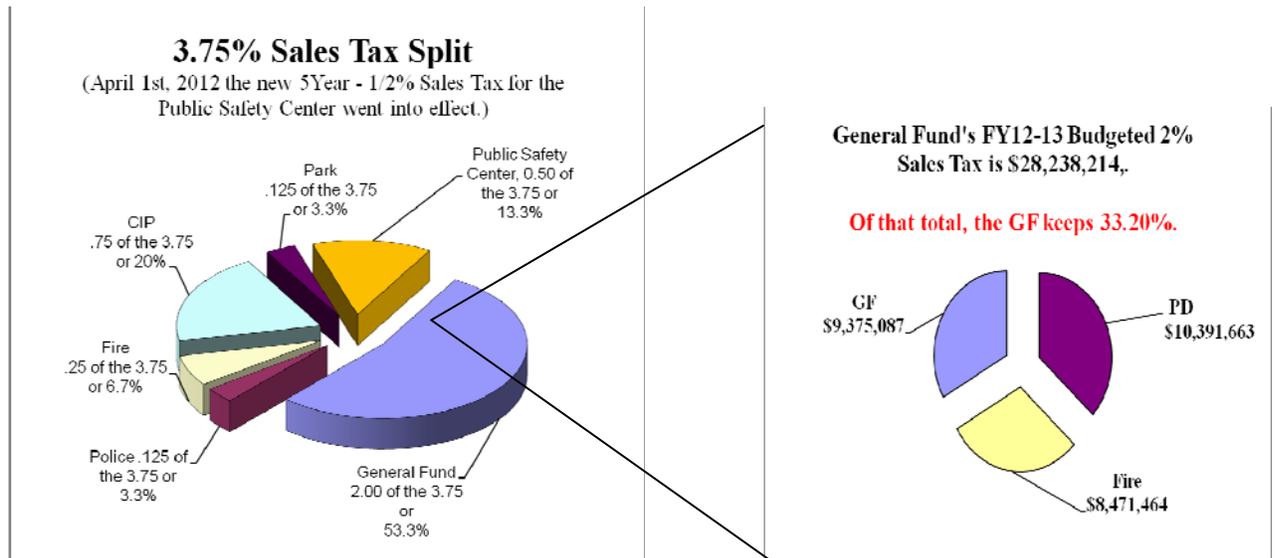
Sales Tax and Our Local Economy

Edmond began recovering from the national recession in FY10-11, and in FY11-12 sales tax collections exceeded the conservative 3% budgeted projection with 6% actual growth.

Typically, sales tax accounts for over one-half of General Fund revenues. However, due to the voter-approved 2000 Sales Tax initiative, Public Safety (i.e. Fire and Police) receives over 66% of these funds each year.

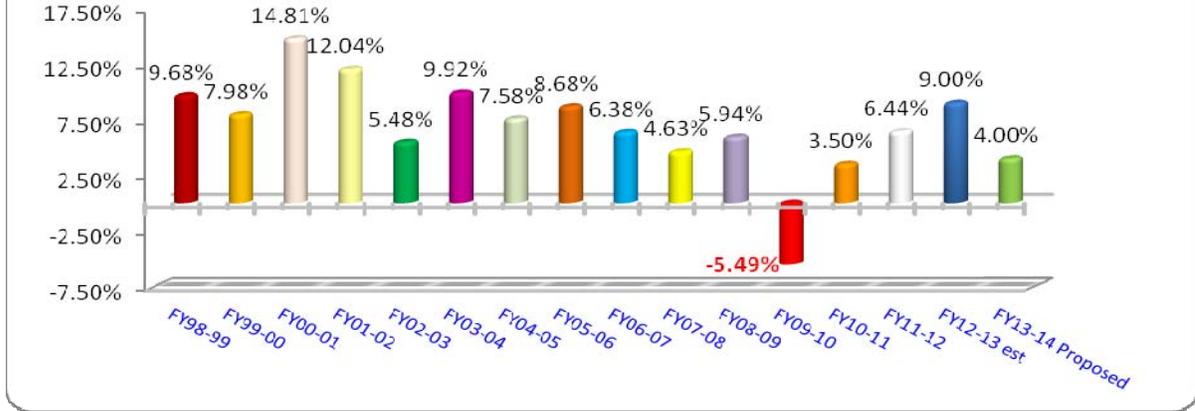
After years of public discussion and debate, Edmond voters overwhelmingly approved a half-cent sales tax increase to build a \$25.5 million Public Safety Center. Over 73 percent or 3,339 voters approved Proposition No. 1, which would enact the five-year half-cent sales tax. Even with this increase, Edmond’s sales tax will remain lower than the sales tax rates of neighboring communities by increasing to a rate of 8.25 percent.

Voters also approved Proposition No. 2 to allow the city to loan itself money out of the \$7.2 million Hospital Trust Fund with an improved return of investment on that trust fund. The yes votes totaled 4,105, or 76.86 percent in favor, with 1,236 no votes, or 23.14 percent of the vote.

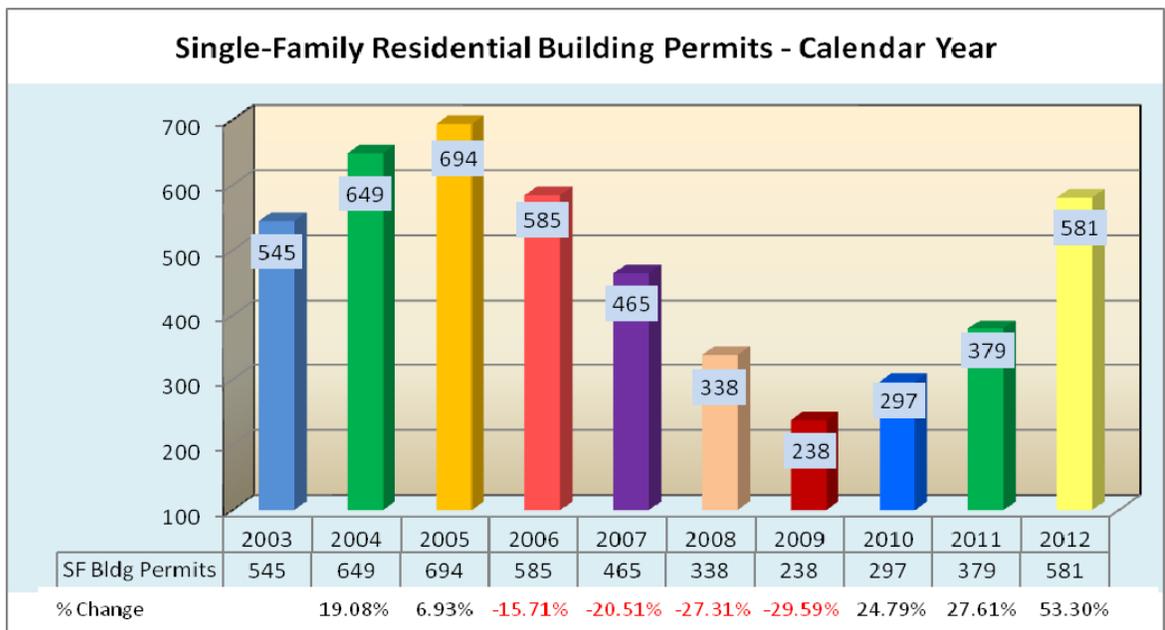


The City typically has exceeded projected annual increases in this critical revenue source. Actual annual growth for the past 14 years, plus the estimated current fiscal year and proposed new FY is noted in the chart below.

Sales Tax Growth through FY12-13 15 Year History



Edmond has experienced many years of a growing and vibrant economy, but during the past several years there were declines in keys sectors of the community. Housing for example has steadily increased since its low 4 years ago. With the close of 2012, the market has significantly increased the number of new single family residential permits as compared to 2011, as well as large increase in total value. New single family residential permits for calendar year 2012 are expected to reach 581, while 2011 residential permits were 379. Commercial building permits have also increased over last year. In 2011, there were 71 commercial permits issued, but 2012 is expected to finish with 149 new permits. The value of the 149 commercial permits totaled \$128,297,338 compared to \$98,280,081 for the 71 permits in 2011. Overall, in calendar year 2012, the new Single-Family residential construction value equaled \$165,565,604 (up for the third straight year from last year's \$108,221,132 total), bringing the total new construction value to \$293,862,942 - an increase from last year's total value of \$206,501,213. There were a total of 13,306 inspections made in 2011. It is estimated there will be approximately 22,300 inspections in calendar 2012.



Capital Improvements

Presently, a significant portion of long-term financial planning occurring in the City of Edmond is related to passage of a permanent three-quarter cent sales tax approved by voters on December 12, 2000 entitled the 2000 Capital Improvement

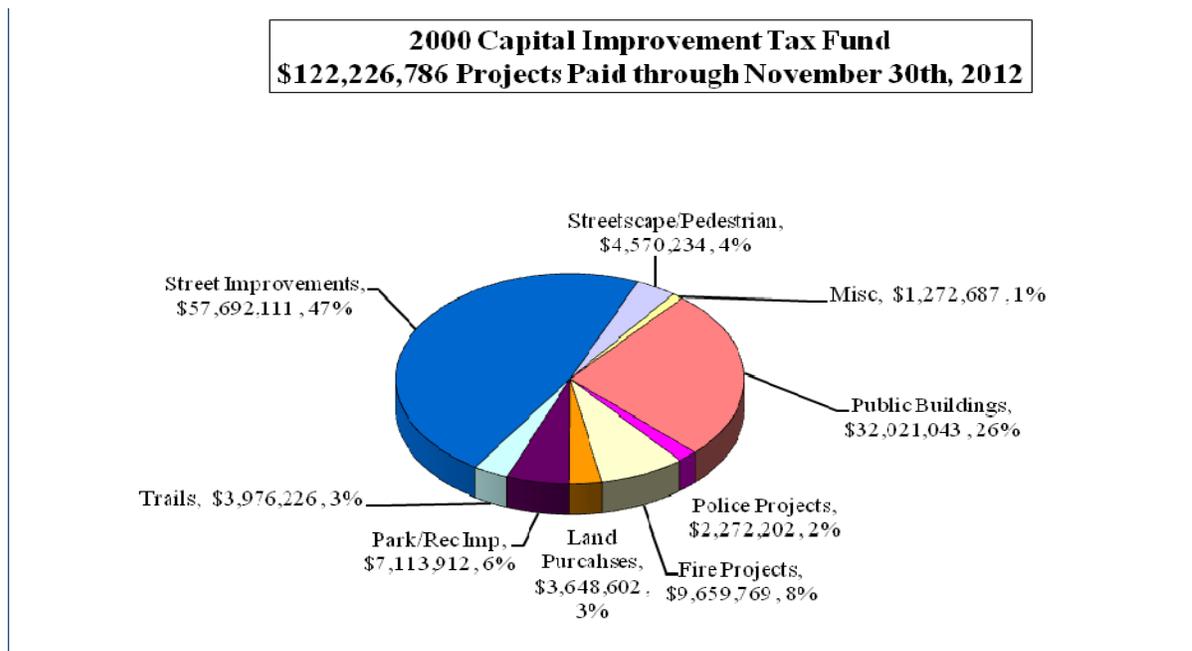
Tax Fund. Revenues from this tax are being used to service debt incurred through the issuance of four 20 year bonds. By issuing bonds the City has been able to accelerate project completions and therefore, provide capital improvements earlier than typical pay-as-you-go funding would allow. Through November 30th, 2012 the CIP has funded \$122,226,786 in major capital improvements.

The 2000 Capital Improvement Tax Fund finances many projects and during this fiscal year many of the fund resources were used in preparation for larger capital projects. On the recreation side, design was completed and bids were requested on both our fourth community park which has been named Edmond 66 Park and the development of our new aquatic/recreation building in partnership with the YMCA and Edmond Public Schools. This new facility is scheduled to be open by the end of 2013. Significant roadway improvements on Covell from Mitch Park to Thomas Drive and Kelly between Danforth and Covell began in 2012.

We continue working on a multi-year program to develop an intelligent traffic system. This involves improved traffic control equipment at our intersections which include continuous communication with a central computer system. This centralized control can be monitored and adjusted in real time to meet specific traffic issues to improve traffic flow. Additionally, \$2 million is annually set aside for street rehabilitation, resurfacing and reconstruction.

Major funding was set aside in the budget for the development activity at Covell and I-35. The city is working with development partners to build a Conference Center/Hotel and an indoor youth sports complex. Each of these projects has been considered because of their potential to attract visitor traffic to our community. The need for a Conference Center/Hotel has been identified and considered for many years. The project under consideration would provide city purchase of land, infrastructure installation and investment into the Conference Center/Hotel project. The sports complex would involve city purchase of land utilized to construct the facility. The total cost for the entire project is \$11 million.

Due to the voter-approved half-cent sales tax increase a public safety center is currently under design and will combine the Edmond Police Department with Central Communications and Emergency Management into a new 75,000-square-foot building.



Investments

Pooled cash at the end of the fiscal year was invested in approximately 36% Certificate of Deposit Account Registry Service (CDARS), 26% government agencies, 24% checking and money market, 8% collateralized bank Certificate of Deposits (CDs) and 6% treasuries. The pooled cash investment portfolio as of June 30, 2012 had a weighted yield of .52% - down from 1.02% last year. The City’s average investment returns were better than treasury benchmarks. The

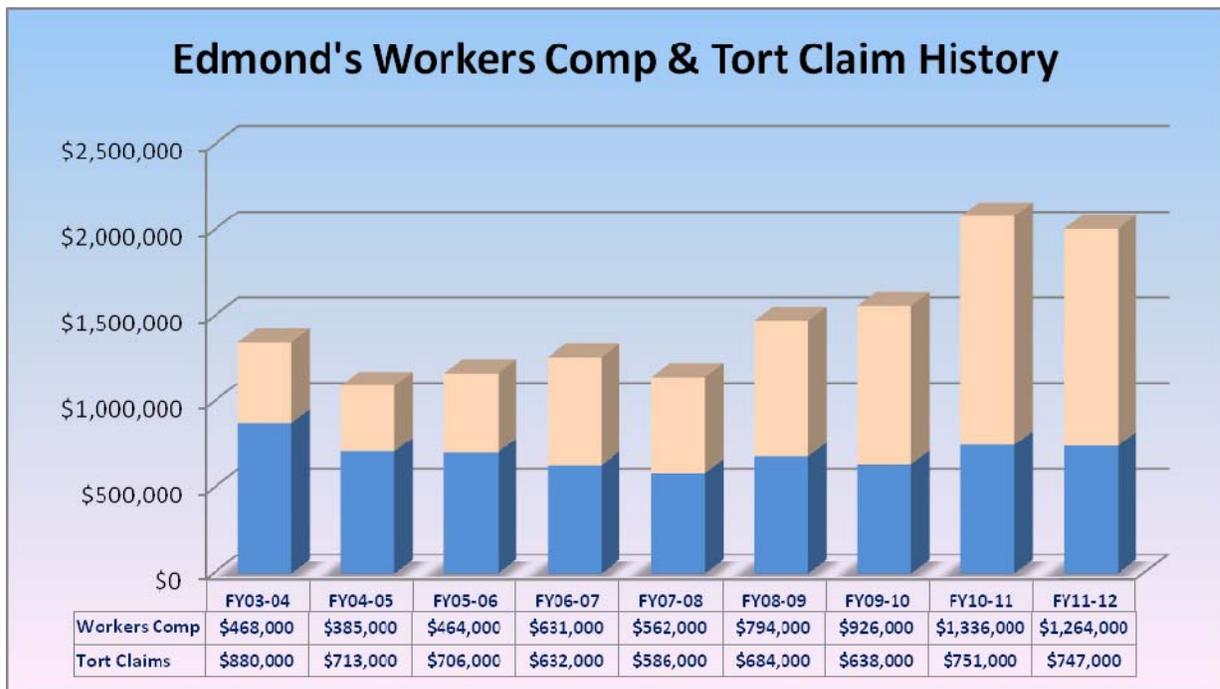
portfolio consisted of 55% of securities maturing in 6 months or less, 24% maturing in 6-12 months, 15% maturing in 1-2 years and 6% in 3-5 years. A strategy of investment laddering, which involves building a portfolio of bonds with staggered maturities, was continued during the fiscal year. For specific details, see Note 3A.

An electronic competitive bid process is utilized for all security purchases, as required in the Investment Policy. The yields of CDARS somewhat decreased during the fiscal year, as compared to government agencies. The agency portfolio contained 65% callable securities at the end of the fiscal year, which reflected a strategy to increase slight incremental yields.

Risk Management Program

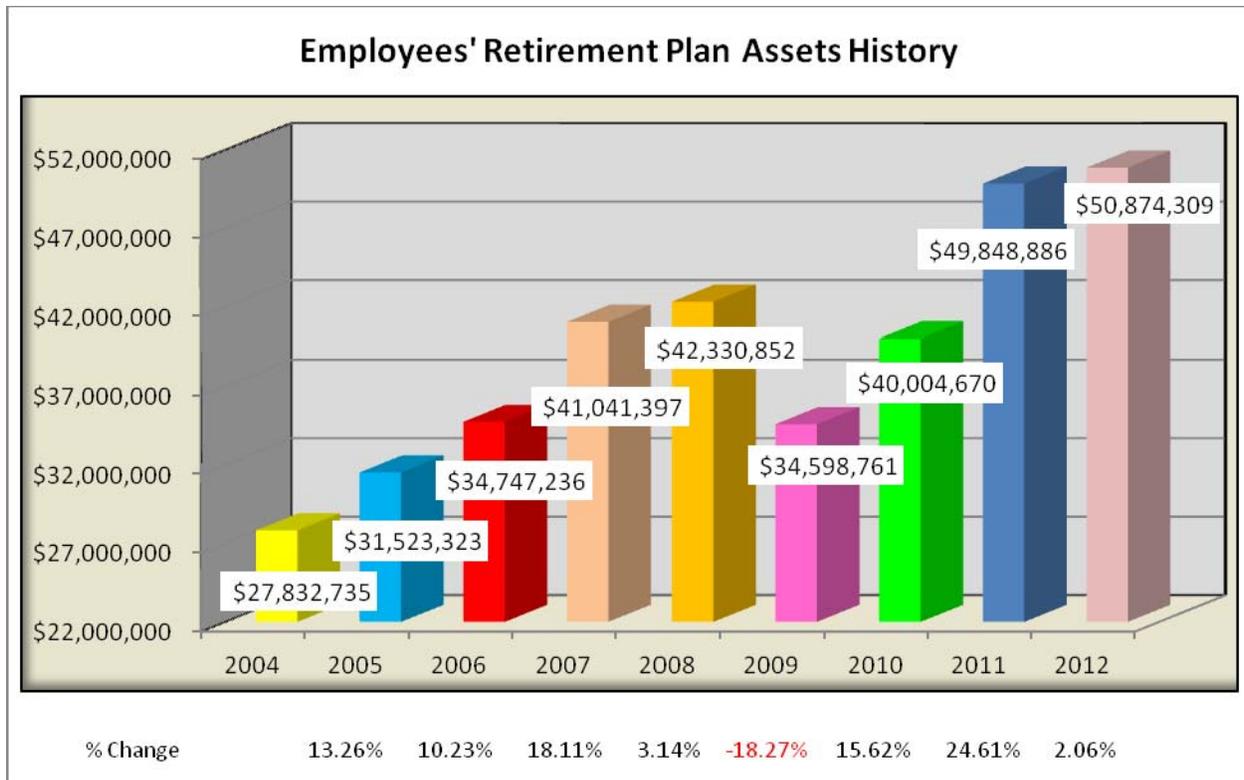
Safety and accountability are the responsibility of each department and overseen by the Risk Manager. The City is currently contracting with a third party administrator, CCMSI to process the City’s workers’ compensation claims. Trident Insurance Services provides general liability insurance coverage and manages the liability claims. The Beckman Insurance Company is our insurance broker for purposes of placement and obtaining applicable insurance coverage. The City of Edmond is self-insured for workers’ compensation with Excess coverage provided by Midwest Employees Casualty Company. Additional information on Risk Management may be found in Note 4.B in the notes to the financial statements.

The City’s actuary has determined that the estimated claim liability including incurred but not reported claims as of June 30, 2012 for workers’ compensation and tort claims are \$1,264,000 and \$747,000 respectively. This reflects an decrease in exposure of worker’s comp claims by 5% and an increase in general liability of less than 1%.



Employee Retirement Plan

The assets of the Employees’ Retirement Plan for non-uniformed employees posted an unrealized gain of \$1,025,346 for a market value of \$50,874,309. The investment returns for the calendar year of 2011 were -1.19%, compared to the benchmark of -1.15%. The year-to-date investment return as of June 30, 2012 was 5.81% compared to the benchmark of 5.4%. Employee and employer contributions to the Plan increased \$128,634 or 4%. Contributions and interest refunds paid to terminated employees during the year decreased by approximately \$85,695, while benefit payments to retirees increased by approximately 3% to \$1,510,633.



The City sponsors a single-employer defined benefit pension plan for all full-time, non-uniform employees. Each year, an independent actuary conducts an actuarial valuation to determine the annual contribution that the City must make to pay the normal cost of the plan and the amount of the annual contribution that the City must make to ensure that the plan will be able to fully meet its obligation to retired employees on a timely basis. As of July 1, 2012, the market value of the assets in the plan was 93% of the accrued actuarial liability, compared to 98% funding one year earlier, and 83% 2 years ago. As of July 1, 2012, the required employer contribution rate per the actuarial valuation report is 8.17% of wages paid compared to last year's report.

The City also participates in the Oklahoma Police Pension Retirement Fund and the Oklahoma Firefighters Pension and Retirement Fund on behalf of the City's police officers and firefighters. These are statewide plans managed by the state of Oklahoma. The City has no obligation in connection with employee benefits offered through these plans beyond the thirteen percent contribution rate on certain wages paid. Additional information on these retirement plans may be found in the notes to financial statements 4.A.

The City provides retiring employees the opportunity to continue the City's health and dental insurance coverage at their expense if so elected at time of retirement. At the end of the fiscal year, 37 of the City's 217 retired employees maintained City coverage. As such, this creates an OPEB obligation to the City since premiums are not adjusted for retirees.

GASB Statement 45 – "Accounting and Financial Reporting for Employers for Post-employment Benefits Other than Pensions (OPEB) was implemented in the City's FY2009 annual financial report. This being the fourth year to recognize the impact this has on the City's finances, our unfunded liability has increased 41% from \$926,162 last year to \$1,302,641. This is a growing liability that will need to be addressed on how to continue to fund the recording of benefits over an employee's working career rather than when the benefits are paid long after an employee retires as required by GASB Statement 45.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Edmond for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In

order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The City of Edmond has received a Certificate of Achievement for the last twenty six consecutive years ending June 30, 1986-2011. With transparency and accountability critical to the City's mission, the City also submitted their first Popular Annual Financial Report (PAFR) called the "Citizens Report", and received the Award for Outstanding Achievement in Popular Annual Financial Reporting.

We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the dedicated services of the entire staff of the Financial Services department. Our sincere appreciation is extended to all who contributed to its preparation. In addition, our thanks are extended to the Mayor, the City Council and the City Treasurer for their interest and support in strengthening and improving the fiscal policies of the City of Edmond. The City will strive to continue to provide the citizens the quality services, management and reporting.

Sincerely,



Larry Stevens
City Manager



Ross A. VanderHamm
Finance Director

CITY OF EDMOND, OKLAHOMA

PRINCIPAL OFFICIALS AND FINANCE COMMITTEE MEMBERS

JUNE 30, 2012

ELECTED OFFICIALS

Charles Lamb	Mayor
Victoria Caldwell	Councilmember-Ward 1
Elizabeth Waner	Councilmember-Ward 2
Darrell Davis	Councilmember-Ward 3
Nick Massey	Councilmember-Ward 4
Stephen Schaus	City Treasurer

FINANCE COMMITTEE MEMBERS

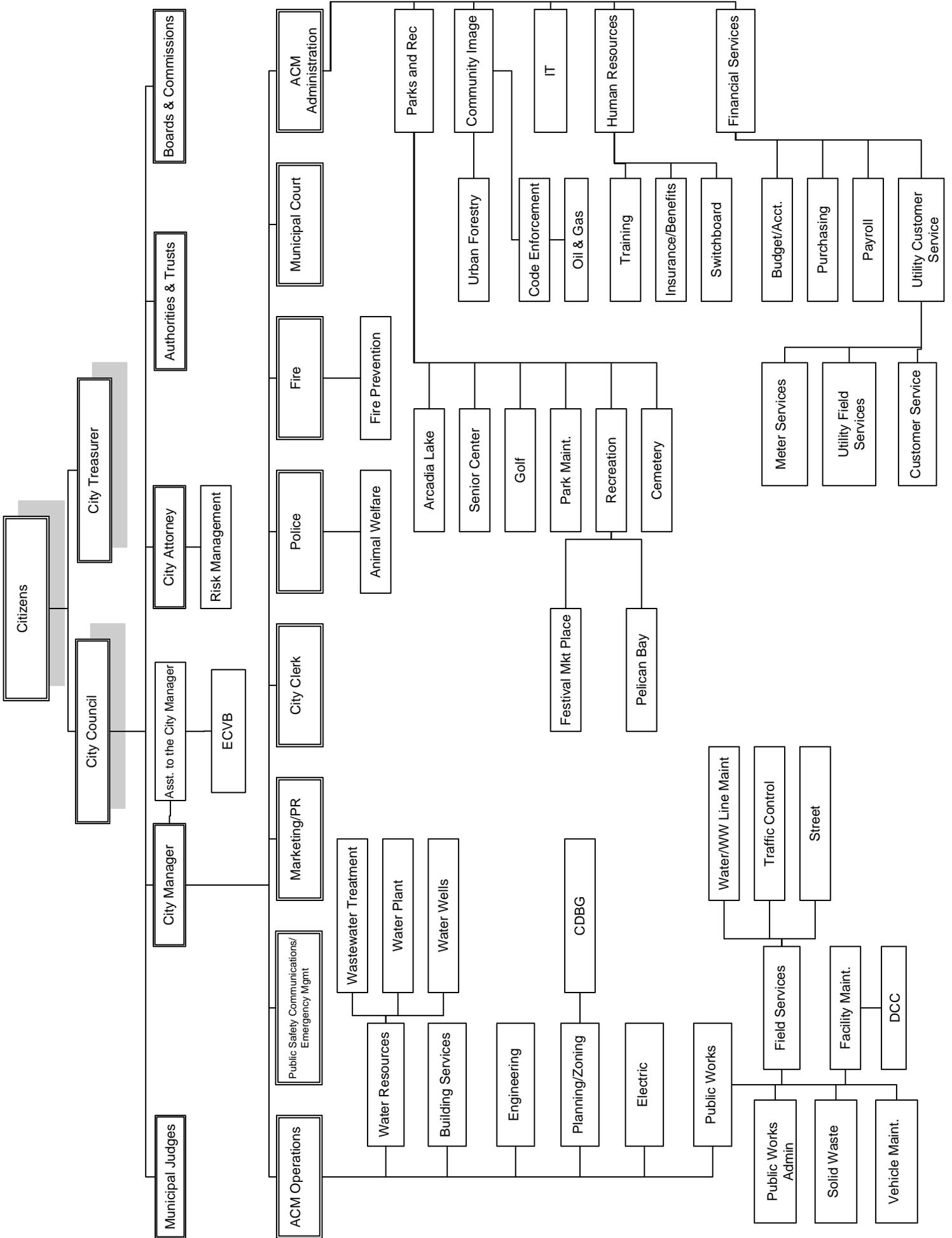
Stephen Schaus	Chairperson
Darrell Davis	Member
Charles Lamb	Member

ADMINISTRATION

Larry Stevens	City Manager
Stephen Murdock	City Attorney
Steve Commons	Assistant City Manger Administration
Jim Smith	Assistant City Manager Operations
Nancy Nichols	City Clerk
Gil Harryman	Fire Chief
Bob Ricks	Police Chief
Anita Breen	Human Resource Director
Diane L. Slayton	Municipal Judge

ACCOUNTING AND TREASURER STAFF

Ross VanderHamm	Finance Director
Kelly Neal	Assistant Finance Director
Sheila Briesch	Accounting Manager
Terri McKay	Payroll Manager
Brenda Mayer	Purchasing Manager
Lisa Murray	Director of Treasury Svcs



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Edmond
Oklahoma

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Edmond, Oklahoma (the "City") as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Edmond, Oklahoma as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2012, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplemental information, as listed in the Table of Contents, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections, as listed in the Table of Contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Orledge & Associates, P.C.

Edmond, Oklahoma
December 20, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Edmond's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2012. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2012, the City's total net position increased by \$24.7 million.
- The City recorded derivative instruments of \$2,184,372 and \$1,632,881 in the governmental and business-type activities, respectively. The derivative instruments are offset by deferred inflows.
- During the year, the City's expenses for governmental activities were \$67.5 million and were funded by program revenues of \$21 million and further funded with taxes and other general revenues and transfers that totaled \$59.2 million.
- In the City's business-type activities, such as utilities, lake and golf course, program revenues exceeded expenses by \$14.2 million.
- Sales and use taxes increased by \$5.9 million or 13% from the prior fiscal year. Considering the City's sales tax rate increased from 3.25% to 3.75% effective April 2012, this translates into an increase in taxable sales of \$79 million from the prior year.
- At June 30, 2012, the General Fund reported an unassigned fund balance of \$5.9 million.
- For budgetary reporting purposes, the General Fund and major special revenue funds reported actual revenues above estimates of \$3 million or 2.8%, while expenditures were under the final appropriations by \$5.0 million or 4.5%.
- The City implemented GASB Statement 63-financial reporting of deferred outflows of resources, deferred inflows of resources, and net position.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Edmond (the "City") and its component units using the integrated approach as prescribed by GASB Statements No. 14, 34, and 39. Included in this report are governmental-wide statements for each of two categories of activities – governmental and business-type, along with two 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) as well as all liabilities (including all long-term debt).

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

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

These two 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 and liabilities – as one way to measure the City's financial condition. 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 electric, water, wastewater, sanitation, lake, drainage, and golf course activities are reported here.
- **Discretely-presented component units** – These account for activities of the City's reporting entity that do not meet the criteria for blending, specifically the Historic Preservation Trust and the Edmond Economic Development Authority.

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, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money.

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

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

Fiduciary funds - When the City is responsible for assets that – because of a trust arrangement or other fiduciary requirement – can be used only for trust beneficiaries or others parties, these activities are reported as fiduciary funds, such as the Employee Retirement Trust Fund. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose. All of the City’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City’s government-wide financial statements because the City cannot use these assets to finance operations.

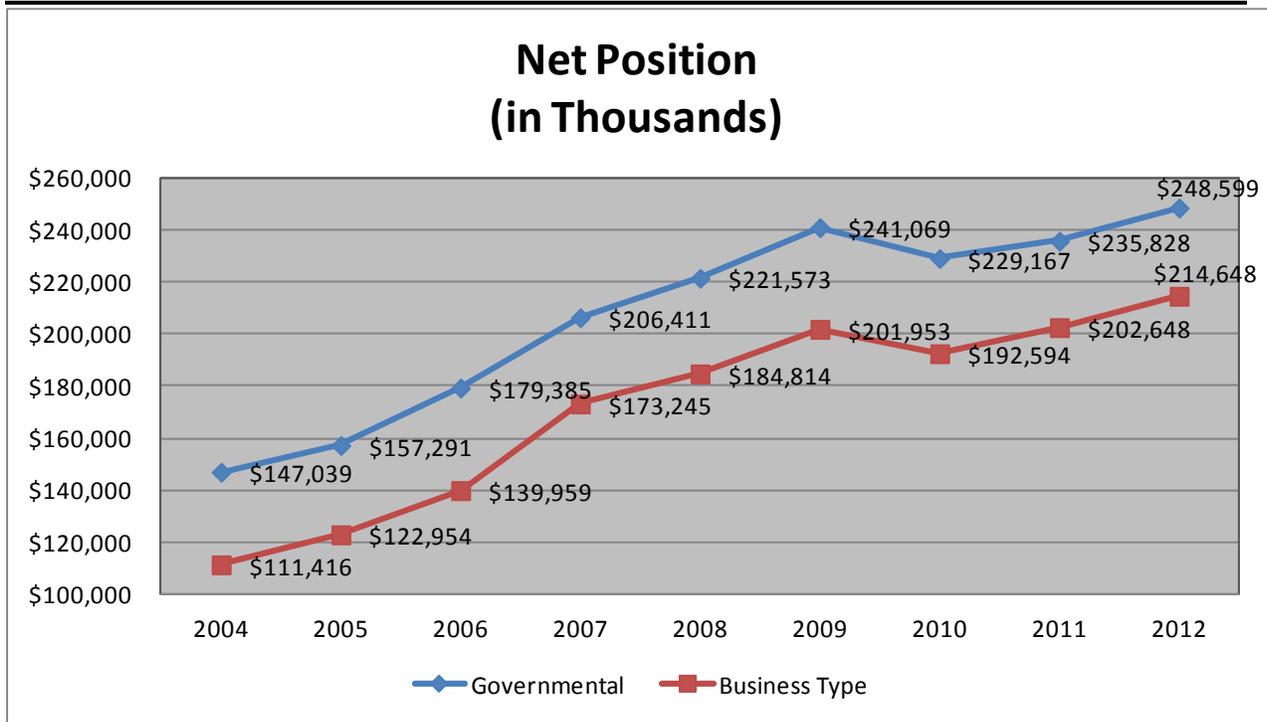
A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

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 exceeded liabilities and deferred inflows by \$463,247,233 at the close of the most recent fiscal year.

TABLE 1
NET POSITION (In Thousands)

	<u>Governmental Activities</u>		<u>% Inc. (Dec.)</u>	<u>Business-Type Activities</u>		<u>% Inc. (Dec.)</u>	<u>Total</u>		<u>% Inc. (Dec.)</u>
	<u>2012</u>	<u>2011</u>		<u>2012</u>	<u>2011</u>		<u>2012</u>	<u>2011</u>	
Current assets	\$ 92,030	\$ 91,692	0.4%	\$ 86,245	\$ 82,104	5%	\$ 178,275	\$ 173,796	3%
Capital assets, net	227,800	219,315	4%	202,302	198,498	2%	430,102	417,813	3%
Other non-current assets	9,897	10,093	-2%	8,086	9,016	-10%	17,983	19,109	-6%
Total assets	<u>329,727</u>	<u>321,100</u>	3%	<u>296,633</u>	<u>289,618</u>	2%	<u>626,360</u>	<u>610,718</u>	3%
Current liabilities	15,160	15,170	-0.1%	19,458	19,006	2%	34,618	34,176	1%
Non-current liabilities	63,784	67,803	-6%	60,893	66,088	-8%	124,677	133,891	-7%
Total liabilities	<u>78,944</u>	<u>82,973</u>	-5%	<u>80,351</u>	<u>85,094</u>	-6%	<u>159,295</u>	<u>168,067</u>	-5%
Deferred inflows	2,184	2,299	-5%	1,632	1,876	-13%	3,816	4,175	-9%
Net assets									
Invested in capital assets, net of related debt	165,302	152,756	8%	139,272	130,308	7%	304,574	283,064	8%
Restricted	63,406	66,717	-5%	12,738	11,103	15%	76,144	77,820	-2%
Unrestricted	19,891	16,355	22%	62,638	61,237	2%	82,529	77,592	6%
Total net position	<u>\$ 248,599</u>	<u>\$ 235,828</u>	5%	<u>\$ 214,648</u>	<u>\$ 202,648</u>	6%	<u>\$ 463,247</u>	<u>\$ 438,476</u>	6%



The largest portion of the City’s net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. For 2012, this investment in capital assets, net of related debt amounted to \$304,573,859. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A major portion of the City’s net position, \$78,176,478, also represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$80,496,896, may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Changes in Net Position

For the year ended June 30, 2012, net position of the primary government changed as follows:

CITY OF EDMOND, OKLAHOMA
MANAGEMENT DISCUSSION & ANALYSIS
June 30, 2012

TABLE 2
CHANGES IN NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2012	2011		2012	2011		2012	2011	
Revenues									
Program revenue:									
Charges for service	10,328	10,446	-1%	115,485	104,819	10%	125,813	115,265	9%
Operating grants and contributions	5,475	5,547	-1%	72	225	-68%	5,547	5,772	-4%
Capital grants and contributions	5,233	5,177	1%	1,665	3,650	-54%	6,898	8,827	-22%
General Revenue:									
Taxes	53,751	47,949	12%	-	-	0%	53,751	47,949	12%
Intergovernmental revenue	894	981	-9%	-	-	0%	894	981	-9%
Investment income	823	1,299	-37%	780	991	-21%	1,603	2,290	-30%
Miscellaneous	294	242	21%	505	176	187%	799	418	91%
Total Revenues	76,798	71,641	7%	118,507	109,861	8%	195,305	181,502	8%
Expenses									
General Government	7,355	5,032	46%	-	-		7,355	5,032	46%
Public Safety	38,482	39,468	-2%	-	-		38,482	39,468	-2%
Streets & highways	10,413	10,186	2%	-	-		10,413	10,186	2%
Culture, parks and recreation	5,163	5,419	-5%	-	-		5,163	5,419	-5%
Health and welfare	3,264	2,880	13%	-	-		3,264	2,880	13%
Interest on long-term debt	2,825	3,061	-8%	-	-		2,825	3,061	-8%
Electric	-	-		68,889	65,756	5%	68,889	65,756	5%
Water	-	-		16,769	16,361	2%	16,769	16,361	2%
Wastewater	-	-		5,719	5,352	7%	5,719	5,352	7%
Sanitation	-	-		6,953	6,674	4%	6,953	6,674	4%
Lake	-	-		1,271	1,255	1%	1,271	1,255	1%
Drainage	-	-		1,020	953	7%	1,020	953	7%
Golf Course	-	-		1,907	1,914	0%	1,907	1,914	0%
Cooperative purchasing service	-	-		64	64	0%	64	64	0%
Payment to EEDA	-	-		440	412	7%	440	412	7%
Total Expenses	67,502	66,046	2%	103,032	98,741	4%	170,534	164,787	3%
Excess (deficiency) before transfers	9,296	5,595	66%	15,475	11,120	39%	24,771	16,715	48%
Transfers	3,475	1,066	226%	(3,475)	(1,066)	226%	-	-	
Increase in net position	12,771	6,661	92%	12,000	10,054	19%	24,771	16,715	48%
Beginning net position	235,828	229,167		202,648	192,594		438,476	421,761	
Ending net position	\$ 248,599	\$ 235,828		\$ 214,648	\$ 202,648		\$ 463,247	\$ 438,476	

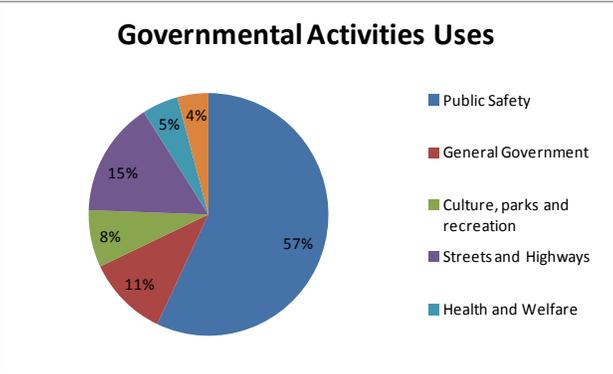
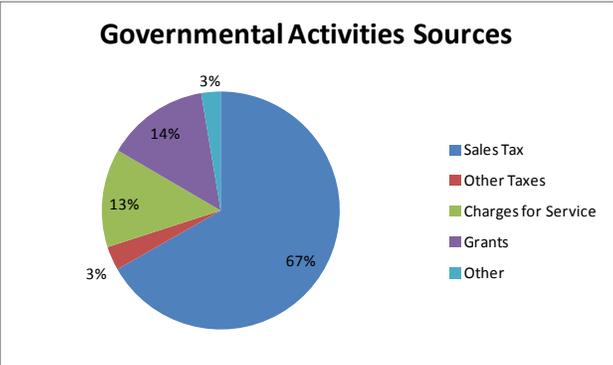
The City's governmental activities' increase in net position of \$12.7 million represents a 92% increase from the prior year's change in net position and is primarily the result of increased tax collections and increase in transfers from business-type activities. The business-type activities' increase in net position of \$12 million represents a 19% increase from the prior year's change in net position which is largely attributable to the increase in charges for services. The results indicate the City, as a whole, increased in total net position of \$24.7 million is a combination of increased revenue collections in taxes and charges for services. Expenditures as a whole remained relatively neutral.

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.

For the year ended June 30, 2012, the City’s governmental activities were funded as follows:



For the year ended June 30, 2012, total expenses for governmental activities amounted to \$67.5 million. Of these total expenses, taxes and other general revenues funded \$59.2 million, while those directly benefiting from the program funded \$10.7 million in grants and other contributions and \$10.3 million from charges for services. Besides the aforementioned increase in sales tax as well as the increase in the sales tax rate effective April, 2012, other notable changes for governmental activities include a increase in transfers to governmental funds and a decrease in interest expense related to the refinancing of long term debt.

Governmental-type Activities

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

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	2012	2011		2012	2011	
	General Government	\$ 7,355		\$ 5,032	46%	
Public Safety	38,482	39,468	-2%	(33,595)	(34,350)	-2%
Streets & Highways	10,413	10,186	2%	(4,420)	(4,818)	-8%
Culture, parks and recreation	5,164	5,419	-5%	(4,462)	(4,469)	0%
Health and Welfare	3,155	2,880	10%	(1,832)	(1,483)	24%
Economic Development	108	-	100%	188	30	527%
Interest on long-term debt	2,825	3,061	-8%	(2,825)	(3,061)	-8%
TOTAL	\$ 67,502	\$ 66,046	2%	\$ (46,466)	\$ (44,878)	4%

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.)
	2012	2011		2012	2011	
	Electric	\$ 68,889		\$ 65,756	5%	
Water	16,770	16,361	2%	7,170	6,122	17%
Wastewater	5,719	5,352	7%	3,336	3,848	-13%
Sanitation	6,953	6,674	4%	624	736	-15%
Lake	1,272	1,255	1%	(391)	(387)	1%
Drainage	1,021	953	7%	738	672	10%
Golf	1,907	1,914	0%	90	(35)	-357%
Cooperative purchasing services	65	64	2%	15	(15)	-200%
Economic development	440	412	7%	(440)	(412)	7%
TOTAL	\$ 103,036	\$ 98,741	4%	\$ 14,188	\$ 9,953	43%

The City's business-type activities include utility services, lake and golf course operations, the cooperative purchasing program and certain economic development funding.

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

- Total business-type activities reported net revenues of \$14 million for the year ended June 30, 2012.
- All individual activities reported net revenue for the year ended June 30, 2012, with the exception of lake operations and economic development which reported net expenses of \$0.4 million and \$0.4 million respectively.
- Cooperative purchasing services net change was caused by an increase in charges for services.

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2012 fiscal year, the governmental funds reported a combined fund balance of \$74.9 million or a 1.7 % decrease. The proprietary funds reported combined net position of \$209.4 million or a 5.6% increase from 2011. The fund balance constraints and net position restrictions are listed below:

Governmental Funds:

Fund Balance:

Restricted	\$ 65,438,617
Committed	3,613
Assigned	3,549,002
Unassigned	5,904,708

Total Fund Balance Constraints and Designations	\$ 74,895,940
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Proprietary Funds:

Net Asset Restrictions:

Restricted for debt service	\$ 12,736,205
Restricted for scholarships	1,656

Total Enterprise Fund Net Asset Restrictions	\$ 12,737,861
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Other fund highlights include:

- For the year ended June 30, 2012, the General Fund's total fund balance increased by \$1,428,478 or 27.42% due to an increase in sales tax collections and franchise and public services taxes related to a strengthening economy.
- The 2000 Capital Improvement Tax Fund's total fund balance decreased by \$3,801,873 or 115.46% due to an increase in capital expenditures.
- The Fire Public Safety Limited Tax Fund's total fund balance increased by \$1,119,684 or 167.41% due to an increase in fire sales tax collections and transfers from the general fund.
- The Police Public Safety Limited Tax Fund's total fund balance increased by \$1,132,764 or 620% due to an increase in police sales tax collections and transfers from the general fund
- All enterprise funds, with the exception of Electric and Sanitation, reported an increase in net position, after transfers, for the year ended June 30, 2012. In each of the funds mentioned above, charges for services did cover operational cost with the exception of Lake Operations.
- The employee pension trust fund posted an increase to net position of the fund of \$1.0 million. The increase is due to contributions sent by contributors in the plan.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the General Fund budget various times. The revised budget included an increase in overall revenue projections of 4% or \$2,961,449 due to sales tax and intergovernmental revenue. Actual revenues were above final estimates by \$1,275,381 or 1.7% which was

a result of an increase in sales tax collections and intergovernmental revenues, while expenditures were under final appropriations by \$1.6 million or 2.18% which is mainly due to reduced operating expenses in general and parks and recreation.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2012, the City had \$400.6 million invested in capital assets, net of depreciation, including police and fire equipment, buildings, park facilities, water lines and sewer lines. (See table below). This represents a net decrease of \$17 million or 4.1% under last year.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2012	2011	2012	2011	2012	2011
Land	12,898	\$ 10,694	2,351	\$ 2,351	15,249	13,045
Buildings	48,799	51,125	25,017	26,013	73,816	77,138
Imp. Other than buildings	9,033	9,963	7,344	3,733	16,377	13,696
Equipment	20,957	20,591	2,509	2,213	23,466	22,804
Intangible water rights		-	16,771	17,414	16,771	17,414
Utility property		-	135,346	138,643	135,346	138,643
Infrastructure	115,227	107,096		-	115,227	107,096
Construction in progress	20,887	19,846	12,963	8,131	33,850	27,977
Totals	<u>\$ 227,801</u>	<u>\$ 219,315</u>	<u>\$ 202,301</u>	<u>\$ 198,498</u>	<u>\$ 430,102</u>	<u>\$ 417,813</u>

This year’s more significant capital asset additions included:
\$0.8 million park & tennis center improvements
\$14.5 million street improvement projects
\$0.2 million public safety projects
\$1.6 million fleet replacement and additions
\$3.1 million Electric Utility improvements
\$2.0 million Water Utility improvements
\$3.1 million Wastewater Utility improvements

See Note 3.D. 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 \$131.6 million in long-term debt outstanding which represents a \$9.1 million or 6% decrease from the prior year. The City’s changes in long-term debt by type of debt are as follows:

Primary Government Long-Term Debt (In Thousands)							Total Percentage Change
Governmental Activities		Business-Type Activities		Total			
2012	2011	2012	2011	2012	2011		
Accrued absences	2,761	2,623	539	495	3,300	3,118	6%
Revenue bonds	62,750	66,845	46,625	50,695	109,375	117,540	-7%
Notes payable	-	-	19,011	20,097	19,011	20,097	-5%
Totals	\$ 65,511	\$ 69,468	\$ 66,175	\$ 71,287	\$ 131,686	\$ 140,755	-6%

See Note 3.E. to the financial statements for more detail information on the City’s long-term debt and changes therein.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

State of Oklahoma – Conditions/Projections:

Oklahoma State Treasurer Ken Miller’s November, 2012 Economic Report noted the following:

- Sales tax collections in November show ongoing positive consumer confidence in Oklahoma with receipts up 8.5 percent from the prior year.

“While sales tax receipts are still strong this month, we are anxious for Washington to solve the fiscal cliff problem so our consumers will remain confident about the positive direction of our economy,” Miller said.
- The Business Conditions Index for Oklahoma was reduced from October to November, but still indicates growth in the coming months. The leading economic indicator was adjusted to 56.1 in November from 63.3 in October. Numbers above 50 mean growth is expected.
- Oklahoma’s unemployment rate rose to 5.3 percent in October, according to the Oklahoma Employment Security Commission. The reason for the hike by 0.1 percentage points from September is that labor force participation increased more than employment.
- During the month, 6,760 jobs were added in the state and the number of jobless went up by 1,700.
- Gross revenue totals \$11.07 billion during the December 2011-November 2012 period. That is \$487.3 million or 4.6 percent higher than collections from the previous 12-month period
- Gross income taxes generated \$3.95 billion for the period, reflecting an increase of \$326.8 million or 9 percent from the prior 12 months.
- Personal income tax collections total \$3.36 billion, up by \$203.28 million or 6.4 percent from the prior 12 months. Corporate collections are \$594.67 million for the period, an increase of \$123.52 million or 26.2 percent over the previous period.

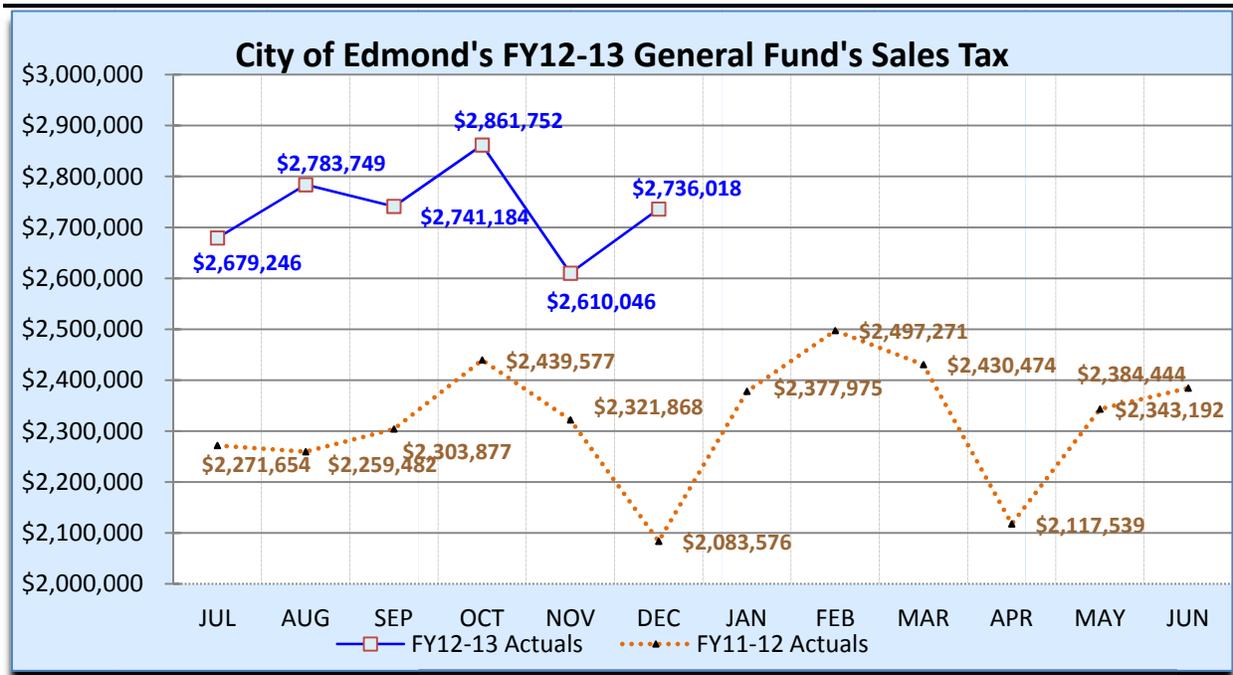
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- Sales taxes for the period generated \$4.15 billion, an increase of \$334.83 million or 8.8 percent from the prior 12-months.
 - Oil and gas production tax collections brought in \$739.29 million during the 12 months, down by \$302.85 million or 29.1 percent from the previous period.
 - Motor vehicle collections total \$709.3 million for the period. This is an increase of \$55.56 million or 8.5 percent from the trailing 12 months.
 - Oklahoma's state debt is shrinking. Between January and December of this year, the state's tax-supported debt dropped from \$1,988.6 million to \$1,954.1 million – a decrease of \$34.5 million or 1.7 percent.
 - Oklahoma's tax-supported debt of \$1.95 billion is a little more than one percent of the state's GDP.
 - Personal incomes increased in every metropolitan area and most counties in the United States last year, according to a report from the U.S. Bureau of Economic Analysis (BEA) released this week.
 - In the nation's metropolitan areas, personal income grew an average of 5.2 percent, compared to growth of 3.9 percent in 2010.
 - The BEA said this is the first time incomes have increased in all 366 metropolitan areas since 2007, prior to the Great Recession.
 - Income growth in both the Oklahoma City and Tulsa metropolitan areas beat the national average with increases of 7.6 percent from 2010 to 2011

City of Edmond highlights:

According to Location, Inc., the data/analysis company and creator of the consumer reference site NeighborhoodScout.com, Edmond is a larger medium-sized city located in the state of Oklahoma. With a population of 81,405 people and 14 constituent neighborhoods, Edmond is the sixth largest community in Oklahoma. Edmond is one of the most well-educated cities in the nation. Approximately forty-eight percent of adults in Edmond have at least a bachelor's degree compared to the average community in America, which has just 19.23% with a bachelor's degree or higher. The per capita income in Edmond in 2000 was \$26,517, which is wealthy relative to Oklahoma and the nation. This equates to an annual income of \$106,068 for a family of four.

Sales Tax Growth

The City of Edmond budgeted 3% sales tax growth for FY12-13. This was primarily based on the fact that in FY11-12, our sales tax collections improved over 6.0 % compared to the previous year. As the chart below indicates, the first 6 months of FY12-13 have all been significantly above last year's actual collections. The current 6 month accumulative growth is 19.97%.



General Fund's Monthly Comparison Through December

	July	Aug	Sept	Oct	Nov	Dec
FY12-13 Budget	2,400,248	2,357,891	2,372,010	2,428,486	2,343,772	2,259,057
FY11-12 Actuals	2,271,654	2,259,482	2,303,877	2,439,577	2,321,868	2,083,576
FY12-13 Actuals	2,679,246	2,783,749	2,741,184	2,861,752	2,610,046	2,736,018
FY12-13 Diff from FY11-12 Actuals	407,592	524,267	437,307	422,175	288,178	652,442

- Edmond's unemployment rate of 3.7% (down from last year's 4.4%) continues to remain significantly lower than the state unemployment rate of 5.3% as reported by the U.S. Department of Labor through October, 2012.
- Edmond public schools enrollment for school year 2012-13 reached an all time high of 22,500 students compared to last year's 21,960 and 21,358 in 2010-11.
- The cost of living in Edmond, Oklahoma is higher than the average cost of living in the state of Oklahoma but lower than the nationwide city average. The average annual pay in Edmond is \$42,962.00, which is \$4,712.00 higher than the salary average in Oklahoma but lower than the U.S. average yearly wages by \$3,780.00.

Edmond's FY12-13 Budget:

The FY12-13 Budget totals \$223,902,626, which is a 3.97% increase from the previous year's budget. However, it is still below both the FY09-10 budget of \$225,616,616 and the all-time high in FY07-08 of \$235,525,510.

We believe that the City of Edmond will continue the recent trend of healthy but more moderate revenue growth in the coming years, as our *New Economic Reality* is really no longer new. Even though projected year-end sales tax revenues should comfortably exceed our projections, our conservative approach to revenue forecasting remains prudent and realistic for our organization.

Highlights include:

- In April 1, 2012 an additional ½ cent sales tax began to be collected, the result of last fall's voter approval of five-year funding for a new Public Safety Center. The total city rate increased from 3.25% to 3.75% with the overall rate changing to 8.25%.
- Increasing the percentage of the unreserved fund balance in the General Fund has been a priority for the past several years, and these efforts have been successful. A "minimum responsible level" of 10% is recommended by Crawford and Associates as part of their annual *Performer* ratings of comparative measures of the City's financial health, and for several years this balance was significantly below this benchmark. For the current budget we are projecting a 13.52% balance.
- FY12-13 will be the fourth year the City has operated our own public transportation service, CITYLINK. Through the first three years we have been very pleased with the results of our enhanced service, which includes six local routes, two express routes to and from OKC and an on-demand paratransit service. Ridership has continually increased, and the program is now used by an impressive 15,110 more people (March '09 compared to March '12) than under our previous arrangement as part of the regional service - a 269% increase.
- The proposed FY12-13 budget for CityLink is \$1,429,066, a 9.07% increase from this year – primarily due to adding \$100,000 for capital improvements. This budget amount is leveraged by an estimated \$576,290 in both supplemental grant revenues (\$385,290) and continued UCO funding (\$200,437) for the "Broncho Bus" which operates in and around the campus area. The resulting net cost of service is projected to be \$852,776, an actual decrease from FY11-12.
- The City contribution rate to the Employee Pension Program will decrease in FY12-13 for the fourth consecutive year, from the current 8.34% to 7.76%, due to improved returns on Pension Fund investments.

2000 Capital Improvements Sales Tax Fund

- Edmond voters initially approved this 3/4 cent sales tax in 1996, and it was extended indefinitely by voters in 2000. Many major projects are being initiated in 2012-13 and completed in year two of the Plan.
- This includes the Edmond Recreation Aquatic Center which will be financed with major funding support from the Edmond Public Schools and the YMCA of Greater Oklahoma City as partners in this development.

- Significant roadway improvements on Covell from Mitch Park to Thomas Drive and Kelly between Danforth and Covell will be completed next year.
- Initial development of the new adult softball complex in Edmond 66 Park will also take shape next year. All these projects were initially identified in the long-range planning done prior to the adoption of the sales tax in 2000.
- We are working on a multi-year program to develop an intelligent traffic system. This involves improved traffic control equipment at our intersections which include continuous communication with a central computer system. This centralized control can be monitored and adjusted in real time to meet specific traffic issues to improve traffic flow.
- Additionally, \$2m is annually set aside for street rehabilitation, resurfacing and reconstruction.
- Major funding is set aside in the budget for the development activity at Covell and I-35.
- The city is working with development partners to build a Conference Center/Hotel and an indoor youth sports complex. The project under consideration would provide for city investment in the land, infrastructure installation and investment into the Conference Center/Hotel project. The sports complex would involve city purchase of land utilized to construct the facility. The maximum city investment will be \$11M, with \$9M projected to be repaid over time.

Capital Improvements Fund—General Fund

- In FY12-13 the identified capital projects includes \$100,000 for the continuation of ADA improvements pertaining to the CITYLINK program, and \$75,000 in funding for a pilot project to be determined after the Bicycle Master Plan is completed next fall .
- Also included is a \$300,000 allocation (\$150,000 in each of the first two years of the Plan) for a Master Plan for Downtown Development, in recognition of the City Council’s recent workshop discussions.
- The City Council also authorized an additional \$200,000 allocation to fund phase two of the Kickingbird Golf Course Driving Range Improvements from the General Fund instead of the Park Tax Fund.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City’s finances and to show the City’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance office at 100 East First, P.O. Box 2970, Edmond, OK 73083-2970 or phone at (405) 348-8830.

BASIC FINANCIAL STATEMENTS

City of Edmond, Oklahoma
Statement of Net Position
June 30, 2012

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Historic Preservation Trust	Economic Development Authority
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 16,470,772	\$ 12,509,031	\$ 28,979,803	\$ 81,330	\$ 362,856
Investments	62,280,291	41,135,524	103,415,815	-	81,747
Restricted assets:					
Cash and equivalents	2,939,412	4,723,938	7,663,350	-	40,905
Investments	3,739,758	7,062,642	10,802,400	-	-
Accrued interest receivable	248,839	184,472	433,311	-	-
Accounts receivables, net of allowance	1,207,485	12,644,966	13,852,451	-	-
Internal balances	(5,217,317)	5,217,317	-	-	-
Due from other governments	9,588,978	426,225	10,015,203	-	-
Inventory	772,077	2,341,414	3,113,491	-	-
Total Current Assets	92,030,295	86,245,529	178,275,824	81,330	485,508
Non-current Assets:					
Restricted assets:					
Cash and cash equivalents	68,388	5,806,992	5,875,380	-	-
Investments	6,922,949	-	6,922,949	-	-
Derivative instruments	2,184,372	1,632,881	3,817,253	-	-
Capital Assets:					
Non-depreciable	33,784,293	15,313,606	49,097,899	100,450	-
Depreciable, net of depreciation	194,016,088	186,987,913	381,004,001	213,432	8,452
Unamortized debt issuance costs	720,961	646,054	1,367,015	-	-
Total Non-current Assets	237,697,051	210,387,446	448,084,497	313,882	8,452
Total assets	329,727,346	296,632,975	626,360,321	395,212	493,960
LIABILITIES					
Current Liabilities:					
Accounts payable and other accrued expenses	3,099,324	8,496,919	11,596,243	-	3,493
Accrued interest payable	1,426,177	1,269,131	2,695,308	-	-
Amounts held in escrow	557,130	-	557,130	-	-
Matured revenue bonds payable	4,095,000	-	4,095,000	-	-
Meter deposit liability	-	3,842,459	3,842,459	-	-
Unearned revenue	246,158	448,417	694,575	-	-
Current portion:					
Notes payable	-	1,122,223	1,122,223	-	-
Revenue bonds payable	4,270,000	4,225,000	8,495,000	-	-
Compensated absences	276,105	53,928	330,033	-	2,488
Estimated liability for claims	1,190,543	-	1,190,543	-	-
Total Current Liabilities	15,160,437	19,458,077	34,618,514	-	5,981
Non-current liabilities:					
Compensated absences	2,484,937	485,339	2,970,276	-	22,387
Unfunded OPEB obligation	983,170	319,471	1,302,641	-	-
Unfunded pension obligation	67,398	17,232	84,630	-	-
Revenue bonds payable, net	58,949,574	42,183,019	101,132,593	-	-
Notes payable	-	17,888,667	17,888,667	-	-
Claims and judgments	1,298,514	-	1,298,514	-	-
Total Non-current Liabilities	63,783,593	60,893,728	124,677,321	-	22,387
Total Liabilities	78,944,030	80,351,805	159,295,835	-	28,368
DEFERRED INFLOWS					
Accumulated increase in fair value of hedging derivatives	2,184,372	1,632,881	3,817,253	-	-
NET POSITION					
Invested in capital assets, net of related debt	165,301,769	139,272,090	304,573,859	313,882	8,452
Restricted by:					
Enabling legislation	7,472,715	-	7,472,715	-	40,905
Statutory requirements	1,020,890	-	1,020,890	-	-
External contracts	56,945,012	12,737,861	69,682,873	-	-
Unrestricted	17,858,558	62,638,338	80,496,896	81,330	416,235
Total Net Position	\$ 248,598,944	\$ 214,648,289	\$ 463,247,233	\$ 395,212	\$ 465,592

See accompanying notes to the basic financial statements.

City of Edmond, Oklahoma
Statement of Activities
For the Year Ended June 30, 2012

Net (Expenses) Revenues and Changes in Net Position

Functions/Programs	Program Revenue			Primary Government		Component Units	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Historic Preservation Trust	Economic Development Authority
Primary government:							
Governmental activities:							
General government	\$ 7,354,958	\$ 7,353,230	\$ 481,939	\$ 480,211	\$ -	\$ -	\$ -
Public safety	38,482,564	1,220,778	3,666,277	(33,595,509)	-	-	-
Streets and highways	10,413,380	84,870	4,600,139	(4,419,970)	-	-	-
Cultural, parks and recreation	5,163,602	528,606	22,099	(4,462,081)	-	-	-
Health and welfare	3,154,842	1,140,753	181,869	(1,832,220)	-	-	-
Economic Development	107,884	-	296,684	188,800	-	-	-
Interest on long-term debt	2,825,422	-	-	(2,825,422)	-	-	-
Total governmental activities	67,502,652	10,328,237	5,475,330	(46,466,191)	-	-	-
Business-type activities:							
Electric operations	68,889,466	71,935,412	-	-	3,045,946	-	-
Water operations	16,769,702	22,701,466	72,975	-	7,169,618	-	-
Wastewater operations	5,719,033	8,554,554	500,698	-	3,336,219	-	-
Sanitation operations	6,953,312	7,577,025	-	-	623,713	-	-
Lake operations	1,271,935	880,719	-	-	(391,216)	-	-
Drainage operations	1,020,667	1,758,988	-	-	738,321	-	-
Golf course operations	1,907,157	1,997,414	-	-	90,257	-	-
Cooperative purchasing services	64,757	80,190	-	-	15,433	-	-
Economic development	440,000	-	-	-	(440,000)	-	-
Total business-type activities	103,036,029	115,485,768	72,975	-	14,188,291	-	-
Total primary government	\$ 170,538,681	\$ 125,814,005	\$ 6,898,471	\$ (46,466,191)	\$ 14,188,291	\$ -	\$ -
Component Units:							
Cultural, parks and recreation	44,190	-	-	-	-	(44,190)	-
Economic development	487,931	28,693	-	-	-	-	(459,238)
Total component units	\$ 532,121	\$ 28,693	\$ -	\$ -	\$ -	\$ (44,190)	\$ (459,238)
General revenues:							
Taxes:							
Sales and use taxes				31,299,351	-	-	-
Sales and use taxes-Restricted for public safety				5,366,325	-	-	-
Sales and use taxes-Restricted for park and recreation				1,788,775	-	-	-
Sales and use taxes-Restricted for capital improvements				12,798,391	-	-	-
Hotel/motel taxes				391,664	-	-	-
Franchise taxes				2,106,551	-	-	-
Payment from City of Edmond				-	-	30,000	440,000
Grants and contributions not restricted to specific programs				894,306	-	-	-
Unrestricted investment earnings				822,610	780,709	22	3,306
Miscellaneous				293,668	506,071	80	-
Transfers				3,475,226	(3,475,226)	-	-
Total general revenues and transfers				59,236,867	(2,188,446)	30,102	443,306
Change in net position				12,770,676	11,999,845	(14,088)	(15,932)
Net position - beginning				235,828,268	202,648,444	409,300	481,524
Net position - ending				\$ 248,598,944	\$ 214,648,289	\$ 395,212	\$ 465,592

See accompanying notes to the basic financial statements.

**City of Edmond
Balance Sheet
Governmental Funds
June 30, 2012**

	General Fund	Fire Public Safety Limited Tax Fund	Police Public Safety Limited Tax Fund	2000 Capital Improvement Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 353,303	\$ 1,491,884	\$ 993,516	\$ 9,372,264	\$ 2,976,688	\$ 15,187,655
Investments	4,837,962	5,346,250	3,560,320	33,469,948	10,583,149	57,797,629
Due from other funds	1,035,873	587,122	719,254	-	991,556	3,333,805
Due from other governments	5,360,133	590,865	331,675	1,766,729	1,539,576	9,588,978
Accrued interest receivable	16,289	18,005	11,990	76,810	74,738	197,832
Other receivables	1,038,255	-	4,059	-	46,628	1,088,942
Total assets	<u>12,641,815</u>	<u>8,034,126</u>	<u>5,620,814</u>	<u>44,685,751</u>	<u>16,212,335</u>	<u>87,194,841</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	417,207	320,984	250,441	750,293	396,532	2,135,457
Due to other funds	1,347,931	-	-	-	1,958,347	3,306,278
Deferred revenue	664,391	17,536	12,586	52,544	31,802	778,859
Matured interest payable	-	-	-	1,426,177	-	1,426,177
Matured revenue bonds payable	-	-	-	4,095,000	-	4,095,000
Amounts held in escrow	557,130	-	-	-	-	557,130
Total liabilities	<u>2,986,659</u>	<u>338,520</u>	<u>263,027</u>	<u>6,324,014</u>	<u>2,386,681</u>	<u>12,298,901</u>
Fund balances:						
Restricted	2,107,217	7,545,702	5,248,501	37,246,997	13,290,200	65,438,617
Committed	-	-	-	-	3,613	3,613
Assigned	1,643,231	149,904	109,286	1,114,740	531,841	3,549,002
Unassigned	5,904,708	-	-	-	-	5,904,708
Total fund balances	<u>9,655,156</u>	<u>7,695,606</u>	<u>5,357,787</u>	<u>38,361,737</u>	<u>13,825,654</u>	<u>74,895,940</u>
Total liabilities and fund balances	<u>\$ 12,641,815</u>	<u>\$ 8,034,126</u>	<u>\$ 5,620,814</u>	<u>\$ 44,685,751</u>	<u>\$ 16,212,335</u>	<u>\$ 87,194,841</u>

The notes to the financial statements are an integral part of this statement.

City of Edmond, Oklahoma
Reconciliation of the Governmental Funds Balance Sheet of the Statement of Net Position
June 30, 2012

Total fund balance, governmental funds	\$ 74,895,940
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Amounts reported for governmental activities in the statement of activities are different because:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the fund statement, net of accumulated depreciation of \$161,265,402 and less internal service fund net position of \$17,065,526.	210,734,855
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Certain other long-term assets are not available to pay current fund liabilities and therefore are deferred in the funds:

Accrued interest receivable	92,768
Other receivables, net of allowance	407,797
Receivable from other governments	32,136

Certain long-term liabilities and related accounts are not due and payable from current financial resources and, therefore are not reported in the funds:

Revenue bonds payable	(62,750,000)
Accrued compensated absences	(1,984,150)
Unamortized loss on refunding	251,676
Unamortized debt premium	(721,250)
Unfunded pension benefit obligation	(67,398)
Unfunded OPEB obligation	(983,170)
Unamortized bond issuance costs	720,961
Derivative instrument	2,184,372

Accumulated increase in fair value of hedging derivatives is a deferred inflow	(2,184,372)
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Internal service funds are used by management to charge costs of certain activities that benefit multiple funds, such as self-insurance, vehicle maintenance, and other such costs, to individual funds. The assets and liabilities of certain of these internal service funds are reported in governmental activities in the Statement of Net Position:

Internal service funds' net position	33,210,049
Internal service fund interfund balance resulting from net revenues reported in business-type activities	(5,241,270)

Net Position of Governmental Activities as shown on the Statement of Net Position	\$ 248,598,944
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See accompanying notes in the basic financial statements

City of Edmond, Oklahoma
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	General Fund	Fire Public Safety Limited Tax Fund	Police Public Safety Limited Tax Fund	2000 Capital Improvement Tax Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Sales and Use Taxes	\$ 31,299,351	\$ 3,577,550	\$ 1,788,775	\$ 10,732,649	\$ 3,854,517	\$ 51,252,842
Franchise and public service taxes	2,106,551	-	-	-	-	2,106,551
Hotel/motel taxes	391,664	-	-	-	-	391,664
Intergovernmental	2,394,576	2,517,892	1,082,637	4,012,932	797,291	10,805,328
Charges for services	5,646,433	6,000	7,600	-	973,131	6,633,164
Fines and forfeitures	2,068,170	-	-	-	-	2,068,170
Licenses and permits	1,450,110	-	-	75,000	-	1,525,110
Investment income	77,904	46,221	29,445	509,627	159,817	823,014
Miscellaneous	233,175	26,759	41,353	-	292,049	593,336
Total Revenues	45,667,934	6,174,422	2,949,810	15,330,208	6,076,805	76,199,179
EXPENDITURES						
Current:						
General government	4,551,403	-	-	81,661	903,012	5,536,076
Public safety	2,173,006	17,870,014	17,668,326	-	20,745	37,732,091
Health and welfare	1,891,825	-	-	-	1,005,263	2,897,088
Culture, parks and recreation	3,784,739	-	-	-	709,310	4,494,049
Streets and highways	4,164,797	-	-	-	-	4,164,797
Debt service:						
Principal	-	-	-	4,095,000	-	4,095,000
Interest and other charges	-	-	-	2,852,354	-	2,852,354
Capital outlay	1,020,451	162,808	68,503	13,329,066	4,531,763	19,112,591
Total Expenditures	17,586,221	18,032,822	17,736,829	20,358,081	7,170,093	80,884,046
Excess (deficiency) of revenues over expenditures	28,081,713	(11,858,400)	(14,787,019)	(5,027,873)	(1,093,288)	(4,684,867)
OTHER FINANCING SOURCES (USES)						
Transfers in	31,087,457	12,978,084	15,919,783	1,226,000	1,526,814	62,738,138
Transfers out	(57,740,692)	-	-	-	(1,606,664)	(59,347,356)
Total other financing sources and uses	(26,653,235)	12,978,084	15,919,783	1,226,000	(79,850)	3,390,782
Net change in fund balances	1,428,478	1,119,684	1,132,764	(3,801,873)	(1,173,138)	(1,294,085)
Fund balances at beginning of year, restated	8,226,678	6,575,922	4,225,023	42,163,610	14,998,792	76,190,025
Fund balances at end of year	\$ 9,655,156	\$ 7,695,606	\$ 5,357,787	\$ 38,361,737	\$ 13,825,654	\$ 74,895,940

See accompanying notes to the basic financial statements

City of Edmond, Oklahoma
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2012

Net Change in fund balances of Governmental Funds \$ (1,294,085)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures while government

activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	19,112,591
Capital assets donated	587,207
Depreciation expense	(10,283,133)
Disposal of capital assets	(12,373)
Capital assets purchased for business type activities	(186,775)

Governmental funds report bond issuance costs as expenditures and bond premiums

as revenue while governmental activities report amortization and interest expense to allocate those expenditures over the term of the bonds:

Amortization expense	(61,070)
Interest expense	26,932

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

Deferred revenue	11,729
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.

Repayment of debt principal is an expenditure in the government funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Revenue bond principal payment	4,095,000
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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:

Accrued compensated absences change	(85,630)
Pension benefit obligation change	61,167
OPEB obligation change	(283,316)

Internal service fund activity is reported as a proprietary fund in the 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 fund	2,016,954
Net revenues of internal service funds reported in business-type activities	(934,522)

Change in net position of governmental activities	\$ 12,770,676
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See accompanying notes to the basic financial statement

City of Edmond, Oklahoma
Statement of Net Position
Proprietary Funds
June 30, 2012

Edmond Public Works Authority (EPWA)

Enterprise Funds

	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 1,773,619	\$ 5,740,866	\$ 3,078,417	\$ 1,916,129	\$ 12,509,031	\$ 4,290,878
Investments	3,730,502	19,943,938	10,960,321	6,500,763	41,135,524	15,145,410
Restricted assets:						
Cash and equivalents	-	4,248,840	76,156	398,942	4,723,938	-
Investments	2,647,942	1,921,350	1,966,616	526,734	7,062,642	-
Receivables:						
Accrued interest receivable	21,959	91,424	44,535	26,554	184,472	51,007
Utility billing, net of allowance for uncollectible accounts	8,556,530	2,316,428	840,941	854,537	12,568,436	-
Due from other funds	-	52,020	442	143,724	196,186	13,586
Receivables from other governments	-	-	426,225	-	426,225	-
Other receivables	30,308	-	-	46,222	76,530	118,518
Inventories	2,276,480	-	-	64,934	2,341,414	772,077
Total Current Assets	<u>19,037,340</u>	<u>34,314,866</u>	<u>17,393,653</u>	<u>10,478,539</u>	<u>81,224,398</u>	<u>20,391,476</u>
Non-current Assets:						
Restricted assets:						
Cash and cash equivalents	43,767	4,792,406	350,162	620,657	5,806,992	-
Derivative instruments	-	1,632,881	-	-	1,632,881	-
Capital Assets:						
Non-depreciable	2,726,310	6,668,629	4,536,428	1,382,239	15,313,606	787,503
Depreciable, net of accumulated depreciation	41,130,473	94,726,129	41,602,149	9,529,162	186,987,913	16,278,023
Unamortized debt issuance costs	10,679	562,570	9,337	63,468	646,054	-
Total Non-current Assets	<u>43,911,229</u>	<u>108,382,615</u>	<u>46,498,076</u>	<u>11,595,526</u>	<u>210,387,446</u>	<u>17,065,526</u>
Total assets	<u>62,948,569</u>	<u>142,697,481</u>	<u>63,891,729</u>	<u>22,074,065</u>	<u>291,611,844</u>	<u>37,457,002</u>
LIABILITIES						
Current Liabilities:						
Accounts payable	6,470,385	336,840	990,051	509,467	8,306,743	672,169
Salaries payable	84,809	29,056	11,737	64,574	190,176	291,698
Accrued interest payable	24,064	1,092,507	25,425	127,135	1,269,131	-
Due to other funds	220,139	-	-	-	220,139	17,137
Current portion:						
Compensated absences	28,579	6,649	2,060	16,640	53,928	77,690
Claims and judgments	-	-	-	-	-	1,190,543
Notes payable	-	1,122,223	-	-	1,122,223	-
Revenue bonds payable	98,819	3,526,700	114,685	484,796	4,225,000	-
Unearned revenue	4,046	6,023	435,650	2,698	448,417	-
Meter deposit liability	2,698,261	628,775	71,357	444,066	3,842,459	-
Total Current Liabilities	<u>9,629,102</u>	<u>6,748,773</u>	<u>1,650,965</u>	<u>1,649,376</u>	<u>19,678,216</u>	<u>2,249,237</u>
Non-current liabilities:						
Compensated absences	257,213	59,839	18,539	149,748	485,339	699,202
Claims and judgments	-	-	-	-	-	1,298,514
Unfunded OPEB obligation	135,122	58,405	17,743	108,201	319,471	-
Unfunded pension obligation	6,562	3,627	1,975	5,068	17,232	-
Notes payable	-	17,888,667	-	-	17,888,667	-
Revenue bonds payable, net	984,570	35,217,973	1,139,760	4,840,716	42,183,019	-
Total Non-current Liabilities	<u>1,383,467</u>	<u>53,228,511</u>	<u>1,178,017</u>	<u>5,103,733</u>	<u>60,893,728</u>	<u>1,997,716</u>
Total Liabilities	<u>11,012,569</u>	<u>59,977,284</u>	<u>2,828,982</u>	<u>6,753,109</u>	<u>80,571,944</u>	<u>4,246,953</u>
DEFERRED INFLOWS						
Accumulated increase in fair value of hedging derivatives	-	1,632,881	-	-	1,632,881	-
NET POSITION						
Invested in capital assets, net of related debt	42,766,270	43,464,949	47,479,432	5,561,439	139,272,090	17,065,526
Restricted for debt service	-	9,417,811	2,296,273	1,022,121	12,736,205	-
Restricted for scholarships	-	-	-	1,656	1,656	-
Unrestricted	9,169,730	28,204,556	11,287,042	8,735,740	57,397,068	16,144,523
Total net position	<u>\$ 51,936,000</u>	<u>\$ 81,087,316</u>	<u>\$ 61,062,747</u>	<u>\$ 15,320,956</u>	<u>\$ 209,407,019</u>	<u>\$ 33,210,049</u>

Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service fund balances are included with business-type activities.

5,241,270

Total net position per Government-Wide financial statements

\$ 214,648,289

See accompanying notes to the basic financial statements.

City of Edmond, Oklahoma
Statement of Revenues, Expenses, and Changes in Fund Net Position
June 30, 2012

Edmond Public Works Authority (EPWA)
Enterprise Funds

	Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES						
Charges for services	\$ 71,922,809	\$ 21,384,605	\$ 7,869,483	\$ 11,872,490	\$ 113,049,387	\$ 40,348,888
Permits and other fees	-	1,168,507	685,071	-	1,853,578	-
Operating grants and contributions	-	72,975	-	-	72,975	-
Miscellaneous	12,603	148,354	-	421,846	582,803	195,504
Total operating revenues	<u>71,935,412</u>	<u>22,774,441</u>	<u>8,554,554</u>	<u>12,294,336</u>	<u>115,558,743</u>	<u>40,544,392</u>
OPERATING EXPENSES						
Personal services	4,175,669	1,379,426	475,247	2,992,096	9,022,438	14,859,641
Materials and supplies	1,011,719	472,273	283,927	1,042,451	2,810,370	3,613,564
Wholesale electricity purchases	52,856,423	-	-	-	52,856,423	-
Maintenance, operations and contractual services	8,347,577	7,370,083	3,472,842	6,914,840	26,105,342	8,830,443
Economic development (payment to component unit)	440,000	-	-	-	440,000	-
Insurance premium expense	-	-	-	-	-	1,090,277
Claims expense	-	-	-	-	-	7,742,026
Amortization	9,743	23,419	22,699	6,499	62,360	-
Depreciation	2,637,383	5,177,023	1,501,769	435,905	9,752,080	2,092,999
Total Operating Expenses	<u>69,478,514</u>	<u>14,422,224</u>	<u>5,756,484</u>	<u>11,391,791</u>	<u>101,049,013</u>	<u>38,228,950</u>
Operating income (loss)	<u>2,456,898</u>	<u>8,352,217</u>	<u>2,798,070</u>	<u>902,545</u>	<u>14,509,730</u>	<u>2,315,442</u>
NON-OPERATING REVENUES (EXPENSES)						
Interest and investment revenue	71,821	486,588	120,264	102,033	780,706	132,583
Gain (Loss) on capital asset disposal	-	(83,305)	-	(2,759)	(86,064)	(1,070,466)
Miscellaneous revenue	474,182	27,718	2,821	1,350	506,071	368,176
Interest expense	(54,288)	(2,456,304)	(64,701)	(260,178)	(2,835,471)	-
Total nonoperating revenues (expenses)	<u>491,715</u>	<u>(2,025,303)</u>	<u>58,384</u>	<u>(159,554)</u>	<u>(1,634,758)</u>	<u>(569,707)</u>
Income (loss) before contributions and transfers	<u>2,948,613</u>	<u>6,326,914</u>	<u>2,856,454</u>	<u>742,991</u>	<u>12,874,972</u>	<u>1,745,735</u>
Capital contributions	-	1,164,879	540,572	31,876	1,737,327	271,219
Transfers in	-	27,830,929	-	529,171	28,360,100	-
Transfers out	(3,473,833)	(27,947,179)	(173,752)	(312,312)	(31,907,076)	-
Changes in net position	<u>(525,220)</u>	<u>7,375,543</u>	<u>3,223,274</u>	<u>991,726</u>	<u>11,065,323</u>	<u>2,016,954</u>
Total net position--beginning	52,461,220	73,711,773	57,839,473	14,329,230	198,341,696	31,193,095
Total net position--ending	<u>\$ 51,936,000</u>	<u>\$ 81,087,316</u>	<u>\$ 61,062,747</u>	<u>\$ 15,320,956</u>	<u>\$ 209,407,019</u>	<u>\$ 33,210,049</u>
Change in net position, per above					11,065,323	
Some amounts reported for business-type activities in the Statement of Activities are different because the net revenue of certain internal service funds, is reported with business-type activities.					934,522	
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements					<u>\$ 11,999,845</u>	

See accompanying notes to the basic financial statements

CITY OF EDMOND, OKLAHOMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2012

	Edmond Public Works Authority (EPWA)					
	Enterprise Funds					
	Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 73,488,561	\$ 23,326,923	\$ 8,130,078	\$ 12,358,088	\$ 117,303,650	\$ 41,136,704
Payments to suppliers	(62,034,857)	(8,233,332)	(3,513,980)	(7,850,399)	(81,632,578)	(13,199,946)
Payments to employees	(4,253,252)	(1,392,325)	(484,100)	(3,075,563)	(9,205,240)	(15,280,711)
Payments to component unit	(440,000)	-	-	-	(440,000)	-
Receipts of customer meter deposits	469,188	109,335	12,408	77,043	667,974	-
Refunds of customer meter deposits	(365,789)	(96,642)	(25,263)	(58,234)	(545,928)	-
Claims and judgments paid	-	-	-	-	-	-
Interfund payments	(200,371)	82,105	(442)	-	(118,708)	(7,797,895)
Interfund receipts	1,770	-	-	85,397	87,167	46,876
Net cash provided by (used in) operating activities	<u>6,685,250</u>	<u>13,796,064</u>	<u>4,118,691</u>	<u>1,536,332</u>	<u>26,116,337</u>	<u>4,905,028</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	-	27,830,929	-	529,171	28,360,100	-
Transfers to other funds	(3,317,639)	(27,947,179)	(173,752)	(312,312)	(31,750,882)	-
Net cash provided by (used in) noncapital financing activities	<u>(3,317,639)</u>	<u>(116,250)</u>	<u>(173,752)</u>	<u>216,859</u>	<u>(3,330,782)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	(4,838,901)	(2,010,681)	(4,854,130)	(241,709)	(11,945,421)	(2,159,952)
Proceeds from sale of capital assets	-	-	-	-	-	-
Transfer of assets to internal service fund	(49,013)	-	-	-	(49,013)	-
Principal paid on capital debt	(190,262)	(4,123,483)	(339,760)	(502,132)	(5,155,637)	-
Interest paid on capital debt	(61,229)	(2,479,643)	(80,813)	(265,017)	(2,886,702)	-
Net cash provided by (used in) capital and related financing activities	<u>(5,139,405)</u>	<u>(8,613,807)</u>	<u>(5,274,703)</u>	<u>(1,008,858)</u>	<u>(20,036,773)</u>	<u>(2,159,952)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	2,804,851	(1,842,308)	-	(102,003)	(1,944,311)	(216,366)
Proceeds from sale and maturities of investments	70,933	440,553	3,229,070	578,676	6,612,597	440,215
Interest and dividends	-	-	537,936	92,828	1,142,250	120,801
Net cash provided by (used in) investing activities	<u>2,875,784</u>	<u>(1,401,755)</u>	<u>3,767,006</u>	<u>569,501</u>	<u>5,810,536</u>	<u>344,650</u>
Net increase (decrease) in cash and cash equivalents	<u>1,083,990</u>	<u>3,664,252</u>	<u>2,437,242</u>	<u>1,313,834</u>	<u>8,499,318</u>	<u>3,089,726</u>
Balances - beginning of year	<u>733,396</u>	<u>11,117,860</u>	<u>1,067,493</u>	<u>1,621,894</u>	<u>14,540,643</u>	<u>1,201,152</u>
Balances - end of year	<u>\$ 1,817,386</u>	<u>\$ 14,782,112</u>	<u>\$ 3,504,735</u>	<u>\$ 2,935,728</u>	<u>\$ 23,039,961</u>	<u>\$ 4,290,878</u>
Reconciliation to Statement of Net Position:						
Cash and cash equivalents	\$ 1,773,619	\$ 5,740,866	\$ 3,078,417	\$ 1,916,129	\$ 12,509,031	\$ 4,290,878
Restricted cash and cash equivalents-current	-	4,248,840	76,156	398,942	4,723,938	-
Restricted cash and cash equivalents-noncurrent	43,767	4,792,406	350,162	620,657	5,806,992	-
Total cash and cash equivalents, end of year	<u>\$ 1,817,386</u>	<u>\$ 14,782,112</u>	<u>\$ 3,504,735</u>	<u>\$ 2,935,728</u>	<u>\$ 23,039,961</u>	<u>\$ 4,290,878</u>

(Continued)

**CITY OF EDMOND, OKLAHOMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2012
(Continued)**

Edmond Public Works Authority (EPWA) Enterprise Funds						
	ELECTRIC	WATER	WASTEWATER	OTHER	TOTAL	INTERNAL SERVICE FUNDS
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ 2,456,898	\$ 8,352,217	\$ 2,798,070	\$ 902,545	\$ 14,509,730	\$ 2,315,442
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization expense	2,647,126	5,200,442	1,524,468	442,404	9,814,440	2,092,999
Other non-operating revenues/expenses	474,182	27,718	2,821	1,350	506,071	368,176
Change in assets and liabilities:						
Receivables, net	1,104,602	524,764	(109,622)	62,402	1,582,146	(7,760)
Other receivables	(25,635)	-	-	-	(25,635)	231,896
Inventories	15,303	-	-	9,809	25,112	(41,773)
Due from other governments	-	-	(317,675)	-	(317,675)	-
Due from other funds	1,770	82,105	(442)	87,167	170,600	33,852
Pension benefit obligation	(7,165)	(3,997)	(2,175)	(5,585)	(18,922)	-
OPEB obligation	39,194	17,397	5,420	31,153	93,164	-
Accounts and other payables	30,117	(429,623)	229,758	(16,845)	(186,593)	(153,213)
Customer meter deposits payable	103,399	12,693	(12,855)	18,809	122,046	-
Due to other funds	(200,371)	-	-	(1,770)	(202,141)	13,024
Accrued compensated absences	25,830	12,348	923	4,893	43,994	52,365
Net cash provided by (used in) operating activities	\$ 6,685,250	\$ 13,796,064	\$ 4,118,691	\$ 1,536,332	\$ 26,116,337	\$ 4,905,028
Non-cash Activities:						
Capital assets donated	-	1,164,879	540,572	31,876	1,737,327	271,219
Capital assets transferred to other funds	(107,181)	-	-	-	(107,181)	-
Net Non-cash Activities	\$ (107,181)	\$ 1,164,879	\$ 540,572	\$ 31,876	\$ 1,630,146	\$ 271,219

See accompanying notes to the basic financial statements

City of Edmond, Oklahoma
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2012

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 631,485	\$ 72,537
Accrued interest	59,989	-
Total cash and cash equivalents	691,474	72,537
Investments:		
Pooled investments	-	259,957
Equity funds	27,095,021	-
Fixed income funds	16,966,762	-
Alternative	5,012,014	-
Other	1,109,038	-
Total investments	50,182,835	259,957
Total assets	\$ 50,874,309	\$ 332,494
LIABILITIES		
Refunds payable and others	\$ 158	\$ 332,494
Total liabilities	158	332,494
NET POSITION		
Held in trust for benefits and other purposes	\$ 50,874,151	\$ -

See accompanying notes to the basic financial statements

City of Edmond, Oklahoma
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2012

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 1,886,892
Plan Members	1,188,087
Total contributions	3,074,979
Investment earnings:	
Net increase (decrease) in fair value of investments	2,788,163
Interest	(2,562,319)
Investment activity expense	(108,122)
Total net investment earnings	117,722
Total additions	3,192,701
DEDUCTIONS:	
Benefits	1,510,633
Refunds of contributions	629,694
Administrative	15,220
Miscellaneous expense	11,808
Total deductions	2,167,355
Changes in net position	1,025,346
Net position - beginning	49,848,805
Net position - ending	\$ 50,874,151

See accompanying notes to the basic financial statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. FINANCIAL REPORTING ENTITY
- B. BASIS OF PRESENTATION
- C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING
- D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE
- E. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES
- F. REVENUES, EXPENDITURES AND EXPENSES
- G. USE OF ESTIMATES
- H. NEW ACCOUNTING PRONOUNCEMENT

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. DEFICIT FUND BALANCES OR NET POSITION
- B. DEPOSITS AND INVESTMENTS REQUIREMENTS
- C. DEBT RESTRICTIONS AND COVENANTS

NOTE 3. DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS

- A. DEPOSIT AND INVESTMENT RISKS
- B. RECEIVABLES
- C. RESTRICTED ASSETS
- D. CAPITAL ASSETS
- E. LONG-TERM DEBT
- F. INTERFUND BALANCES AND ACTIVITIES
- G. FUND BALANCES AND NET POSITION

NOTE 4. OTHER NOTES

- A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS
- B. RISK MANAGEMENT
- C. COMMITMENTS AND CONTINGENCIES
- D. RECENTLY ISSUED ACCOUNTING STANDARDS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City's accounting and financial reporting policies conform to accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In accordance with GASB Statement Nos. 20, 34, 39, 54 and 63 for its governmental and business-type activities, enterprise funds and similar discretely presented component units the City has elected to apply Financial Accounting Standards Board (FASB) pronouncements, Accounting Principles Board (APB) opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

1.A. FINANCIAL REPORTING ENTITY

The City's financial reporting entity comprises the following:

Primary Government:	City of Edmond
Blended Component Unit:	Edmond Public Works Authority
Discretely Presented Component Units:	Edmond Economic Development and Redevelopment Authority Edmond Historic Preservation Trust

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement No. 14, 34, 39, and 54, and includes all component units of which the City is fiscally accountable.

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

BLENDED COMPONENT UNITS

Blended component units are separate legal entities that meet the GASB 14 component unit criteria and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component units' funds are blended into the City's by appropriate fund type to comprise part of the primary government presentation.

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

One component unit is blended into the primary government's fund types as presented below:

<u>Component Unit</u>	<u>Brief Description/Inclusion Criteria</u>
Edmond Public Works Authority (EPWA)	<p>Created October 6, 1970, to finance, develop and operate the water, sewer, garbage, electric, lake and drainage facilities. Also, the Authority operates and maintains the City's golf course facility. The current City Council serves as the governing body (Trustees) of the EPWA. The City is able to impose its will on the EPWA because, by state law, all EPWA issuances of debt require a two-thirds approval of the City Council.</p> <p>The EPWA funds are reported as enterprise funds within the primary government presentation.</p>

DISCRETELY PRESENTED COMPONENT UNITS

Discretely presented component units are separate legal entities that meet the GASB 14 component unit criteria but do not meet the criteria for blending. The City has two component units that are discretely presented in the City's report as presented below:

Edmond Economic Development and Redevelopment Authority (EEDA)	<p>Created June 17, 1969, to promote and encourage the general economic and social development within or near the City of Edmond, Oklahoma. The Authority provides financing to businesses for the purpose of acquiring facilities for industrial, manufacturing, and charitable enterprises in or near the City. The EEDA governing body is appointed by the full City Council. All issuances of debt require a two-thirds approval of the City Council and the EEDA Trustees.</p> <p>Complete financial statements of the Economic Development Authority component unit can be obtained from:</p> <p>Edmond Economic Development and Redevelopment Authority 825 E. 2nd, Suite 200 Edmond, OK 73034</p>
Edmond Historic Preservation Trust (EHPT)	<p>Created November 15, 1982 to preserve the qualities relating to the history of the City in order to promote the economic and general welfare of the people of the City of Edmond and to ensure the harmonious, orderly and efficient growth and development of the municipality. The EHPT governing body is appointed by the current City Council. The City is able to impose its will on the EHPT because, pursuant to state law, all issuance of EHPT debt requires a two-thirds approval of the City Council. The EHPT component unit does not issue separate financial statements.</p>

1.B. BASIS OF PRESENTATION

Government-Wide Financial Statements:

The statement of net position and statement of activities display information about the City as a whole including component units. They include all financial activities of the reporting entity except for fiduciary activities. Eliminations have been made to minimize the double reporting of transactions involving internal activities. Individual funds are not displayed in these statements. Instead, the statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between the expenses and program revenues directly associated with the different governmental functions and business-type activities to arrive at the net revenue or expense of the function or activity prior to the use of taxes and other general revenues. Program revenues include (1) fees, fines, and service charges generated by the program or activity, (2) operating grants and contributions that are restricted to meeting the operational requirements of the program or activity, and (3) capital grants and contributions that are restricted to meeting the capital requirements of the program or activity.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Separate financial statements are presented for the three major fund categories: governmental, proprietary and fiduciary. An emphasis of the fund financial statements is placed on major governmental and enterprise funds. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. A fund not meeting the criteria of (a) and (b), however management has elected to report the fund as a major fund due to its significance to users of the financial statements.

All remaining governmental and enterprise funds not meeting the above criteria are aggregated and reported as nonmajor funds. The funds of the financial reporting entity are described below:

Governmental Funds

The City reports four major governmental funds:

General Fund
Fire Public Safety Limited Tax Fund
Police Public Safety Limited Tax Fund
2000 Capital Improvement Fund

General Fund

The **General Fund** is the primary operating fund of the City. It is used to account for all activities except those legally or administratively required to be accounted for in other funds. The General Fund is reported as a major governmental fund. The General Fund main sources of revenue include sales tax, franchise and public services taxes, and charge for services related to governmental activities. Due to GASB 54 for financial reporting purposes, the General Fund also includes the activity of the Edmond Electric Economic Development Fund and the Park Special Events Fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for certain purposes. The reporting entity includes the following special revenue funds:

Major Funds:

Fire Public Safety Limited Tax Fund – used to account for restricted taxes and other dedicated revenues used to finance the operations of the City’s fire department

Police Public Safety Limited Tax Fund – used to account for restricted taxes and other dedicated revenues used to finance the operations of the City’s police department

Nonmajor Funds:

- CDBG Entitlement Fund
- Real Property Fund
- Asset Forfeiture Fund
- Senior Center Fund
- EECBG Grant Fund
- Convention & Visitors Bureau
- Hospital Sale Trust Fund
- Ambulatory Service Fund

Capital Project Funds

Capital Project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes the following capital project funds:

Major Fund:

2000 Capital Improvement Tax Fund – used to account for the proceeds of a voter-restricted limited purpose sales tax to be used for capital improvements

Nonmajor Funds:

- Cemetery Care Fund
- Park Sales Tax Fund
- Art in Public Places Fund
- Capital Improvement Fund
- Roadway Improvement
- 1996 Capital Improvement Tax Fund
- 2012 Capital Improvement Tax Fund (Public Safety Center)

Proprietary Funds

Proprietary funds include both 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 and charged to other funds or entities within the reporting entity. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Nonoperating revenues of the proprietary funds include such items as investment earnings, interest expense and subsidies. The reporting entity includes the following enterprise funds and internal service funds:

Enterprise Funds

The City reports three major enterprise funds:

Electric Fund – used to account for the operation and maintenance of the City electric utility services

Water Fund – used to account for the operation and maintenance of the City water utility services

Wastewater Fund - used to account for the operation and maintenance of the City wastewater utility services

Nonmajor enterprise funds include:

- Sanitation Fund
- Arcadia Lake Fund
- Drainage Fund
- Kickingbird Golf Course Fund
- YourGovShop Fund

Internal Service Funds

Internal service funds include:

- Employee Group Insurance
- Vehicle Maintenance
- Liability/Tort Claim Fund
- Fleet Management Fund
- Field Services Fund
- Administrative Support Services Fund

Fiduciary Funds

The City's fiduciary funds are used to report net position and changes therein of assets held by the City in a trustee or fiduciary capacity. These net assets are not available for operations of the City. The City reports two types of fiduciary funds: Pension Trust Fund and Agency Funds. Agency funds are custodial in nature (i.e., assets equal liabilities) and do not involve the measurement of changes in net position.

Pension Trust Fund – used to account for the net position and changes therein of the Edmond Employee Retirement System

Agency Funds – used to account for assets held on behalf of others including the Sidewalk and Driveway Escrow and the C.L.E.E.T. Penalty Assessment Fund

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

Government-wide, Proprietary and Fiduciary Fund Financial Statements

In the government-wide Statement of Net Position and the Statement of Activities, and the proprietary and fiduciary fund statements the “*economic resources*” measurement focus is applied, except for agency funds which have no measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported.

Governmental Fund Financial Statements

In the governmental fund financial statements, a “*current financial resources*” measurement focus is applied. Under this focus, only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements

In the government-wide Statement of Net Position and Statement of Activities, and the proprietary fund financial statements the accrual basis of accounting is applied. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental Fund Financial Statements

In the governmental fund financial statements, the modified accrual basis of accounting is applied. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City has defined “available” as collected within 60 days after year end. Sales and use taxes, franchise taxes, hotel/motel taxes, court fines and interest are considered susceptible to accrual. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general long-term debt principal and interest, claims and judgments, and accrued compensated absences, which are recorded as expenditures to the extent they have matured. Proceeds of general long-term debt and capital leases are reported as other financial sources.

1.D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE.

Cash and Cash Equivalents

Cash and cash equivalents include all demand accounts, savings accounts, money market investment in trust accounts, certificates of deposit and short-term investments with an original maturity of three months or less. Investments in open-ended mutual fund shares are also considered cash equivalents and are reported at the funds’ current share prices.

Investments

Investments are reported at fair value using selected bases. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value as estimated by a broker/dealer. Investments of the pension trust fund are also carried at fair value. Securities of the pension trust fund traded on a national or international exchange are valued at the last reported sales price at current exchange rates. All non-negotiable long-term certificates of deposit are carried at cost.

Receivables

Material receivables in governmental fund types and governmental activities include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. These are reported as *Due From Other Governments*. Non-exchange transactions collectible but not available are deferred in the fund financial statements.

Material receivables in proprietary type funds and business-type activities consist of revenues earned at year-end and not yet received. Billed and unbilled utility accounts receivable comprise the majority of these receivables. They are reported net of allowances for uncollectible accounts.

Inventories

Inventories are valued at average cost. The cost of governmental funds inventories are recorded as expenditures when consumed rather than when purchased because they are immaterial.

Restricted Assets

Restricted assets include current assets of enterprise funds and business-type activities that are legally restricted as to their use. The primary restricted assets are related to revenue bond and promissory note trustee accounts restricted for debt service and deposits held for refund. Restricted assets of the component unit consist of program income from revolving grants restricted as to use.

Capital Assets and Depreciation

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund type or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, property, plant and equipment are accounted for as capital assets. The City's capitalization threshold is \$5,000. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. General infrastructure assets (such as roads, bridges, and traffic systems) acquired prior to July 1, 2002, are reported at estimated historical cost using deflated replacement costs. The cost of normal maintenance and repairs to these assets that do not add materially to the value of the asset or materially extend the assets' useful lives are not capitalized. Interest costs, net of interest earned on any invested capital debt proceeds, are capitalized when incurred by proprietary funds.

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Depreciation of all exhaustible capital assets is recorded as an operating expense in proprietary fund financial statements and an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	15 - 50 years
Other Improvements	5 - 50 years
Infrastructure	50-100 years
Equipment and vehicles	2 - 40 years
Water rights	25-50 years

In the governmental fund financial statements, capital assets acquired are accounted for as capital outlay expenditures.

Long-Term Debt

Accounting treatment of long-term debt varies depending upon the source of repayment and the measurement focus applied and whether the debt is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental activities, business-type activities, proprietary fund and component unit resources are reported as liabilities as incurred. The long-term debt consists primarily of accrued compensated absences, general obligation bonds payable, and revenue bonds payable. This long-term debt is reported net of unamortized premiums, discounts, and amounts deferred from refundings.

Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Compensated Absences

Under terms of union contracts and City personnel policies, City employees are granted vacation and sick leave in varying amounts. In the event of termination, a civilian employee is paid for accumulated vacation up to 300 hours earned. Upon retirement, 33-1/3% of accumulated sick leave up to a maximum of 300 hours is converted to vacation time for non-union employees, subject to certain limitations.

For firemen, sick leave hours are converted three to one to vacation hours not to exceed 400 hours at retirement plus 480 maximum vacation (suppression) and 288 maximum vacation (non-suppression). For police officers, sick leave hours are converted two to one with a maximum of 400 hours plus maximum of 320 vacation hours at retirement.

The estimated liabilities for vested benefits also include salary-related payments such as employment taxes. Compensated absences are reported as accrued in the government-wide, proprietary, fiduciary and component unit financial statements. Governmental funds report only the matured compensated absences payable to currently terminating employees; however, the compensated absences obligation is reported as a fund balance reserve in compliance with the State Constitution.

Deferred Outflow/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period (s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Equity Classifications

Government-Wide and Proprietary Fund Financial Statements:

Equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt - 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 improvement 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 or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

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.

Governmental Fund Financial Statements:

Governmental fund equity is classified as fund balance. Since the City implemented GASB Statement 54, 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 purposed 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. City Council adopts an ordinance that establishes this constraint.
- d) Assigned-includes amounts that are constrained by the City’s intent to be used for specific purposed but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority. Assignments for transfers and interest income for governmental funds are made through budgetary process.
- e) Unassigned-represents fund balance that not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

It is the City’s policy that expenditures for which more than one category of fund balance could be used, that the

order of use is: restricted, committed, assigned and unassigned. The City Council adopted the budget which designates the amount to the specific categories.

In an effort to ensure the continuance of sound financial management of public resources, the City of Edmond's *Unassigned Fund Balance* within the General Fund will be maintained to provide the city with sufficient working capital and a comfortable margin of safety to address emergencies, sudden loss of revenue or operating needs, and unexpected downturns.

This policy established the amounts the City will strive to maintain in its General Fund Unassigned balance, the conditions under which fund balance may be spent, and the method by which fund balance will be restored. These amounts are expressed as goals, recognizing that fund balance levels can fluctuate from year to year in the normal course of operations for any local government. The City will strive to maintain an *Unassigned Fund Balance* in the General Fund of (10%). This is determined by adding all new budgeted revenues, plus the Edmond Public Works Authority's transfers-in, divided by the *Unassigned Fund Balance*.

It is management's express intent to identify a "not-to-exceed" amount of \$1,000,000 as part of the 10% minimum fund balance for unexpected, large-scale events where damage in excess of \$250,000 is incurred and immediate, remedial action must be taken to protect the health and safety of residents (e.g. floods, fires, storm damage). Of the \$1,000,000 part of the General Fund's Unassigned Fund Balance, it is management's intent to not use any portion of this balance unless such emergencies occur.

It is the goal of the City to limit use of any Unassigned Fund balances less than 10% to address non-recurring needs, otherwise approved by the City Council. Unassigned Fund balances of less than the 10% minimum as described above shall not normally be applied to recurring annual operating expenditures. Unassigned balances within the General Fund may, however, be used to allow time for the city to restructure its operations in a deliberate manner, but such use will only take place in the context of long-term financial planning.

1.E. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES

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

Government-Wide Financial Statements:

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

- a. Internal balances - amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
- b. Internal activities - amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effects of interfund services between funds are not eliminated in the statement of activities.
- c. Primary government and component unit activity and balances - resource flows between the primary government (the City and EPWA) and the discretely-presented component units (the Historical Preservation Trust and EEDA) are reported as if they were external transactions.

Fund Financial Statements:

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

1. Interfund loans - amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services - sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements - repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers - flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

1.F. REVENUES, EXPENDITURES AND EXPENSES

Sales Tax

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

2 cents recorded as revenue within the General Fund then transferred to the Water Enterprise Fund as required by the bond indenture for debt service. Any unused portion is transferred back to the General Fund.

1/8 cent recorded as revenue within the Park Sales Tax Fund to account for operations and facility improvement costs of the City's park and recreation system.

3/4 cent recorded as revenue within the 2000 Capital Improvement Tax Fund to account for capital improvements as recommended to the City Council by the Capital Financing Task Force.

1/4 cent recorded as revenue within the Fire Public Safety Limited Tax Fund to account for improvements to the fire department per voter approval.

1/8 cent recorded as revenue within the Police Public Safety Limited Tax Fund to account for improvements to the police department per voter approval.

1/2 cent recorded as revenue within the 2012 Capital Improvement Tax Fund-PSC to account for building the new Public Safety Center per voter approval.

Sales tax resulting from sales occurring prior to year end and received by the City after year end have been accrued and is included under the caption *Due from Other Governments* because they represent taxes on sales occurring during the reporting period.

Police and Fire Public Safety Funds Revenue

An ordinance passed and approved by the citizens of Edmond requires that 30% of General Fund revenues (defined as taxes, licenses and permits, fines and forfeitures, charges for services, interest and miscellaneous revenues) be used for funding fire department operations and that 36.8% of these same General Fund revenues be used for funding police department operations. Effective July 1, 2001 all fire and police expenditures were accounted for in the limited purpose sales tax special revenue funds. The special revenue funds also receive sales tax (approved in the same ordinance referenced above) of one-fourth percent for the fire department and one-eighth percent for the police department. Those sales taxes can only be expended for additional personnel and equipment for additional personnel, additional equipment for firefighting and law enforcement purposes, and also for competitive compensation and benefits for existing and retired firefighters and officers. The ordinance further states that expenditures will not be charged against the sales tax revenues until the General Fund revenues have first been used or encumbered.

Hospital Sales Trust Fund Principal and Income

In 1981, the City sold the Edmond Memorial Hospital for approximately \$7,200,000. The majority of the proceeds are invested in a trust account. According to trust agreement terms, the earnings and interest of the trust funds can be used by the City for capital improvements. The principal of the trust must also be used for capital improvements, but its use must first be approved by a vote of the citizens of the City.

Edmond voters approved a half-cent sales tax on October 11, 2011 and allowed the City to loan itself money out of the \$7.2 million Hospital Trust Fund, but is contingent upon paying the borrowed funds back with interest.

Pension Contributions

Employer and plan member contributions are made in accordance with the Employees Retirement System ordinance and are recognized in the period the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the ordinance.

Property Tax

Under State law municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonded debt approved by voters and any court-assessed judgments. At the present time the City levies a property tax for court-assessed judgments only.

Pledge of Future Revenues

Sales Tax Pledge - The City has pledged three-fourth cents (or 20%) of future sales tax revenues to repay \$90,000,000 of Series 2003, 2004, 2005 and 2010 Sales Tax and Utility System Bonds. Proceeds from the bonds provided financing for capital assets. The bonds are payable from pledged sales tax revenues and further secured by net electric, water, wastewater, and sanitation revenues. The bonds are payable through 2023, 2024, 2026, and 2021 respectively. The total principal and interest payable for the remainder of the life of these bonds is \$82,390,861. Pledged sales taxes received in the current year were \$10,436,598 and the net utility revenues were \$27,314,004. Debt service payments of \$6,957,904 for the current fiscal year were 67% of the pledged sales taxes and 18% of both pledged sales taxes and utility revenues.

Utility Net Revenues Pledge - The City has also pledged future net electric, water, wastewater, and sanitation revenues to repay \$94,850,000 of 2003, 2004, and 2005 Series Utility System Revenue Bonds and \$25,853,573 of 2005 and 2006 Series OWRB Notes Payable. Proceeds from the bonds and notes provided financing for utility system capital assets. The bonds are payable through 2024 and 2025 while the notes are payable through 2024 and 2026. The total principal and interest payable for the remainder of the life of these bonds and notes is \$83,817,849. The bonds are payable from the above-mentioned utility net revenues and are additionally secured with two cents (or

61%) of future sales tax revenues. If the net utility revenues are sufficient to service the debt, the pledged sales taxes are transferred back to the General Fund. The total pledged sales taxes for the current fiscal year of \$27,830,929 were returned to the General Fund. The debt service payments on the bonds and notes this year were \$7,956,750 which was 29% of pledged net utility revenues of \$23,896,617 and 15% of both pledged utility revenues and pledged sales taxes.

Expenditures and Expenses

In the government-wide statement of activities, expenses, including depreciation of capital assets, are reported by function or activity. In the governmental fund financial statements, expenditures are reported by class as current (further reported by function), capital outlay and debt service. In proprietary fund financial statements, expenses are reported by object or activity. Fiduciary funds report additions and deductions to net position.

1.G. USE OF ESTIMATES

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

1.H. NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement Number 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. Additionally, this statement classifies the residual of all other elements as net position, rather than as previously reported net assets. The City elected to early implement this statement in fiscal year 2012.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the City and its component units are subject to various federal, state and local laws and contractual regulations.

2.A. DEFICIT FUND BALANCES OR NET POSITION

Title 11, Section 17-211 of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund of the City (excluding public trusts). At June 30, 2012, the City reported no individual fund deficits.

2.B. DEPOSITS AND INVESTMENTS REQUIREMENTS

In accordance with State law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Oklahoma or political subdivision debt obligations, surety bonds or certain letters of credit. As required by 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.

Investments of a City (excluding Public Trusts) are limited by State Law to the following:

- a. Direct obligations of the U. S. Government, its agencies and instrumentalities to which the full faith and credit of the U. S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Oklahoma is pledged.

- b. Certificates of deposit or savings accounts either insured or secured with acceptable collateral with in-state financial institutions and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. Negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments and bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator, debentures issued by the Federal Housing Administrator and obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC that include investments mentioned in the previous paragraphs a., b., c., and d.

Public trusts and pension trust funds are not subject to the above noted investment limitations and are primarily governed by any restrictions in their trust or bond indentures. See 3.A. Pension investment "Other" is an investment that is not liquid and therefore not classified as a mutual fund. Amount disclosed at property valued from the Partnership Trust since no market value can be determined.

2.C. DEBT RESTRICTIONS AND COVENANTS

Notes Payable

The loan agreement with the Oklahoma Water Resources Board relating to the interim construction note payable of the Edmond Public Works Authority contains a number of financial restrictions or covenants. These include covenants requiring a flow of funds through special accounts and a note payable debt service coverage requirement. The note agreement requires net revenues of the system plus pledged and transferred sales tax to be at least 125% of maximum annual debt service.

Revenue Bond Debt

The bond indentures relating to the revenue and sales tax bond issues of the Edmond Public Works Authority and the City contain a number of financial restrictions or covenants. These include covenants requiring a flow of funds through special accounts, required reserve account balances and revenue bond debt service coverage requirement. The 2003, 2004, and 2005 series bond indentures require (1) a reserve account balance maintained at \$5,983,670, and (2) net revenues plus pledged and transferred sales tax to be at least 130% of the maximum annual debt service requirements. The 2003, 2004, 2005 and 2010 series sales tax and utility revenue bond indentures require (1) a reserve account balance \$6,788,051 and (2) net revenues plus pledged and transferred sales tax to be at least 100% of the maximum annual debt service requirements. The City complied with these covenants for the fiscal year ended June 30, 2012.

NOTE 3. DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS

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

3.A. DEPOSIT AND INVESTMENT RISKS

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Primary Government:

The City of Edmond, including its blended component unit held the following deposits and investments at June 30, 2012.

Type	Fair Value	Rating	Maturities in Years			
			Demand	Less Than One	1 - 5	6 - 10
Demand accounts	\$ 28,756,881	n/a	\$ 28,756,881	\$ -	\$ -	\$ -
Time deposits	67,025,000	n/a		54,800,000	12,225,000	
Money market account	5,334,777	n/a	5,334,777			
U.S. Obligations	24,358,795	(1)		17,338,917	7,019,878	
U.S. Government sponsored entities	39,148,222	(1)		9,392,210	29,756,012	
Mutual Funds-fixed income	16,966,762	**				16,966,762
Sub-total	181,590,437		34,091,658	81,531,127	49,000,890	16,966,762
Mutual Funds:						
Alternative	5,012,014	n/a				
Equity Funds	27,095,022	n/a				
Sub-total Mutual Funds	32,107,036					
Other	1,109,038					
Total Investments	214,806,511					
Reconciliation to Statement of Net Assets:						
Cash and cash equivalents	\$ 28,979,803					
Investments	\$ 103,415,815					
Current restricted cash and cash equivalents	\$ 7,663,350					
Current restricted investments	\$ 10,802,400					
Noncurrent restricted cash and cash equivalents	\$ 5,875,380					
Noncurrent restricted investments	\$ 6,922,949					
Pension retirement fund assets	\$ 50,814,320					
Agency fund cash and investments	\$ 332,494					
	\$ 214,806,511					

** Not rated

(1) Securities backed by the full faith and credit of the United States Government have historically been considered risk free and were not subject to credit risk ratings for disclosure purposes. In August 2011, Standard and Poor's (S&P) downgraded these securities to AA+. Moody's Investors Service and Fitch Ratings affirmed their AAA credit ratings.

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 investment policy also limits acceptable collateral to U.S. Treasury securities and direct debt obligations of municipalities, counties, and school districts in the state of Oklahoma. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2012, the City was not exposed to custodial credit risk as defined above.

Investment Credit Risk – The City’s investment policy limits investments to those with a maturity no more than five years from the date of purchase. These investment limitations are described in Note 2B. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments in debt securities as determined by nationally recognized statistical rating organizations—rating agencies—as of the year end. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. The credit ratings of other City investments are listed in the schedule above.

The fair value of the City’s forward sales agreements are fully exposed to credit risk. The forward sales agreements require the counterparty to notify the trustee, EPWA, and the bond insurer if any of the long-term unsecured outstanding debt of the guarantor falls below A- by S&P and below A3 by Moody’s or is unrated by either rating agency. Upon such notice, the trustee or EPWA may (1) direct the counterparty to either assign the agreements to an acceptable transferee, (2) provide a guaranty issued by an acceptable guarantor, or (3) terminate the agreements without penalty.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City’s investment policy limits investments to those with a maturity no more than three years from the date of purchase, except for reserve funds, as a means of managing exposure to fair value losses arising from increasing interest rates. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments. The derivative instruments mature between 5 and 14 years.

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

At June 30, 2012, the City had concentration of credit risk in the following investments: FFCB 2%, FHLB 16%, FHLMC 3%, and FNMA 13%.

Pension Plan Investments:

The Plan policy provides that assets be invested to provide for total return. The plan shall be invested in a diversified portfolio, consisting primarily of common stocks, bonds, cash equivalents, and other investments, which may reflect varying rates of return. The overall rate of return objective of the portfolio is a reasonable “real” rate, consistent with the risk levels established by the Pension Board. The minimum acceptable long-term rate of return over a full market cycle (3 to 5 years) is that which equals or exceeds the actuarial assumptions. The Pension Board has also established an annual target return objective, which may be changed from time to time, but is currently 7.6 percent, net of fees. This return objective currently exceeds the actuarial assumption of 7.25%.

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Asset allocation guidelines for the Plan are as follows:

Class	Target Percent	June 2012 Percent
Large Cap Equities	20%	21%
Small Cap Equities	6%	6%
International Equities	22%	22%
Real Estate	7%	7%
Fixed Income	34%	33%
Commodities	11%	10%
Cash	0%	1%

At June 30, 2012, the City had complied with the investment policies as defined above.

Component Units:

Total bank deposits of the EEDA component unit were \$444,603 at June 30, 2012 and were properly collateralized. In addition, deposits of the Historical Preservation Trust of \$81,330 were fully collateralized.

Derivatives - Investment Securities Forward Sale Contract:

The City has entered into multiple forward contracts for the continuous investment of various debt service and reserve funds in "eligible securities". "Eligible securities" are defined in the various forward contracts as those securities generally allowable as investments by municipalities under Oklahoma law. By entering into these agreements, the City seeks to ensure fixed rates of return while providing cash flow streams to match related principal and interest payments. No cash was paid or received when the contracts were initiated.

The notional (or contract) amounts vary over the life of the contracts along with the balances in the funds. With regards to debt service funds, the notional amount at each delivery date is the amount the City is required to maintain on deposit in the Debt Service Fund pursuant to the bond indenture of the associated debt. The notional amount for forward contracts related to reserve funds is the reserve fund balance available for investment; not to exceed the reserve requirement of the associated debt. The change in fair value is reported as deferred inflow of resources the fair value is reported as investment.

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

Associated Debt	Effective Date	Termination Date	Contract Interest Rate	Change in Fair Value	Fair Value at June 30, 2012	Counterparty	Credit Rating
Governmental activities:							
2003 Sales Tax & Utility Revenue Bonds:							
Reserve Fund	5/13/2003	7/1/2021	4.650%	(25,405)	609,987	JPMorgan	A+
2004 Sales Tax & Utility Revenue Bonds:							
Debt Service	8/24/2004	7/1/2024	4.500%	8,101	305,599	JPMorgan	A+
Reserve Fund	8/24/2004	7/1/2024	4.876%	7,741	828,494	JPMorgan	A+
2005 Sales Tax & Utility Revenue Bonds:							
Debt Service	2/23/2006	7/1/2015	4.410%	2,291	106,869	JPMorgan	A+
Reserve Fund	2/23/2006	7/1/2015	4.740%	(107,157)	333,423	JPMorgan	A+
Total governmental activities:				\$ (114,429)	2,184,372		
Business-type Activities:							
2004 Utility System Revenue Bonds:							
Debt Service	8/24/2004	7/1/2024	4.500%	5,882	224,018	JPMorgan	A+
Reserve Fund	8/24/2004	7/1/2024	4.86%	5,618	604,671	JPMorgan	A+
2005 Utility System Revenue Bonds:							
Debt Service	2/23/2006	7/1/2015	4.590%	(69,691)	228,316	JPMorgan	A+
Reserve Fund	2/23/2006	7/1/2015	4.770%	(185,057)	575,876	JPMorgan	A+
Total business-type activities:				\$ (243,248)	\$ 1,632,881		
Total				\$ (357,677)	\$ 3,817,253		

Fair value was determined using expected cash flows discounted to the treasury curve at June 30, 2012.

Credit risk – The counterparty to the forward sale contract derivative agreements is JPMorgan serving as guarantor. At June 30, 2012, the counterparty’s credit ratings were A+.

Termination risk – The City or its counterparties are subject to termination risk if the bonds for which the debt service and reserve funds relate are redeemed, refunded, or defeased. If the bonds are redeemed, refunded or defeased in whole, then immediately upon payment of the termination value then the agreement shall terminate. If the bonds are redeemed or defeased in part, then the Termination Value shall be determined based on the portion of the agreement which will terminate and immediately upon payment of the termination value, this agreement shall terminate in part and the balance of this agreement shall remain in effect, the Reserve Requirement shall be amended to reflect that portion of the agreement that has been terminated.

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

3.B. RECEIVABLES

Accounts Receivable

Accounts receivable of the business-type activities consist of customers utilities services provided, both billed and unbilled, due at year end, reported net of allowance for uncollectible amounts. The governmental activities receivables include fines, other taxes, and miscellaneous receivables as follows:

Business-Type Activities:

	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund	Drainage Fund	Total
Utilities Receivable	\$ 8,656,390	\$ 2,345,059	\$848,612	\$ 799,682	\$ 63,438	\$ 12,713,181
Less: allowance for uncollectible accounts	(99,860)	(28,631)	(7,671)	(6,962)	(1,621)	(144,745)
Utilities receivable, net of allowance	<u>\$ 8,556,530</u>	<u>\$ 2,316,428</u>	<u>\$840,941</u>	<u>\$ 792,720</u>	<u>\$ 61,817</u>	<u>\$ 12,568,436</u>
Other Receivables-Business-Type Activities						76,530
Tota Accounts Receivable-Business-Type Activities						<u>\$ 12,644,966</u>

Governmental Activities:

	Fines Receivable	Other Taxes Receivable	Park & Recreation Receivable	Miscellaneous Receivables	Total
Other receivables	\$ 1,560,226	\$ 424,877	\$ 47,185	\$ 298,984	\$ 2,331,272
Less: allowance for uncollectible accounts	(1,123,787)				(1,123,787)
Other receivables, net of allowance	<u>\$ 436,439</u>	<u>\$ 424,877</u>	<u>\$ 47,185</u>	<u>\$ 298,984</u>	<u>\$ 1,207,485</u>

3.C. RESTRICTED ASSETS

The amounts reported as restricted assets of the business-type activities are comprised of assets held by the trustee bank on behalf of the EPWA related to their required revenue note and bond accounts, deposits held for refund and EEDA restricted accounts related to revolving loan program income. Governmental activity restricted assets are comprised of assets held by a trustee bank on behalf of the City related to required revenue bond accounts.

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

	Current		Noncurrent		Total
	Cash and cash equivalents	Investments	Cash and cash equivalents	Investments	
Primary Government					
Governmental Activities:					
Revenue bond trustee accounts	\$ 2,939,412	\$ 3,739,758	\$ 68,388	\$ 6,922,949	\$ 13,670,507
Total Governmental Activities	<u>\$ 2,939,412</u>	<u>\$ 3,739,758</u>	<u>\$ 68,388</u>	<u>\$ 6,922,949</u>	<u>\$ 13,670,507</u>
Business-type Activities:					
Revenue bond trustee accounts	\$ 4,121,666	\$ 1,182,351	\$ 5,806,992	-	\$ 11,111,009
Deposits held for refund	-	3,842,458	-	-	3,842,458
Deposits held for construction	<u>602,272</u>	<u>2,037,833</u>	<u>-</u>	<u>-</u>	<u>2,640,105</u>
Total Business-type Activities	<u>\$ 4,723,938</u>	<u>\$ 7,062,642</u>	<u>\$ 5,806,992</u>	<u>\$ -</u>	<u>\$ 17,593,572</u>

Component Unit:

The Edmond Economic Development and Redevelopment Authority (EEDA) restricted assets at year end included the following:

Cash and cash equivalents, program income	\$ 40,905
Total	\$ 40,905

CITY OF EDMOND, OKLAHOMA
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June 30, 2012

3.D. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	Balance at July 1, 2011	Additions	Deductions	Balance at June 30, 2012
Governmental activities :				
Non-depreciable:				
Land	\$ 10,694,202	\$ 2,203,494	\$ -	\$ 12,897,696
Construction-in-progress	19,845,914	16,490,773	(15,450,090)	20,886,597
Total non-depreciable assets at historical cost	<u>30,540,116</u>	<u>18,694,267</u>	<u>(15,450,090)</u>	<u>33,784,293</u>
Depreciable:				
Buildings	61,240,576	519,102	(997,672)	60,762,006
Improvements	22,993,971	518,880	-	23,512,851
Machinery and equipment	40,272,998	3,303,992	(1,189,756)	42,387,234
Infrastructure	229,621,451	14,397,722	-	244,019,173
Total depreciable assets at historical cost	<u>354,128,996</u>	<u>18,739,696</u>	<u>(2,187,428)</u>	<u>370,681,264</u>
Less accumulated depreciation				
Buildings	(10,116,267)	(1,846,462)	-	(11,962,729)
Improvements	(13,030,803)	(1,729,432)	-	(14,760,235)
Machinery and equipment	(19,682,336)	(2,532,310)	1,064,912	(21,149,733)
Infrastructure	(122,524,552)	(6,267,927)	-	(128,792,479)
Total accumulated depreciation	<u>(165,353,958)</u>	<u>(12,376,131)</u>	<u>1,064,912</u>	<u>(176,665,176)</u>
Net depreciable assets	<u>188,775,038</u>	<u>6,363,565</u>	<u>(1,122,515)</u>	<u>194,016,088</u>
Governmental activities capital assets, net	<u>\$ 219,315,154</u>	<u>\$ 25,057,832</u>	<u>\$ (16,572,606)</u>	<u>\$ 227,800,381</u>
Business-type activities				
Non-depreciable:				
Land	\$ 2,350,922	\$ -	\$ -	\$ 2,350,922
Construction-in-progress	8,131,021	7,750,953	(2,919,290)	12,962,684
Total non-depreciable assets at historical cost	<u>10,481,943</u>	<u>7,750,953</u>	<u>(2,919,290)</u>	<u>15,313,606</u>
Depreciable:				
Buildings	30,764,003	-	-	30,764,003
Improvements	7,683,023	35,156	-	7,718,179
Machinery and equipment	6,172,450	553,222	(275,878)	6,449,794
Intangible water rights	30,954,585	-	-	30,954,585
Utility property	242,815,650	8,247,379	(88,622)	250,974,407
Totals depreciable assets at historical cost	<u>318,389,711</u>	<u>8,835,757</u>	<u>(364,500)</u>	<u>326,860,967</u>
Less accumulated depreciation				
Buildings	(4,802,636)	(944,612)	-	(5,747,248)
Improvements	(3,939,314)	(461,213)	-	(4,400,527)
Machinery and equipment	(3,918,527)	(269,107)	246,920	(3,940,714)
Intangible water rights	(13,539,560)	(644,231)	257	(14,183,534)
Utility property	(104,173,179)	(7,433,170)	5,318	(111,601,031)
Total accumulated depreciation	<u>(130,373,216)</u>	<u>(9,752,333)</u>	<u>252,495</u>	<u>(139,873,054)</u>
Net depreciable assets	<u>188,016,495</u>	<u>(916,576)</u>	<u>(112,006)</u>	<u>186,987,913</u>
Business-type capital assets, net	<u>\$ 198,498,438</u>	<u>\$ 6,834,377</u>	<u>\$ (3,031,296)</u>	<u>\$ 202,301,519</u>

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

	Balance at July 1, 2011	Additions	Deductions	Balance at June 30, 2012
Component Units:				
Historical Preservation Trust:				
Non-depreciable:				
Land	\$ 100,450	\$ -	\$ -	\$ 100,450
Capital assets, non-depreciable	<u>100,450</u>	<u>-</u>	<u>-</u>	<u>100,450</u>
Depreciable:				
Buildings	300,495	-	-	300,495
Totals at historical cost	<u>300,495</u>	<u>-</u>	<u>-</u>	<u>300,495</u>
Less accumulated depreciation:				
Machinery and equipment	(55,468)	(31,595)	-	(87,063)
Totals accumulated depreciation	<u>(55,468)</u>	<u>(31,595)</u>	<u>-</u>	<u>(87,063)</u>
Capital assets, depreciable net	<u>245,027</u>	<u>(31,595)</u>	<u>-</u>	<u>213,432</u>
Capital assets, net	<u>\$ 345,477</u>	<u>\$ (31,595)</u>	<u>-</u>	<u>\$ 313,882</u>
Edmond Economic Development and Redevelopment Authority:				
Depreciable:				
Machinery and equipment	\$ 36,663	\$ 2,859	\$ -	\$ 39,522
Totals at historical cost	<u>36,663</u>	<u>2,859</u>	<u>-</u>	<u>39,522</u>
Less accumulated depreciation:				
Machinery and equipment	(25,867)	(5,203)	-	(31,070)
Total accumulated depreciation	<u>(25,867)</u>	<u>(5,203)</u>	<u>-</u>	<u>(31,070)</u>
Capital assets, net	<u>\$ 10,796</u>	<u>\$ (2,344)</u>	<u>\$ -</u>	<u>\$ 8,452</u>

Depreciation expense was charged to functions in the statement of activities as follows:

Depreciation expense charged to governmental activities:

General government	\$ 786,495
Public safety	1,182,546
Streets and highways	6,470,842
Culture and recreation	1,588,313
Health and welfare	254,937
In addition, depreciation on capital assets held by the City's internal service funds is charged to the various functions based on their usage of the assets	<u>2,092,998</u>
Total governmental activities depreciation expense	<u>\$ 12,376,131</u>

Depreciation expense charged to business-type activities:

Electric	\$ 2,637,383
Water	5,177,277
Sanitation	8,315
Wastewater	1,501,769
Arcadia Lake	210,725
Drainage	66,375
Golf Course	<u>150,490</u>
Total business-type activities depreciation expense	<u>\$ 9,752,333</u>

Component Units:

Economic Development	\$ 5,203
Total depreciation expense for component unit activities	<u>\$ 5,203</u>
Historical Preservation Trust	\$ 31,595
Total depreciation expense for component unit activities	<u>\$ 31,595</u>

CITY OF EDMOND, OKLAHOMA
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During the year, the City approved plans to construct its new Public Safety Center on property that currently houses the City's Administrative Building, which will be demolished. In connection with this work, the City's adjacent Animal Control Center will also be demolished. GASB considers a capital asset to be impaired when its service utility has declined significantly and unexpectedly. As a result, the City has recorded a non-cash impairment charge of approximately \$977,000 in its Internal Service Administrative Support Services fund related to the planned demolition of these capital assets.

3.E. LONG-TERM DEBT

The reporting entity's long-term debt is segregated by the amounts involving governmental activities, business-type activities and component units.

Governmental Activities Long-Term Debt

As of June 30, 2012, the governmental activities long-term debt consisted of the following:

Accrued Compensated Absences:

Accrued compensated absences reported in the governmental activities are comprised of accrued vacation leave.

Current portion	\$ 276,105
Non-current portion	2,484,937
Total Accrued Compensated Absences	\$ 2,761,042

Revenue Bonds Payable:

2003 Series Sales Tax and Utility System Bonds, dated January 1, 2003, issued by the Edmond Public Works Authority, secured by utility revenues and pledged sales tax, interest rates from 2.5% to 4.75%, final maturity July 1, 2023. The bond's debt service is currently paid with the restricted sales tax.	\$12,905,000
2004 Series Sales Tax and Utility System Bonds, dated June 1, 2004, issued by the Edmond Public Works Authority, secured by utility revenues and pledged sales tax, interest rates from 3.25% to 5.0% final maturity July 1, 2024. The bond's debt service is currently paid with the restricted sales tax.	13,935,000
2005 Series Sales Tax and Utility System Bonds, dated December 1, 2006, issued by the Edmond Public Works Authority, secured by utility revenues and pledged sales tax, interest rates from 3.5% to 5.0%, final maturity July 1, 2026. The bond's debt service is currently paid with the restricted sales tax.	23,740,000
2010 Series Sales Tax and Utility System Bonds, dated December 30, 2010, issued by the Edmond Public Works Authority, secured by utility revenues and pledged sales tax, interest rates at 2.84%, final maturity July 1, 2021. The bond's debt service is currently paid with the restricted sales tax.	12,170,000
Total Revenue Bonds Payable	\$ 62,750,000
Add: Unamortized Bond Premium	721,250
Less: Unamortized Loss on Refunding	(251,676)
Total Revenue Bonds Payable (Net)	\$ 63,219,574

CITY OF EDMOND, OKLAHOMA
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Current portion, net	\$ 4,270,000
Non-current portion, net	<u>58,949,574</u>
Total Revenues Bonds Payable, net	<u>\$ 63,219,574</u>

Business-type Activities Long-Term Debt

As of June 30, 2012, the long-term debt payable from enterprise fund resources consisted of the following:

Revenue Bonds Payable:

2003A Utility System Refunding Bonds, original issue amount of \$6,615,000, dated November 1, 2003, issued by Edmond Public Works Authority, secured by utility revenues, interest rates from 2.0% to 3.75%, final maturity January 1, 2014.	\$1,515,000
2003B Utility System Revenue Bonds, original issue amount of \$2,120,000, dated November 1, 2003, issued by Edmond Public Works Authority, secured by utility revenues, interest rates from 2.0% to 4.85%, final maturity January 1, 2024.	1,465,000
2004 Utility System Revenue Bonds, original issue amount of \$14,700,000, dated June 1, 2004, issued by Edmond Public Works Authority, secured by utility revenues, interest rates from 3.25% to 4.875%, final maturity January 1, 2024.	10,875,000
2005 Utility System Revenue Bonds, original issue amount of \$40,435,000, dated October 1, 2005, issued by Edmond Public Works Authority, secured by utility revenues, interest rates from 3.25% to 5.0%, final maturity July 1, 2024.	<u>32,770,000</u>
Total Revenues Bonds Payable	46,625,000
Plus: Unamortized Premium	958,446
Unamortized charge on refunding	<u>(1,175,427)</u>
Total Revenues Bonds Payable (Net of unamortized discount)	<u>\$ 46,408,019</u>
Current portion, net	\$ 4,225,000
Non-current portion, net	<u>42,183,019</u>
Total Revenues Bonds Payable, net	<u>\$ 46,408,019</u>

Notes Payable:

2005 C Series Interim Construction Drinking Water SRF Promissory Note to Oklahoma Water Resources Board, original issue amount of \$3,726,484, secured by utility revenues and pledged sales tax, interest rate of 3.25% and administrative fee of .5%, final maturity September 15, 2024.	\$ 2,388,772
2005 A Series Drinking Water SRF Promissory Note to the Oklahoma Water Resources Board, original issue amount of \$7,620,000, secured by utility revenues and pledged sales tax, interest rate of 3% and administrative fee of .5%, final maturity of March 15, 2026	5,834,646
2005 B Series Drinking Water SRF Promissory Note to the Oklahoma Water Resources Board, original issue amount of \$7,597,844 secured by utility revenues and pledged sales tax, interest rate of 3% and administrative fee of .5%, final maturity of March 15, 2026	5,660,832

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

2005 D Series Drinking Water SRF Promissory Note to the Oklahoma Water Resources Board, original issue amount of \$3,068,246 secured by utility revenues and pledged sales tax, interest rate of 3% and administrative fee of .5%, final maturity of March 15, 2026	2,283,947
2006 A Series Drinking Water SRF Promissory Note to the Oklahoma Water Resources Board, original issue amount of \$3,713,142 secured by utility revenues and pledged sales tax, interest rate of 3% and administrative fee of .5%, final maturity of September 15, 2026	<u>2,842,693</u>
	<u>\$ 19,010,890</u>
Current portion	\$ 1,122,223
Non-current portion	<u>17,888,667</u>
Total Note Payable	<u>\$ 19,010,890</u>

Accrued Compensated Absences:

Accrued compensated absences reported in the business-type activities are comprised of accrued vacation leave:

Current portion	\$ 53,928
Non-current portion	<u>485,339</u>
Total Accrued Compensated Absences	<u>\$539,267</u>

Component Unit Long-Term Debt

Accrued Compensated Absences:

Accrued compensated absences reported as a fund liability within the EEDA component unit statement of net position at June 30, 2012, are as follows:

Current portion	\$ 2,488
Non-current portion	<u>22,387</u>
Total Accrued Compensated Absences	<u>\$24,875</u>

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

Changes in Long-Term Debt - Primary Government and Component Units

The following is a summary of changes in long-term debt for the year ended June 30, 2012:

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012	Amount due in one year
Governmental Activities :					
Revenue Bonds Payable	\$ 66,845,000	-	\$ 4,095,000	\$ 62,750,000	\$ 4,270,000
Accrued Compensated Absences	2,623,027	2,360,808	2,222,793	2,761,042	276,105
	<u>\$ 69,468,027</u>	<u>\$ 2,360,808</u>	<u>\$ 6,317,793</u>	<u>\$ 65,511,042</u>	<u>\$ 4,546,105</u>
Business-type Activities :					
Note Payable	\$ 20,096,707	\$ -	\$ 1,085,817	\$ 19,010,890	\$ 1,122,223
Revenue Bonds Payable	50,695,000	-	4,070,000	46,625,000	4,225,000
Accrued Compensated Absences	495,273	461,096	417,102	539,267	53,928
	<u>\$ 71,286,980</u>	<u>\$ 461,096</u>	<u>\$ 5,572,919</u>	<u>\$ 66,175,157</u>	<u>\$ 5,401,151</u>
Component Units :					
Accrued Compensated Absences	\$ 21,613	\$ 3,262	\$ -	\$ 24,875	\$ 2,488

Accrued compensated absences liability is liquidated by the General Fund, Police Public Safety Limited Tax Fund, and the Fire Public Safety Limited Tax Fund.

Debt Service Requirements to Maturity - Primary Government

The annual debt service requirements to maturity for long-term debt as of June 30, 2012 are as follows:

Year Ending June 30,	Governmental-Type Activities	
	Revenue Bonds Payable	
	Principal	Interest
2013	\$ 4,270,000	\$ 2,697,031
2014	4,445,000	2,525,176
2015	4,630,000	2,347,642
2016	4,815,000	2,161,265
2017	5,010,000	1,965,243
2018-2022	26,800,000	6,562,260
2023-2026	12,780,000	1,382,244
Total	<u>\$ 62,750,000</u>	<u>\$ 19,640,861</u>

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

Year Ending June 30,	Notes Payable		Revenue Bonds Payable	
	Principal	Interest	Principal	Interest
2013	\$ 1,122,223	\$ 585,404	\$ 4,225,000	\$ 2,103,695
2014	1,155,098	551,561	4,435,000	1,904,733
2015	1,189,133	516,557	3,845,000	1,693,788
2016	1,224,369	480,376	4,035,000	1,503,610
2017	1,260,850	442,902	4,225,000	1,304,116
2018-2022	6,898,169	1,606,074	14,890,000	4,134,902
2023-2027	6,161,048	469,421	10,970,000	884,821
Total	<u>\$ 19,010,890</u>	<u>\$ 4,652,295</u>	<u>\$ 46,625,000</u>	<u>\$ 13,529,665</u>

Defeased Bonds Outstanding

The City, through its various public trusts, has in substance defeased a number of outstanding bond issues by placing deposits in irrevocable trusts (escrow accounts) for the purchase of U.S. government securities to pay the principal and interest on the refunded bonds as they become due and payable. For financial reporting purposes, both the defeased bonds outstanding and the escrowed securities have been excluded from the financial statements. At year-end, the remaining outstanding defeased bonds were as follows:

	<u>Outstanding at June 30, 2012</u>
Primary Government:	
Sales Tax and Utility Revenue Bonds, Series 2001	\$12,135,000
Utility System Revenue Bonds, Series 1977	205,000
Utility System Revenue Bonds, Series 1998	12,770,000
Utility System Revenue Bonds, Series 1999	<u>20,945,000</u>
Total Outstanding Defeased Bonds	<u>\$46,055,000</u>

Component Unit - Conduit Debt

The Edmond Economic Development and Redevelopment Authority has issued bonds for various industrial development projects. The following bonds were outstanding at June 30, 2012:

	<u>Original Issue</u>	<u>Outstanding June 30, 2012</u>
EEDA - Student Housing Revenue Bonds 2001A (UCO Student Housing Foundation)	8,305,000	7,540,000
EEDA - Revenue Note 2000 (UCO Music Lab Project) (UCO Foundation)	<u>1,135,000</u>	<u>773,382</u>
	<u>\$9,440,000</u>	<u>\$8,313,382</u>

The bonds and notes payable comprising the Authority's indebtedness are not indebtedness of the State of Oklahoma, nor of the City of Edmond, nor is it a personal obligation of the Edmond Economic Development Authority trustees. These bonds are a limited obligation of the Authority payable solely from a portion of the Trust Estate consisting of the Authority bond and related Financing Agreement and other security outlined in the Mortgage Indenture.

This debt is considered non-commitment (conduit) debt to the City and Authority since the debt payments are made solely from the notes receivable or financing agreement proceeds from Collegiate Foundation and UCO.

CITY OF EDMOND, OKLAHOMA
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June 30, 2012

Payments are made directly by the Collegiate Foundation and UCO to trustee banks who pay the bondholders. In the event of default by the Collegiate Foundation and UCO, the City or Authority has no obligation, in substance, to make any payments on the debt since the notes receivable, financing agreements and mortgages on the property with the industrial occupant are the only security for the debt.

As a result of the non-commitment determination, the Authority's indebtedness and related receivables from industrial occupants are not recorded in the financial statements.

3.F. INTERFUND BALANCES AND ACTIVITIES

Interfund receivables and payables at June 30, 2012 consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Nature of Interfund Balance</u>	
Wastewater Fund	Electric Fund	\$ 442	To reclassify A/R to correct funds	
Water Fund	Electric Fund	48,913	To reclassify A/R to correct funds	
Drainage Fund	Electric Fund	69,386	To reclassify A/R to correct funds	
Sanitation	Electric Fund	74,338	To reclassify A/R to correct funds	
Ambulatory Services Fund	Electric Fund	27,059	To reclassify A/R to correct funds	
General Fund	Convention & Visitors Bureau	19,821	Adjustment for Actual transfer	
Fire Public Safety	General Fund	587,122	To cover actual revenue transfer	
Police Public Safety	General Fund	719,254	To cover actual revenue transfer	
Real Property Fund	Hospital Sale Trust	940,000	To cover actual revenue transfer	
General Fund	Cleet Fund	25	To correct overpayment	
General Fund	Parks Special Events Fund	2,000	To cover actual revenue transfer	
Water Fund	Employee Group Insurance	3,107	To correct misposting	
Art in Public Places	General Fund	13,695	City Matching for donations	
Convention Visitors Bureau	General Fund	10,802	To record internal advance	
Section 125 Fund	Employee Group Insurance	14,030	To correct misposting	
General Fund	Real Property Fund	934,838	To cover negative pooled cash	
Administrative Support	Section 125 Plan Fund	13,586	To cover negative pooled cash	
General Fund	CDBG	63,688	To cover negative pooled cash	
General Fund	Parks Special Events Fund	1,471	To cover negative pooled cash	
Total		<u>\$ 3,543,578</u>		
		Due From Other Funds	Due to Other Funds	Net Internal Balances
Reconciliation to Fund Financial Statements:				
Governmental Funds		\$ 3,333,806	\$ 3,306,303	\$ 27,503
Proprietary Funds		196,187	220,139	(23,952)
Internal Service Funds		13,586	17,137	(3,551)
Total		<u>\$ 3,543,578</u>	<u>\$ 3,543,578</u>	<u>\$ 0</u>
Reconciliation to Statement of Net Position:				
Net Internal Balances		\$ (23,952)		
Internal Service Fund Activity reported in Business-type Activities		5,241,270		
Net Internal Balance		<u>\$ 5,217,318</u>		

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

Interfund transfers for the year ended June 30, 2012 were as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Nature of Interfund Balance</u>
* PWA Electric	* General Fund	\$ 2,626,640	Budgeted annual operating transfer
* PWA Water	* General Fund	116,250	Budgeted annual operating transfer
PWA Sanitation	* General Fund	312,312	Budgeted annual operating transfer
* PWA Wastewater	* General Fund	173,752	Budgeted annual operating transfer
* PWA Water	* General Fund	27,830,929	Return of pledged sales tax
* PWA Electric	Capital Improvement Fund	691,000	Capital assets
* PWA Electric	Internal Service Fund	156,194	Capital assets
* General Fund	* PWA Water	27,830,929	Pledged sales tax- bond indenture
* General Fund	* Fire Public Safety Limited Tax	12,978,084	Dedicated sales tax- ordinance
* General Fund	* Police Public Safety Limited Tax	15,919,783	Dedicated sales tax- ordinance
* General Fund	Capital Improvement Fund	80,000	Budgeted annual funding
* General Fund	Convention and Visitors Bureau	391,664	Hotel tax ordinance transfer
* General Fund	Convention and Visitors Bureau	10,802	Budget short fall
* General Fund	Art in Public Places	100,258	Funding for public art
* General Fund	PWA Arcadia Lake	429,171	Debt service payments
Park Sales Tax Fund	Kickingbird Golf	100,000	Budgeted annual operating transfer
Park Sales Tax Fund	Capital Improvement Fund	535,000	Capital assets
CDBG	* General Fund	27,574	Capital assets
Park Sales Tax Fund	Art in Public Places	4,090	Funding for public art
Hospital Sales Trust	Real Property Fund	940,000	Annual funding for real estate
		<u>\$ 91,254,432</u>	

* Denotes major fund

	<u>Transfer to Other Funds</u>	<u>Transfers from Other Funds</u>
Reconciliation to fund financial statements:		
Governmental Funds:		
General Fund	\$ 57,740,692	\$ 31,087,457
Fire Public Safety Limited Tax Fund	-	12,978,084
Police Public Safety Limit Tax Fund	-	15,919,783
Other Governmental Funds	1,606,664	2,752,814
Total Governmental Funds	<u>59,347,356</u>	<u>62,738,138</u>
Proprietary Funds:		
Enterprise Funds:		
Electric	3,473,833	-
Water	27,947,179	27,830,929
Wastewater	173,752	-
Other Enterprise Funds	312,312	529,171
Total Enterprise Funds	<u>31,907,076</u>	<u>28,360,100</u>
Totals	<u>\$ 91,254,432</u>	<u>\$ 91,098,238</u>

	<u>Transfer to Other Funds</u>	<u>Transfer from Other Funds</u>	<u>Transfer of Capital Assets</u>	<u>Net Transfers</u>
Reconciliation to Statement of Activities:				
Net transfers for governmental activities:				
Governmental Funds	\$(59,347,356)	\$ 62,738,139	\$ (71,750)	\$ 3,319,033
Internal Service Funds	-	-	156,193	156,193
Total Net transfers for governmental activities	<u>\$(59,347,356)</u>	<u>\$ 62,738,139</u>	<u>\$ 84,443</u>	<u>\$ 3,475,226</u>
Net transfers for business-type activities:				
Enterprise Funds	\$(31,907,076)	\$ 28,360,100	\$ 71,750	\$ (3,475,226)
Total Net transfers for business-type activities	<u>\$(31,907,076)</u>	<u>\$ 28,360,100</u>	<u>\$ 71,750</u>	<u>\$ (3,475,226)</u>

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

Transfers between the primary government and component units for the year ended June 30, 2012 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Nature of Transfer</u>
PWA Electric	EEDA	\$ 440,000	Operating subsidy
General Fund	Historic Preservation Trust	30,000	Capital project

3.G. FUND BALANCES AND NET POSITION

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

<u>Fund</u>	<u>Restricted By</u>	<u>Amount</u>
Hospital Trust	Enabling legislation	\$ 7,098,344
Ambulatory Fund	Enabling legislation	374,371
		<u>\$ 7,472,715</u>
Asset Forfeiture	Statutory requirements	\$ 936,057
Cemetery Care Fund	Statutory requirements	84,833
		<u>\$ 1,020,890</u>
General Fund	External contracts	\$ 2,107,217
Fire Public Safety Limited Tax Fund	External contracts	7,545,702
Police Public Safety Limited Tax Fund	External contracts	5,248,501
2000 Capital Improvement Tax Fund	External contracts	37,246,997
CDBG Entitlement Fund	External contracts	374
Senior Center Fund	External contracts	227,116
EECBG Fund	External contracts	19,791
Park Sales Tax Fund	External contracts	508,690
Art in Public Places Fund	External contracts	91,588
Roadway Improvement Fund	External contracts	10,199
1996 Capital Improvement Fund	External contracts	1,946,035
2012 Public Safety Center Tax Fund	External contracts	1,982,147
Convention and Visitors Bureau Fund	External contracts	10,655
		<u>\$ 56,945,012</u>

The following table shows the fund balance classifications as shown on the Governmental Funds Balance Sheet in accordance with GASB Statement 54:

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
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	Major Governmental Funds					Total
	General Fund	Fire Public Safety Tax	Police Public Safety Tax	2000 Capital Improvement Tax	Other Governmental Fund	
Fund Balance						
Restricted For:						
Police operations	-	-	5,248,501	-	-	5,248,501
Fire operations	-	7,545,702	-	-	-	7,545,702
Hospital sale trust	-	-	-	-	7,098,344	7,098,344
Ambulance services	-	-	-	-	374,371	374,371
Economic development	-	-	-	-	10,655	10,655
Capital improvements	-	-	-	37,246,997	3,928,182	41,175,179
Street improvements	-	-	-	-	10,199	10,199
Art in public places	-	-	-	-	91,588	91,588
Culture and rec programs	-	-	-	-	508,690	508,690
Energy efficient grant programs	-	-	-	-	19,791	19,791
Cemetery improvements	-	-	-	-	84,833	84,833
Senior center programs	-	-	-	-	227,116	227,116
Police-drug programs	-	-	-	-	936,057	936,057
CDBG grant programs	-	-	-	-	374	374
Juvenile court programs	699,830	-	-	-	-	699,830
Street and alley operations	1,161,549	-	-	-	-	1,161,549
Transportation	11,140	-	-	-	-	11,140
Roadway widening	234,698	-	-	-	-	234,698
Sub-total restricted	2,107,217	7,545,702	5,248,501	37,246,997	13,290,200	65,438,617
Committed for:						
Senior center programs	-	-	-	-	3,613	3,613
Sub-total committed	-	-	-	-	3,613	3,613
Assigned for:						
Capital improvements	-	-	-	1,114,740	336,154	1,450,894
Culture and rec programs	-	-	-	-	169,280	169,280
Cemetery improvements	-	-	-	-	1,120	1,120
Art in public places	-	-	-	-	1,272	1,272
Street improvements	-	-	-	-	565	565
Police operations	-	-	109,286	-	-	109,286
Fire operations	-	149,904	-	-	-	149,904
Economic development	621,354	-	-	-	-	621,354
Police-drug programs	-	-	-	-	14,985	14,985
Senior center programs	-	-	-	-	3,855	3,855
Ambulance services	-	-	-	-	4,610	4,610
Supplement of next fiscal years budget	1,021,877	-	-	-	-	1,021,877
Sub-total assigned	1,643,231	149,904	109,286	1,114,740	531,841	3,549,002
Unassigned:	5,904,708	-	-	-	-	5,904,708
TOTAL FUND BALANCE	\$ 9,655,156	\$ 7,695,606	\$ 5,357,787	\$ 38,361,737	\$ 13,825,654	\$ 74,895,940

NOTE 4. OTHER NOTES

4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

The City participates in three employee pension systems as follows:

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

Oklahoma Police and Firefighter's Pension and Retirement Systems

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

CITY OF EDMOND, OKLAHOMA
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	Oklahoma Police Pension and Retirement System	Oklahoma Firefighter Pension and Retirement System
Obtaining separately issued financial statements	Police Pension and Retirement 1001 N.W. 63rd St., Suite 605 Oklahoma City, OK 73116-7335	Firefighters Pension & Retirement 4545 N. Lincoln Blvd., Suite 265 Oklahoma City, OK 73105-3414
Eligibility to participate	All full-time officers, employed by a participating municipality, not less than 21 years of age or more than 45 years of age when hired.	All full-time or voluntary firefighters of a participating municipality hired before age 45.
Authority establishing contribution obligations and benefits	State Statute	State Statute
Employee's contribution rate (percent of covered payroll)	8%	8%
City's contribution rate (percent of covered payroll)	13%	13%
State obligation	State appropriation to fund the unfunded actuarial accrued liability	State appropriation to fund the unfunded actuarial accrued liability
Period required to vest	10 years	10 years
Eligibility and benefits for distribution (full-time)	20 years credited service, 2 1/2% of final average salary multiplied by the years of credited service with a maximum of 30 years considered; if vested, at or after age 50, or after 10 but before 20 years of credited service, with reduced benefits.	20 years credited service 2 1/2% of final average salary multiplied by the years of credited service with a maximum of 30 years considered; if vested, at or after age 50, or after 10 but before 20 years of credited service, with reduced benefits.
Deferred retirement option	Yes, 20 years credited service with additional option to participate in a Back D.O.P	Yes, 20 years credited service with continued service for a maximum of 30 or more years.
Provisions for:		
Cost of living adjustments (normal retirement)	Yes	Yes, if vested by 5/83
Death (duty, non-duty, post retirement)	Yes	Yes
Disability (duty, non-duty)	Yes	Yes
Cost of living allowances	Yes	Yes

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

B. Trend Information

The state made on-behalf payments for the police pension system of \$856,477 and for the fire pension system of \$2,473,175. These on-behalf payments were recognized as revenue and expenditures in the current fiscal year. City contributions required by State statute:

Fiscal <u>Year</u>	<u>Oklahoma Police Pension and Retirement System</u>		<u>Oklahoma Firefighters Pension and Retirement System</u>	
	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
2009	\$920,930	100%	\$1,062,056	100%
2010	\$992,683	100%	\$1,134,457	100%
2011	\$977,239	100%	\$1,163,237	100%
2012	\$1,021,471	100%	\$1,208,681	100%

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

C. Related Party Investments

As of June 30, 2012, the Systems held no related-party investments of the City or of its related entities.

Edmond Employees Retirement System - Single-Employer, Defined Benefit Pension Plan

A. Plan Description, Contribution Information, and Funding Policies

The City contributes to the City of Edmond Employees' Retirement System (the "System"), which is a single employer defined benefit pension plan administered by the City of Edmond Administrative Committee. All non-union full-time City employees are eligible to participate in the System. The City's retirement ordinance requires that actuarial valuations be performed in each even-numbered year to determine if the City's fixed contribution rate is adequate to fund the actuarially determined contribution requirement. The System does not issue separate annual financial statements.

The following is a summary of funding policies, contribution methods, and benefit provisions:

Year established and governing authority	1966; City Council Ordinance
Determination of Contribution requirements	City Ordinance; actuarially determined
Employer	8.34% (See paragraph C)
Plan members	5.25%
Funding of administrative costs	Investment earnings
Period required to vest	7 years
Eligibility for distribution	Age 65, or age 55 with seven years credited service
Provisions for:	
Disability benefits	Yes
Death benefits	Yes

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
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Plan Membership:

Non-vested active members	198
Fully vested active members	<u>239</u>
Total Active members	<u>437</u>
Non-active retired, beneficiaries, disabled and deferred vested participants	151
Total Plan Participants	<u>588</u>

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting - Disclosures of the System's financial condition are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as System revenues in the period in which they are due to the plan per the plan agreement. Benefits and refunds are recognized when due and payable per plan provisions.

Method Used to Value Investments - Values of System assets are reported at fair value which approximates market. As of June 30, 2012, the System held no related party investments or individual investments (other than U.S. government and U.S. government guaranteed securities) whose market value exceeds five percent or more of the net position available for benefits.

C. Annual Pension Cost, Net Pension Obligation, and Reserves

Current year annual pension costs for the System are shown in the trend information provided in the Trend Information section. Annual required contributions were made by the plan. The net pension benefit obligation decreased for the year ended June 30, 2012, as shown in the schedule below, based on the employer choosing to contribute 8.34% instead of the actuarial contribution percentage of 7.97%. See further explanation in paragraph D below.

Annual Required Contributions (ARC)	\$ 1,803,629
Interest on NPO	16,315
ARC Adjustment	(13,141)
Amortization Factor	-
Annual pension cost for 2012 plan year	<u>1,806,803</u>
Actual contributions made	<u>(1,886,892)</u>
Increase/(decrease) in net pension obligation	(80,089)
Beginning of year net pension obligation	<u>164,719</u>
End of year net pension obligation	<u>\$ 84,630</u>

There are no assets legally reserved for purposes other than the payment of plan member benefits. There are no long-term contracts for contributions. The following governmental funds contributed to the liquidation for the net pension obligation: General Fund, Fire Public Safety Sales Tax, and Police Public Safety Sales Tax.

The governmental fund used to liquidate the net pension obligation is the general fund.

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

D. Trend Information

<u>Fiscal Year</u>	<u>Annual Pension Costs</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (NPO)</u>
2006	\$ 1,230,614	* 100%	\$ 114,089
2007	\$ 1,319,505	104%	\$ 58,599
2008	\$ 1,135,240	124%	\$ (214,752)
2009	\$ 1,679,316	75%	\$ 205,270
2010	\$ 1,823,758	101.4%	\$ 175,807
2011	\$ 1,791,395	101.1%	\$ 164,719
2012	\$ 1,800,573	104.6%	\$ 84,630

* - The prior year actuary report gave the City two options for the actuarially determined employer contribution rate as follows: 7.97% using the asset smoothing value for actuarial asset value or 8% using market value for actuarial asset value. The City chose the higher of the two rates and contributed 100% of that rate.

Actuarial valuation information for the current year is as follows (expressed in millions of dollars):

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) -- Projected Unit</u>	<u>Unfunded AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded AAL as a Percentage of Covered Payroll</u>
7/1/12	\$51.6	\$54.5	\$2.8	94.7%	\$22.6	12.7%

E. Actuarial assumptions

Valuation date	July 1, 2012
Actuarial cost method	Projected Unit Credit Method
Amortization method	Level Dollar
Amortization period	30 years (rolling-open)
Actuarial asset valuation method	Actuarial write-up method with asset smoothing
Inflation rate	3.00%
Investment rate of return	7.25%
Projected salary increases*	Age-related
Retirement Rates *	Experience
Turnover *	Experience
Mortality	RP2000 Table

* In 2011 a detailed study was completed of the Retirement System's demographic experience over the preceding seven years. As a result, the Actuary recommended and the System's Administrative Committee approved new assumptions based on actuarial experience. The assumption changes included a revised schedule of age-related retirement rates, age-related assumed pay increases replaced the 5% pay increase assumption and a new turnover assumption based on both age and employee years of service was implemented. These updates represent an ongoing and continuing process of refining prior assumptions.

CITY OF EDMOND, OKLAHOMA
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Other Post-Employment Benefits

Plan Description: City provides post-retirement benefit options for health care, prescription drug, dental and vision benefits for retired employees and their dependents that elect to make required contributions. The benefits are provided in accordance with State law, police and firefighter's union contracts and the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). The relationship for these benefits is not formalized in a contract or plan document, only a few sentences in the administrative policy. These benefits are considered for accounting purposes to be provided in accordance with a single employer substantive plan. A substantive plan is one in which the plan terms are understood by the city and plan members. This understanding is based on communications between the employers and plan member and the historical pattern of practice with regard to the sharing of benefit costs. Substantially all of the government's employees may become eligible for those post-retirement benefits if they reach normal retirement age while working for the City. As of June 30, 2012, approximately 37 retired employees are receiving benefits under this plan.

Funding Policy. The contribution requirement of the City is an implicit subsidy. The implicit subsidy is not a direct payment from the employer on behalf of the member but rather stems from retiree contribution levels that are less than the claims cost at retiree ages. Since claims experience for employees and non-Medicare eligible retirees are pooled when determining premiums, these retired members pay a premium based on a pool of members that, on average, are younger and healthier. There is an implicit subsidy from the employee group since the premiums paid by the retirees are lower than they would have been if the retirees were insured separately. The subsidies are valued using the difference between the age-based claims costs and the premium paid by the retiree. The amount required to fund the implicit rate is based on projected pay-as-you-go financing requirements. For fiscal year 2012, the City contributed \$144,402 to the plan. Plan members receiving benefits contributed \$370,634, or approximately 66% percent of the value of coverage, through their required contribution of \$435.89 per month for retiree-only Standard option coverage and \$1,044.31 for retiree and spouse medical Standard option coverage. Retirees have the option to upgrade to the Enhanced option through their required contribution of \$509.06 per month for retiree-only Enhanced option and \$1216.72 for retiree and spouse Enhanced option. Retirees who elected Standard option dental coverage contributed \$37.19 for retiree only and \$82.82 for retiree and spouse coverage per month. Retirees have the option to Buy Up on their dental plan for an additional \$10.00 per month for retiree-only coverage or \$40.00 for retiree and spouse coverage per month. Retirees who elected vision coverage contributed \$6.68 for retiree only coverage and \$13.79 for retiree and spouse coverage per month.

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. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the year ended June 30, 2012:

Annual required contribution	\$	565,616
Interest on net OPEB obligation		46,310
Adjustment to annual required contribution		<u>(91,044)</u>
Annual OPEB cost (expense)		520,882
Contributions made		<u>(144,402)</u>
Increase in net OPEB obligation		376,480
Net OPEB obligation-beginning of year		<u>926,161</u>
Net OPEB obligation-end of year	\$	<u><u>1,302,641</u></u>

CITY OF EDMOND, OKLAHOMA
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The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net unfunded OPEB obligation for 2012 was as follows:

Fiscal Year	Annual OPEB Cost	Net Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	\$ 445,942	\$ 137,552	31%	\$ 308,390
6/30/2010	\$ 461,362	\$ 142,366	31%	\$ 627,386
6/30/2011	\$ 443,179	\$ 144,403	33%	\$ 926,162
6/30/2012	\$ 520,882	\$ 144,402	28%	\$ 1,302,641

Funded Status and Funding Progress. As of October 25, 2012, the most recent actuarial valuation date, the plan was 28 percent funded. The actuarial accrued liability for benefits was \$4.2 million, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$4.2 million. The covered payroll (annual payroll of active employees covered by the plan) was \$31.8 million, and the ratio of the UAAL to the covered payroll was 13 percent.

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.

The schedule of funding progress, presented at RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial liability 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 October 25, 2012, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 7.0 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, a discount rate of 5.0 percent, and an annual healthcare cost trend rate of 6.5 percent initially, reduced by decrements to an ultimate rate of 5 percent in 2014, based upon dependent rates the same trend is applied to retiree contributions. There were no assets to determine the actuarial value of assets. The UAAL is being amortized over 30 years as level payments, open. The remaining amortization period at June 30, 2012, was twenty-seven years. The plan does not issue a separate financial statement. Information concerning the projected salary increases, post-retirement benefit increases, and inflation rate were not made available in the actuarial report.

4.B. RISK MANAGEMENT

CITY OF EDMOND, OKLAHOMA
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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's health and life; and natural disasters. The City manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
a. General Liability: - Torts - Errors and omissions - Police liability - Vehicle	City has insurance coverage for General Liability coverage. All claims are submitted to the insurance provider for determination of liability. Claims below deductible accounted for within the Liability Tort Claim Fund.	City retains risk of losses up to \$100,000 deductible per occurrence with excess coverage up to \$5,000,000
b. Physical Property: - Theft - Damage to assets - Natural disasters	City has insurance coverage for Property & Contents and Boiler & Machinery. Claims for losses are submitted to insurance provider for reimbursement of losses.	City retains risk of loss up to the deductible amount of \$10,000 for property and \$50,000 for B & M. Coverage amounts vary by type of loss.
c. Workers Compensation: - Employee injuries	Self-insured with third-party administration of the claims process. Liability Tort Claim Fund used to account for activities with participating funds charged through an estimated annual claim cost for each fund. Administered by Gallagher Bassett.	City retains risk of loss for first \$400,000 or \$750,000 of damage per occurrence depending on job classification. Stop loss insurance carried for damages above the City deductible up to a maximum aggregate of \$2,000,000 per occurrence.
d. Health and Life: - Medical - Dental - Vision	Self-insured with City paying a portion of health care premiums, and all of life and disability premiums. Administered by United Healthcare and Sunlife.	Claims up to \$140,000 per individual self-funded with stop-loss insurance up to \$1,000,000 per person.

Claims Liability Analysis

The claims liabilities related to the above noted risks of loss that are retained are determined in accordance with the requirements of Statement of Financial Accounting Standards No. 5., which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The City has elected to report its estimated claim liability at the discounted net present value of future payments. For the internal service self-insurance funds, changes in the claims liability for the City from July 1, 2009, to June 30, 2012, are as follows:

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

	Workers' Compensation	Health Care	Tort	Total
Claim liability, June 30, 2009	\$ 794,000	\$ 123,052	\$ 684,000	\$ 1,601,052
Claims and changes in estimates	1,012,554	6,318,949	69,517	7,401,020
Claims payments	(880,554)	(5,864,343)	(115,517)	(6,860,414)
Claim liability, June 30, 2010	926,000	577,658	638,000	2,141,658
Claims and changes in estimates	1,514,441	6,301,367	264,227	8,080,035
Claims payments	(1,104,441)	(6,421,099)	(151,227)	(7,676,767)
Claim liability, June 30, 2011	1,336,000	457,926	751,000	2,544,926
Claims and changes in estimates	683,130	7,150,623	54,529	7,888,283
Claims payments	(755,130)	(7,130,492)	(58,529)	(7,944,152)
Claim liability, June 30, 2012	<u>\$ 1,264,000</u>	<u>\$ 478,057</u>	<u>\$ 747,000</u>	<u>\$ 2,489,057</u>
Reconciliation to Statement of Net Assets:				
Current portion				\$ 1,190,543
Noncurrent portion				1,298,514
Total				<u>\$ 2,489,057</u>

4.C. COMMITMENTS AND CONTINGENCIES

The City maintains a stop-loss policy for plans to limit risk associated with the plans. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the four prior years. The commitments in governmental funds are the appropriations in the subsequent fiscal year and reported as a designation of fund balance on the governmental fund's balance sheet.

Construction Commitments

At June 30, 2012, the City had awarded construction contracts totaling \$36,620,943 for various City and EPWA projects and of this amount, \$29,384,765 was outstanding and payable from various funds.

Contingencies

Grant Program Involvement

In the normal course of operations, the City participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency to ensure compliance with specific provisions of the grant or loan. Any liability or 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.

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 accrual 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. This statutory taxing ability is not available to the City's public trusts (Authorities).

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.

4.D. RECENTLY ISSUED ACCOUNTING STANDARDS

The following accounting standards have been recently issued and will be adopted as applicable by the City in future years.

In March 2009, GASB issued Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB No. 55 is to incorporate the hierarchy of GAAP for state and local governments into the Governmental Accounting Standards Board's (GASB) authoritative literature. The "GAAP hierarchy" consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles.

In March 2009, GASB issued Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. GASB No.56 is to incorporate into the GASB authoritative literature certain accounting and financial reporting guidance presented in the AICPA's Statements on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes *accounting* principles-related party transactions, going concern considerations, and subsequent events.

In December 2009, GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. GASB No.57 is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans. This Statements amends Statement No. 45.

In December 2009, GASB issued Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. GASB No. 58 is to provide accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the US Bankruptcy Code. It requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms (approves) a new payment plan.

In June 2010, GASB issued Statement No. 59, *Financial Instruments Omnibus*, GASB No. 59 is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice.

In November 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. GASB 60 addresses issues related to service concession arrangements (SCA's), which are a type of public-private or public-public partnership. This Statement applies only to those arrangements in which specific criteria determining whether a transferor has control over the facility are met. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011.

In November 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*. GASB No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2012.

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the AICPA Committee on Accounting Procedure

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

In June 2011, GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provision-an amendment of GASB Statement No. 53*. GASB No. 64 clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2011.

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provision of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged.

In March 2012, GASB issued Statement No. 66, *Technical Corrections -2012- an amendment of GASB Statements No. 10 and No. 62*. GASB No. 66 is intended to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements No. 54 and No. 62. This removed the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. It also modifies guidance on accounting for (1) operating lease payments that vary from a straight line basis, (2) the difference between the initial investment and the principal amount of a purchased loan and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current servicing fee rate. The provisions of this Statement are effective for financial statement for periods beginning after December 15, 2012. Earlier application is encouraged.

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*. GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement is effective for fiscal years beginning after June 15, 2014. Earlier application is encouraged.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EDMOND, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal year ended June 30, 2012

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
TAXES:				
Sales tax	\$ 26,624,157	\$ 27,930,535	\$ 28,620,398	\$ 689,863
Use tax	2,508,599	2,508,599	2,678,953	170,354
Franchise	2,271,745	2,271,745	2,066,159	(205,586)
Hotel/motel tax	411,485	411,485	391,664	(19,821)
Liquor tax	36,052	36,052	40,392	4,340
Total Taxes	<u>31,852,038</u>	<u>33,158,416</u>	<u>33,797,566</u>	<u>639,150</u>
INTERGOVERNMENTAL:				
Grant Revenues	10,000	430,725	867,395	436,670
Alcoholic Beverage	108,328	108,328	117,870	9,542
Cigarette Tax	602,286	602,286	685,719	83,433
Vehicle Tax	477,596	477,596	572,103	94,507
Gasoline Tax	150,987	150,987	151,489	502
Total Intergovernmental	<u>1,349,197</u>	<u>1,769,922</u>	<u>2,394,576</u>	<u>624,654</u>
CHARGES FOR SERVICES:				
Swimming pool fees	428,579	428,579	426,373	(2,206)
Recreational program fees	73,784	73,784	45,040	(28,744)
Right-of-Way fees	4,701,696	4,701,696	4,701,696	-
Cemetery fees	105,342	105,342	124,231	18,889
Curb cut fees	7,218	7,218	9,870	2,652
Animal welfare fees	49,192	49,192	44,405	(4,787)
Filing fees	37,331	37,331	50,494	13,163
911 fees	48,966	48,966	42,802	(6,164)
Transportation fees	185,327	185,327	185,327	-
Miscellaneous charges	8,920	8,920	9,314	394
Total Charges for Services	<u>5,646,355</u>	<u>5,646,355</u>	<u>5,639,552</u>	<u>(6,803)</u>
FINES AND FORFEITURES	<u>2,423,070</u>	<u>2,423,070</u>	<u>2,068,170</u>	<u>(354,900)</u>
LICENSES AND PERMITS	<u>1,092,298</u>	<u>1,092,298</u>	<u>1,450,110</u>	<u>357,812</u>
INVESTMENT INCOME	<u>60,000</u>	<u>60,000</u>	<u>73,733</u>	<u>13,733</u>
MISCELLANEOUS	<u>229,440</u>	<u>229,440</u>	<u>231,175</u>	<u>1,735</u>
TOTAL REVENUES	<u>42,652,398</u>	<u>44,379,501</u>	<u>45,654,882</u>	<u>1,275,381</u>
OTHER FINANCING SOURCES:				
Transfers from other funds	29,853,111	31,087,457	31,087,457	-
Total Other Financing Sources	<u>29,853,111</u>	<u>31,087,457</u>	<u>31,087,457</u>	<u>-</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 72,505,509</u>	<u>\$ 75,466,958</u>	<u>\$ 76,742,339</u>	<u>\$ 1,275,381</u>

(Continued)

CITY OF EDMOND, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 For the Fiscal year ended June 30, 2012
 (Continued)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES				
General Government:				
General:				
Other services and charges	31,700	37,922	27,925	9,997
Capital outlay	-	-	-	-
Total General	31,700	37,922	27,925	9,997
City Council:				
Personal services	25,489	25,489	23,643	1,846
Materials and supplies	5,450	5,450	1,161	4,289
Other services and charges	99,250	99,250	82,313	16,937
Total City Council	130,189	130,189	107,117	23,072
Municipal Court:				
Personal services	670,636	670,636	631,113	39,523
Materials and supplies	20,049	20,049	12,107	7,942
Other services and charges	225,771	225,771	132,544	93,227
Capital outlay	-	123,046	123,046	-
Total Judicial	916,456	1,039,502	898,810	140,692
Edmond-Guthrie Regional Airport:				
Other services and charges	145,000	191,620	57,834	133,786
Cemetery:				
Personal services	114,345	114,345	110,557	3,788
Materials and supplies	9,275	9,275	9,145	130
Other services and charges	44,245	44,245	32,263	11,982
Capital outlay	-	-	-	-
Total Cemetery	167,865	167,865	151,965	15,900
Planning and Zoning:				
Personal services	536,091	536,091	481,423	54,668
Materials and supplies	4,850	4,850	2,753	2,097
Other services and charges	24,110	24,110	16,874	7,236
Capital outlay	-	-	-	-
Total Planning and Zoning	565,051	565,051	501,050	64,001
Downtown Community Center:				
Personal services	82,913	82,913	77,609	5,304
Materials and supplies	13,050	13,050	3,266	9,784
Other services and charges	68,575	68,575	26,062	42,513
Capital outlay	-	-	-	-
Total Downtown Community Center	164,538	164,538	106,937	57,601
TOTAL GENERAL GOVERNMENT	\$ 2,120,799	\$ 2,296,687	\$ 1,851,638	\$ 445,049
ECONOMIC DEVELOPMENT:				
CityLink:				
Personal services	\$ 29,983	\$ 29,983	\$ 29,262	\$ 721
Materials and supplies	71,200	124,159	123,005	1,154
Other services and charges	989,518	1,256,227	1,249,161	7,066
Capital outlay	-	-	-	-
Total CityLink	1,090,701	1,410,369	1,401,428	8,941
Community Image:				
Personal services	459,616	459,616	447,562	12,054
Materials and supplies	45,850	52,350	46,511	5,839
Other services and charges	136,866	125,566	67,955	57,611
Capital outlay	-	-	-	-
Total Community Image	642,332	637,532	562,028	75,504
TOTAL ECONOMIC DEVELOPMENT	\$ 1,733,033	\$ 2,047,901	\$ 1,963,456	\$ 84,445

(Continued)

CITY OF EDMOND, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 For the Fiscal year ended June 30, 2012
 (Continued)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
PUBLIC SAFETY:				
Emergency Management:				
Personal services	191,955	191,955	170,379	21,576
Materials and supplies	25,446	25,446	6,486	18,960
Other services and charges	107,450	107,450	26,837	80,613
Capital outlay	40,000	40,000	-	40,000
Total Emergency Management	<u>364,851</u>	<u>364,851</u>	<u>203,702</u>	<u>161,149</u>
Building Department:				
Personal services	1,020,624	1,020,624	963,891	56,733
Materials and supplies	43,866	43,866	35,323	8,543
Other services and charges	48,190	48,190	46,452	1,738
Capital outlay	-	-	-	-
Total Building Department	<u>1,112,680</u>	<u>1,112,680</u>	<u>1,045,666</u>	<u>67,014</u>
TOTAL PUBLIC SAFETY	\$ 1,477,531	\$ 1,477,531	\$ 1,249,368	\$ 228,163
STREETS AND HIGHWAYS:				
Materials and supplies	\$ -	\$ -	\$ -	\$ -
Other services and charges	-	-	-	-
Capital outlay	625,000	1,133,408	897,405	236,003
TOTAL STREETS AND HIGHWAYS	<u>625,000</u>	<u>1,133,408</u>	<u>897,405</u>	<u>236,003</u>
OUTSIDE AGENCIES:				
Materials and Supplies	-	-	-	-
Other services and charges	537,000	537,000	536,032	968
TOTAL OUTSIDE AGENCIES	<u>537,000</u>	<u>537,000</u>	<u>536,032</u>	<u>968</u>
PARKS AND RECREATION:				
Parks and Recreation:				
Personal services	1,216,091	1,216,091	1,080,898	135,193
Material and supplies	251,750	256,750	226,432	30,318
Other services and charges	719,190	714,190	611,565	102,625
Capital outlay	-	-	-	-
Total Parks and Recreation	<u>2,187,031</u>	<u>2,187,031</u>	<u>1,918,895</u>	<u>268,136</u>
Senior Center:				
Personal services	288,054	288,054	263,651	24,403
Materials and supplies	15,160	15,160	12,261	2,899
Other services and charges	62,760	62,760	39,436	23,324
Capital outlay	-	-	-	-
Total Senior Citizens	<u>365,974</u>	<u>365,974</u>	<u>315,348</u>	<u>50,626</u>
Festival Marketplace:				
Personal services	21,530	21,530	8,405	13,125
Materials and supplies	3,350	3,350	1,389	1,961
Other services and charges	32,650	32,650	20,618	12,032
Capital outlay	-	-	-	-
Total Festival Marketplace	<u>57,530</u>	<u>57,530</u>	<u>30,412</u>	<u>27,118</u>
Historical Society:				
Personal services	-	-	-	-
Materials and supplies	2,000	2,000	674	1,326
Other services and charges	246,500	246,500	231,368	15,132
Capital outlay	-	-	-	-
Total Historical Society	<u>248,500</u>	<u>248,500</u>	<u>232,042</u>	<u>16,458</u>
TOTAL PARKS AND RECREATION	2,859,035	2,859,035	2,496,697	362,338
TOTAL EXPENDITURES	9,352,398	10,351,562	8,994,596	1,356,966
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(63,972,505)	(66,641,958)	(66,317,868)	324,090
Total Other Financing Uses	(63,972,505)	(66,641,958)	(66,317,868)	324,090
TOTAL EXPENDITURES AND OTHER FINANCING USES	73,324,903	76,993,520	75,312,476	1,681,044
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (819,394)	\$ (1,526,562)	\$ 1,429,863	\$ 2,956,425

CITY OF EDMOND, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 MAJOR SPECIAL REVENUE FUNDS
 FIRE PUBLIC SAFETY LIMITED TAX FUND
 For the fiscal year ended June 30, 2012

FIRE PUBLIC SAFETY LIMITED TAX FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 3,328,019	\$ 3,328,019	\$ 3,577,550	\$ 249,531
Intergovernmental	-	-	44,717	44,717
Charges for Services	6,000	6,000	6,000	-
Investment income	75,000	75,000	46,221	(28,779)
Miscellaneous	24,228	24,228	26,759	2,531
Total Revenues	3,433,247	3,433,247	3,701,247	268,000
EXPENDITURES:				
Public Safety:				
Personal Services	13,198,551	13,200,181	12,205,770	994,411
Materials and supplies	741,250	736,245	409,537	326,708
Other services and charges	640,250	672,132	361,591	310,541
Capital outlay	352,000	365,750	162,808	202,942
Total Public Safety	14,932,051	14,974,308	13,139,706	1,834,602
Total Expenditures	14,932,051	14,974,308	13,139,706	1,834,602
Revenues over (under) expenditures	(11,498,804)	(11,541,061)	(9,438,459)	2,102,602
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	12,390,962	12,390,962	12,978,084	587,122
Transfers to other funds	(2,404,674)	(2,419,941)	(2,419,941)	-
Total other financing sources (uses)	9,986,288	9,971,021	10,558,143	587,122
Revenues and other sources over (under) expenditures and other uses	\$ (1,512,516)	\$ (1,570,040)	\$ 1,119,684	\$ 2,689,724

CITY OF EDMOND, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 MAJOR SPECIAL REVENUE FUNDS
 POLICE PUBLIC SAFETY LIMITED TAX FUND
 For the fiscal year ended June 30, 2012

POLICE PUBLIC SAFETY LIMITED TAX FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 1,664,010	\$ 1,664,010	\$ 1,788,775	\$ 124,765
Intergovernmental	-	161,592	226,160	64,568
Charges for Services	1,709	1,709	7,600	5,891
Investment income	50,000	50,000	29,445	(20,555)
Miscellaneous	15,245	15,245	41,353	26,108
Total Revenues	1,730,964	1,892,556	2,093,333	200,777
EXPENDITURES:				
Public Safety:				
Personal Services	13,482,950	13,524,100	12,355,183	1,168,917
Materials and supplies	670,982	715,038	594,220	120,818
Other services and charges	505,450	523,407	341,774	181,633
Capital outlay	-	68,503	68,503	-
Total Public Safety	14,659,382	14,831,048	13,359,680	1,471,368
Total Expenditures	14,659,382	14,831,048	13,359,680	1,471,368
Revenues over (under) expenditures	(12,928,418)	(12,938,492)	(11,266,347)	1,672,145
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	15,199,580	15,200,529	15,919,783	719,254
Transfers to other funds	(3,590,605)	(3,590,605)	(3,520,671)	69,934
Total other financing sources (uses)	11,608,975	11,609,924	12,399,112	789,188
Revenues and other sources over (under) expenditures and other uses	\$ (1,319,443)	\$ (1,328,568)	\$ 1,132,765	\$ 2,461,333

BUDGETARY ACCOUNTING AND CONTROL

Budget Law

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

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

The legal level of control at which expenditures may not legally exceed appropriations is the department level within a fund.

The City Manager may only transfer appropriations within expenditure categories within a department without City council approval. Transfers between expenditure categories of a department or fund and budget supplements made during the year are recommended by the City Manager and must be approved by the City Council. Supplemental appropriations must also be filed with the Office of State Auditor and Inspector.

Budgetary Accounting

The City prepares its budgets for all governmental fund types on a budgetary basis of accounting which differs from the modified accrual basis of accounting in the following areas:

- Grants that do not result in cash flow and the related expenditures are not budgeted.
- Internal service fund charges for services are recorded as transfers in the budgetary basis.

CITY OF EDMOND, OKLAHOMA
NOTES TO BUDGETARY COMPARISON SCHEDULES
For the fiscal year ended June 30, 2012

The following is a reconciliation of those differences:

	Per Statement of Revenues, Expenditures, and Changes in Fund Balance	Internal Service Fund Transfers	Non-Cash Grant Activity	Fund Combined for Reporting Purposes	Per Budgetary Comparison Schedule
General Fund:					
Total Revenues	\$ 45,667,934	\$ -	\$ -	\$ (13,052)	\$ 45,654,882
Transfers In	31,087,457	-	-	-	31,087,457
Total Revenues and Other Financing Sources	<u>76,755,391</u>	<u>-</u>	<u>-</u>	<u>(13,052)</u>	<u>76,742,339</u>
Total Expenditures	17,586,222	(8,572,976)		(14,438)	8,998,808
Transfers Out	57,740,692	8,572,976	-	-	66,313,668
Total Expenditures and Other Financing Uses	<u>75,326,914</u>	<u>-</u>	<u>-</u>	<u>(14,438)</u>	<u>75,312,476</u>
Net Changes in Fund Balance	<u>\$ 1,428,477</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,386</u>	<u>\$ 1,429,863</u>
Fire Public Safety Limited Tax Fund:					
Total Revenues	\$ 6,174,422	\$ -	\$ (2,473,175)	\$ -	\$ 3,701,247
Transfers In	12,978,084	-	-	-	12,978,084
Total Revenues and Other Financing Sources	<u>19,152,506</u>	<u>-</u>	<u>(2,473,175)</u>	<u>-</u>	<u>16,679,331</u>
Total Expenditures	18,032,822	(2,419,941)	(2,473,175)	-	13,139,706
Transfers Out	-	2,419,941	-	-	2,419,941
Total Expenditures and Other Financing Uses	<u>18,032,822</u>	<u>-</u>	<u>(2,473,175)</u>	<u>-</u>	<u>15,559,647</u>
Net Change in Fund Balance	<u>\$ 1,119,684</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,119,684</u>
Police Public Safety Limited Tax Fund:					
Total Revenues	\$ 2,949,810	\$ -	\$ (856,477)	\$ -	\$ 2,093,333
Transfers In	15,919,783	-	-	-	15,919,783
Total Revenues and Other Financing Sources	<u>18,869,593</u>	<u>-</u>	<u>(856,477)</u>	<u>-</u>	<u>18,013,116</u>
Total Expenditures	17,736,828	(3,520,671)	(856,477)	-	13,359,680
Transfers Out	-	3,520,671	-	-	3,520,671
Total Expenditures and Other Financing Uses	<u>17,736,828</u>	<u>-</u>	<u>(856,477)</u>	<u>-</u>	<u>16,880,351</u>
Net Change in Fund Balance	<u>\$ 1,132,765</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,132,765</u>

All governmental funds of the city are required to have annual budgets. The City prepared and adopted a legal annual budget for all governmental funds.

The City utilizes encumbrances accounting under which purchase orders, contracts and other commitments for the expenditure funds are recorded in order to reserve a portion of the applicable appropriation. Encumbered appropriations at year end are lapsed and encumbrances to be honored are reappropriated in the following budget year.

CITY OF EDMOND, OKLAHOMA
SINGLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
FUNDING SCHEDULES
June 30, 2012

I. Schedule of Funding Progress (in millions of dollars)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -- Projected Unit	Unfunded (Overfunded) AAL	Funded Ratio	Covered Payroll	Unfunded (Overfunded) AAL as a Percentage of Covered Payroll
7/1/04	\$28.3	\$29.7	\$1.4	95.5%	\$15.0	9.3%
7/1/05	\$30.7	\$33.0	\$2.3	93.1%	\$16.1	14.3%
7/1/06	\$33.6	\$35.6	\$2.0	94.6%	\$17.6	11.4%
7/1/07	\$37.6	\$36.3	\$(1.4)	103.8%	\$18.5	(7.4)%
7/1/08	\$41.4	\$41.5	\$0.1	99.9%	\$19.7	0.1%
7/1/09	\$39.4	\$44.3	\$4.9	88.9%	\$20.0	24.5%
7/1/10	\$43.0	\$48.4	\$5.4	88.8%	\$22.5	24.2%
7/1/11	\$48.0	\$50.6	\$2.6	93.7%	\$21.6	14.8%
7/1/12	\$51.6	\$54.5	\$2.8	94.7%	\$22.6	12.7%

II. Schedule of Employer Contributions

Fiscal Year	Annual Required Contribution	Percentage Contributed
2003	\$718,263	100%
2004	\$928,405	100%
2005	\$1,132,223	90%
2006	\$1,230,614	100%
2007	\$1,326,747	104%
2008	\$1,135,240	124%
2009	\$1,262,492	75%
2010	\$1,823,758	101.4%
2011	\$1,791,395	101.1%
2012	\$1,845,024	102.3%

III. Notes to Required Supplementary Information Pension Plan Funding Schedules

- (1) Covered payroll is the total annualized rate of pay as of the valuation date based on actual pay for the preceding year and not the actual covered payroll during the fiscal year.
- (2) The actuarial value of assets was changed from market value to the actuarial write-up method effective with the July 1, 2002 valuation. The smoothing factor is 20% and the market value corridor is plus or minus 15%. The actual fair value of plan assets at June 30, 2012 is \$50,874,151.
- (3) Actuarial assumptions used in the above schedules are as follows:

Valuation date	July 1, 2010
Actuarial cost method	Projected Unit Credit Method
Amortization method	Level Dollar
Amortization period	30 years (rolling)
Actuarial asset valuation method	Actuarial write-up method
Investment rate of return	7.25%
Projected salary increases	5.00%
Post retirement benefit increases	Updated plan experience

Required Supplementary Information

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, 2011
Actuarial accrued liability - AAL (a)	\$3,414,776	\$3,770,440	4,239,856
Actuarial value of plan assets (b)	-	-	-
Unfunded actuarial accrued liability – UAAL (funding excess) (a) – (b)	3,414,776	3,770,440	4,239,856
Funded ratio (b)/(a)	0%	0%	0%
Covered payroll (c)	\$ 28,744,000	\$ 33,132,000	\$ 31,860,000
UAAL (funding excess) as a % of covered payroll [UAAL/(c)]	12%	11%	13%

OTHER SUPPLEMENTARY INFORMATION

General Fund

Under GASB Statement 54 certain funds no longer met the definition to be presented as Special Revenue Funds. Those funds became accounts of the General Fund for reporting purpose. For reporting purposes, the General Fund contains the following subfund accounts:

GENERAL FUND - The primary operating fund of the City. The General Fund is reported as a major governmental fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

EDMOND ELECTRIC ECONOMIC DEVELOPMENT FUND – The Economic Development Fund has been established to stimulate the growth of Edmond's economy by offering services that facilitate the growth and expansion of new and existing businesses and generating opportunities to increase the sales tax base of the City of Edmond.

PARK SPECIAL EVENTS – The Park Special Events Fund has been established to account for donations and fees related to culture and recreation events.

**City of Edmond
Balance Sheet
General Fund Accounts
June 30, 2012**

	<u>General Fund</u>	<u>Edmond Electric Economic Development</u>	<u>Park Special Events</u>	<u>Total General Fund</u>
ASSETS				
Cash and cash equivalents	\$ 217,870	\$ 135,433	\$ -	\$ 353,303
Investments	4,352,629	485,333	-	4,837,962
Due from other funds	1,035,873	-	-	1,035,873
Due from other governments	5,360,133	-	-	5,360,133
Accrued interest receivable	14,659	1,634	(4)	16,289
Other receivables	1,038,255	-	-	1,038,255
Total assets	<u>12,019,419</u>	<u>622,400</u>	<u>(4)</u>	<u>12,641,815</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	417,207	-	-	417,207
Due to other funds	1,344,460	-	3,471	1,347,931
Deferred revenue	663,346	1,047	(2)	664,391
Amounts held in escrow	557,130	-	-	557,130
Total liabilities	<u>2,982,143</u>	<u>1,047</u>	<u>3,469</u>	<u>2,986,659</u>
Fund balances:				
Restricted	2,107,217	-	-	2,107,217
Assigned	1,021,878	621,353	-	1,643,231
Unassigned	5,908,181	-	(3,473)	5,904,708
Total fund balances	<u>9,037,276</u>	<u>621,353</u>	<u>(3,473)</u>	<u>9,655,156</u>
Total liabilities and fund balances	<u>\$ 12,019,419</u>	<u>\$ 622,400</u>	<u>\$ (4)</u>	<u>\$ 12,641,815</u>

See accompanying notes to the basic financial statements.

City of Edmond, Oklahoma
Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund Accounts
For the Year Ended June 30, 2012

	General Fund	Edmond Electric Economic Development	Park Special Events	Total General Fund
REVENUES				
Sales and Use Taxes	\$ 31,299,351	\$ -	\$ -	\$ 31,299,351
Franchise and public service taxes	2,106,551	-	-	2,106,551
Hotel/motel taxes	391,664	-	-	391,664
Intergovernmental	2,394,576	-	-	2,394,576
Charges for services	5,639,552	-	6,881	5,646,433
Fines and forfeitures	2,068,170	-	-	2,068,170
Licenses and permits	1,450,110	-	-	1,450,110
Investment income	73,733	4,174	(3)	77,904
Miscellaneous	231,175	-	2,000	233,175
Total Revenues	<u>45,654,882</u>	<u>4,174</u>	<u>8,878</u>	<u>45,667,934</u>
EXPENDITURES				
Current:				
General government	4,551,371	32	-	4,551,403
Public safety	2,173,006	-	-	2,173,006
Health and welfare	1,891,825	-	-	1,891,825
Culture, parks and recreation	3,770,333	-	14,406	3,784,739
Streets and highways	4,164,797	-	-	4,164,797
Capital outlay	1,020,451	-	-	1,020,451
Total Expenditures	<u>17,571,783</u>	<u>32</u>	<u>14,406</u>	<u>17,586,221</u>
Excess (deficiency) of revenues over expenditures	<u>28,083,099</u>	<u>4,142</u>	<u>(5,528)</u>	<u>28,081,713</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	31,087,457	-	-	31,087,457
Transfers out	(57,740,692)	-	-	(57,740,692)
Total other financing sources and uses	<u>(26,653,235)</u>	<u>-</u>	<u>-</u>	<u>(26,653,235)</u>
Net change in fund balances	1,429,864	4,142	(5,528)	1,428,478
Fund balances at beginning of year	7,607,412	617,211	2,055	8,226,678
Fund balances at end of year	<u>\$ 9,037,276</u>	<u>\$ 621,353</u>	<u>\$ (3,473)</u>	<u>\$ 9,655,156</u>

See accompanying notes to the basic financial statements

CITY OF EDMOND, OKLAHOMA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
BUDGET AND ACTUAL - GENERAL FUNDS COMBINED
For the fiscal year ended June 30, 2012

	EDMOND ELECTRIC ECONOMIC DEVELOPMENT			PARKS SPECIAL EVENTS FUND		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	12,500	6,881	(5,619)
Investment income	6,000	4,174	(1,826)	-	(3)	(3)
Miscellaneous	-	-	-	11,300	2,000	(9,300)
Total Revenues	6,000	4,174	(1,826)	23,800	8,878	(14,922)
Expenditures:						
General Government:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	350	32	318	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total General Government	350	32	318	-	-	-
Public Safety:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Parks and Recreation:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	8,800	6,522	2,278
Other service and charges	-	-	-	15,000	7,884	7,116
Capital outlay	-	-	-	-	-	-
Total Parks and Recreation	\$ -	\$ -	\$ -	\$ 23,800	\$ 14,406	\$ 9,394
Street:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Street	-	-	-	-	-	-
Total Expenditures	350	32	318	23,800	14,406	9,394
Revenues over (under) expenditures	\$ 5,650	\$ 4,142	\$ (1,508)	\$ -	\$ (5,528)	\$ (5,528)
Other financing sources (uses):						
Proceeds from revenue bonds	-	-	-	-	-	-
Premium on revenue bonds	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	5,650	4,142	(1,508)	-	(5,528)	(5,528)
Fund Balance-beginning of year	617,211	617,211	-	2,055	2,055	-
Fund Balance -end of year	\$ 622,861	\$ 621,353	\$ (1,508)	\$ 2,055	\$ (3,473)	\$ (5,528)

Special Revenue

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are normally restricted to expenditures for specified purposes.

CDBG ENTITLEMENT - This fund was established by the City to account for the grants received from the Federal government through the Oklahoma Department of Commerce under various Community Development Block Grant programs.

REAL PROPERTY FUND - The Real Property Fund has been established to accumulate resources for future real property acquisitions of the City. Financing is provided by transfers of investment earnings from the Hospital Sale Trust Fund.

ASSET FORFEITURE FUND - The Asset Forfeiture Fund has been established to account for assets that are equitably distributed by the Drug Enforcement Administration to state and local agencies that directly participate in the law enforcement effort that leads to the seizure of assets used in illegal drug activities. The assets received must be for only law enforcement purposes such as enhancements to future investigations, law enforcement training, equipment, operations and overtime for enforcement activities.

SENIOR CITIZENS FUND - This fund was established to account for dedicated revenues received for the benefit of senior citizens, including grants, donations and other resources. The expenditures of the fund are administratively restricted for the benefit of senior citizens' activities or programs.

EECBG GRANT FUND - This fund was established to account for grant funds related to energy efficiency.

CONVENTION & VISITORS BUREAU – The Convention & Visitors Bureau Fund accounts for the Hotel/Motel tax that the City collects. The revenue is initially recorded in the General Fund and then is transferred over. It is restricted for tourism, conventions, and visitors bureau.

HOSPITAL SALE TRUST FUND –The Hospital Sale Trust Fund was established in 1981 to account for the proceeds of approximately \$7,200,000 received from the sale of the Edmond Memorial Hospital to the Hospital Corporation of America. Use of the trust principal must first be approved by a vote of the citizens of the City. Investment earnings from the trust may be appropriated without voter approval but are restricted to capital improvements.

AMBULATORY SERVICE FUND – The Ambulatory Service Fund provides funding of the City of Edmond's Ambulance Services through the regional Emergency Medical Services Authority (EMSA). It primarily covers those citizens who have elected to participate in the TotalCare Program which is a monthly fee of \$3.00 paid through utility billing which began in FY09-10.

(continued)

Capital Project Funds

The Capital Project Funds have been established to account for all major capital improvements, except those accounted for in proprietary type funds, which are financed by the City's sales tax revenue bond issues, General Fund transfers, and other designated sources.

CEMETERY CARE FUND - The Cemetery Care Fund has been established to account for 12.5% of all monies received from the sale of lots and interments in accordance with state law. Monies received must be used to purchase lands for cemeteries and for making capital improvements. Interest earned may be used for improving, caring for, and embellishing cemetery property.

PARK SALES TAX FUND - The Park Sales Tax Fund has been established to account for operations and facility improvement costs of the City's park and recreation system. Financing is provided by a permanent one-eighth cent sales tax approved by the voters in September 1992 and expanded in 2000 to include all city parks.

ART IN PUBLIC PLACES FUND – The Art in Public Places Fund has been established to account for art acquisitions by the City. Financing is provided by donations, investment earnings and other City funds as determined by the City Council.

CAPITAL IMPROVEMENT FUND - The Capital Improvement Fund was established to account for major capital improvements that are financed by the General Fund and other designated sources which are outlined in the City's five year Capital Improvements program. The fund is funded primarily from General Fund transfers.

ROADWAY IMPROVEMENT FUND - The Roadway Improvement Fund has been established to account for street construction and improvement projects as approved by the voters on May 10, 1994. The improvements are financed by a temporary seven-eighths cent sales tax which ended in FY1995. The remainder of funds are planned to be expended on street improvements.

1996 CAPITAL IMPROVEMENT TAX FUND - The 1996 Capital Improvements Tax Fund has been established to account for various capital improvements as recommended by the Citizens Capital Improvements Planning Committee and approved by the voters on August 27, 1996. The improvements are being financed by a three-fourths cent sales tax for a five year period beginning November 1, 1996. Funded from the tax are street improvements, radio communication system and computer aided dispatch, water treatment plant expansion, library expansion, senior citizens center, and a city wide sidewalk project.

2012 CAPITAL IMPROVEMENTS TAX FUND – The 2012 Public Safety Center-Capital Improvements Tax Fund was established to account for the capital construction of a new Public Safety Center. The improvements are being financed by a 5 year one-half sales tax approved by the voters October 11th, 2011. The one-half cent sales tax began April 1st, 2012 and will end March 31, 2017.

City of Edmond, Oklahoma
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2012

	SPECIAL REVENUE FUNDS							
	CDBG Entitlement Fund	Real Property Fund	Asset Forfeiture Fund	Senior Center Fund	ECCBG Grant	Convention and Visitor's Bureau Fund	Hospital Sale Trust Fund	Ambulatory Service Fund
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ 207,294	\$ 50,870	\$ 8,949	\$ 5,366	\$ 1,759,059	\$ 66,980
Investments	-	43	742,849	182,292	32,075	19,193	6,219,476	240,024
Due from other funds	-	940,000	-	-	-	10,802	-	27,059
Due from other governments	67,302	-	-	-	-	-	-	-
Accrued interest receivable	-	(2,461)	2,502	614	-	65	62,611	808
Other receivable	-	-	-	2,000	-	-	-	44,628
Total assets	67,302	937,582	952,645	235,776	41,024	35,416	8,041,146	379,499
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	3,240	-	-	799	-	4,899	-	-
Due to other funds	63,688	934,838	-	-	-	19,821	940,000	-
Deferred revenue	-	(1,577)	1,603	393	21,233	41	2,802	518
Total liabilities	66,928	933,261	1,603	1,192	21,233	24,761	942,802	518
Fund balances:								
Restricted	374	-	936,057	227,116	19,791	10,655	7,098,344	374,371
Committed	-	-	-	3,613	-	-	-	-
Assigned	-	4,321	14,985	3,685	-	-	-	4,610
Total fund balances	374	4,321	951,042	234,584	19,791	10,655	7,098,344	378,981
Total liabilities and fund balances	\$ 67,302	\$ 937,582	\$ 952,645	\$ 235,776	\$ 41,024	\$ 35,416	\$ 8,041,146	\$ 379,499

City of Edmond, Oklahoma
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2012

CAPITAL PROJECT FUNDS

	Cemetery Care	Park Sales Tax Fund	Art in Public Places Fund	Capital Improvement Fund	Roadway Improvement Fund	1996 CIP Tax Fund	2012 Public Safety Center Tax Fund	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 18,735	\$ 130,001	\$ 25,779	\$ 75,634	\$ 2,346	\$ 431,362	\$ 194,323	\$ 2,976,688
Investments	67,136	465,867	92,382	271,037	8,408	1,545,811	696,556	10,583,149
Due from other funds	-	-	13,695	-	-	-	-	991,556
Due from other governments	-	294,455	-	-	-	-	1,177,819	1,539,576
Accrued interest receivable	226	1,569	311	913	28	5,206	2,346	74,738
Other receivable	-	-	-	-	-	-	-	46,628
Total assets	<u>86,097</u>	<u>891,892</u>	<u>132,167</u>	<u>347,584</u>	<u>10,782</u>	<u>1,982,379</u>	<u>2,071,044</u>	<u>16,212,335</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	-	212,917	38,108	51,974	-	-	83,595	396,532
Due to other funds	-	-	-	-	-	-	-	1,958,347
Deferred revenue	144	1,005	199	585	18	3,335	1,503	31,802
Total liabilities	<u>144</u>	<u>213,922</u>	<u>38,307</u>	<u>52,559</u>	<u>18</u>	<u>3,335</u>	<u>85,098</u>	<u>2,386,681</u>
Fund balances:								
Restricted	84,833	508,690	91,588	-	10,199	1,946,035	1,982,147	13,290,200
Committed	-	-	-	-	-	-	-	3,613
Assigned	1,120	169,280	1,272	295,025	565	35,009	3,799	531,841
Total fund balances	<u>85,953</u>	<u>677,970</u>	<u>92,860</u>	<u>295,025</u>	<u>10,764</u>	<u>1,979,044</u>	<u>1,985,946</u>	<u>13,825,654</u>
Total liabilities and fund balances	<u>\$ 86,097</u>	<u>\$ 891,892</u>	<u>\$ 132,167</u>	<u>\$ 347,584</u>	<u>\$ 10,782</u>	<u>\$ 1,982,379</u>	<u>\$ 2,071,044</u>	<u>\$ 16,212,335</u>

City of Edmond, Oklahoma
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2012

	SPECIAL REVENUE FUNDS									
	CDBG Entitlement Fund	Real Property Fund	Asset Forfeiture Fund	Senior Center Fund	EECEBG Grant	Convention and Visitor's Bureau Fund	Hospital Sale Trust Fund	Ambulatory Service Fund		
REVENUES										
Sales and use taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	296,684	-	-	-	460,706	-	-	-	-	-
Charges for services	-	-	-	2,101	-	-	-	-	-	955,426
Investment earnings	-	4,198	6,334	1,563	-	329	115,185	1,846	-	-
Miscellaneous	-	-	58,223	59,124	-	13,481	-	-	-	-
Total revenues	296,684	4,198	64,557	62,788	460,706	13,810	115,185	-	-	957,272
EXPENDITURES										
Current:										
General government	296,685	64	-	-	170,008	434,129	2,000	-	-	-
Public safety	-	-	20,745	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	1,005,263	-
Culture, parks and recreation	-	-	-	54,390	-	-	-	-	-	-
Capital Outlay	-	2,203,494	111,098	-	284,699	-	-	-	-	-
Total Expenditures	296,685	2,203,558	131,843	54,390	454,707	434,129	2,000	-	-	1,005,263
Excess (deficiency) of revenues over expenditures	(1)	(2,199,360)	(67,286)	8,398	5,999	(420,319)	113,185	-	-	(47,991)
OTHER FINANCING SOURCES (USES)										
Transfers in	-	940,000	-	-	-	402,466	-	-	-	-
Transfers out	(27,574)	-	-	-	-	-	(940,000)	-	-	-
Total other financing sources and uses	(27,574)	940,000	-	-	-	402,466	(940,000)	-	-	-
Net change in fund balances	(27,575)	(1,259,360)	(67,286)	8,398	5,999	(17,853)	(826,815)	-	-	(47,991)
Fund balances - beginning	27,949	1,263,681	1,018,328	226,186	13,792	28,508	7,925,159	426,972	-	-
Fund balances - ending	\$ 374	\$ 4,321	\$ 951,042	\$ 234,584	\$ 19,791	\$ 10,655	\$ 7,098,344	\$ 426,972	\$ -	\$ 376,981

City of Edmond, Oklahoma
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2012

		CAPITAL PROJECT FUNDS						
	Cemetery Care	Part. Sales Tax Fund	Art in Public Places Fund	Capital Improvement Fund	Roadway Improvement Fund	1996 CIP Tax Fund	2012 Public Safety Center Tax Fund	Total Governmental Funds
REVENUES								
Sales and use taxes	-	\$ 1,788,775	\$ -	-	-	\$ -	\$ 2,065,742	\$ 3,854,517
Intergovernmental	-	39,901	-	-	-	-	-	797,291
Charges for services	15,604	-	-	-	-	-	-	973,131
Investment earnings	539	9,421	556	2,557	197	13,293	3,799	159,817
Miscellaneous	-	8,905	152,316	-	-	-	-	292,049
Total revenues	16,143	1,847,002	152,872	2,557	197	13,293	2,069,541	6,076,805
EXPENDITURES								
Current:								
General government	3	-	-	21	2	100	-	903,012
Public safety	-	-	-	-	-	-	-	20,745
Health and welfare	-	-	-	-	-	-	-	1,005,263
Culture, parks and recreation	-	648,673	6,247	-	-	-	-	709,310
Capital Outlay	-	1,454,217	205,117	148,306	26,457	14,780	83,595	4,531,763
Total Expenditures	3	2,102,890	211,364	148,327	26,459	14,880	83,595	7,170,093
Excess (deficiency) of revenues over expenditures	16,140	(255,888)	(58,492)	(145,770)	(26,262)	(1,587)	1,985,946	(1,093,288)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	104,348	80,000	-	-	-	1,526,814
Transfers out	-	(639,090)	-	-	-	-	-	(1,606,664)
Total other financing sources and uses	-	(639,090)	104,348	80,000	-	-	-	(79,850)
Net change in fund balances	16,140	(894,978)	45,856	(65,770)	(26,262)	(1,587)	1,985,946	(1,173,138)
Fund balances - beginning	69,813	1,572,948	47,004	360,795	37,026	1,960,631	-	14,998,792
Fund balances - ending	85,953	677,970	92,860	295,025	10,764	1,979,044	1,985,946	13,825,654

CITY OF EDMOND, OKLAHOMA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2012

	CDBG ENTITLEMENT			REAL PROPERTY FUND		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	600,726	296,684	(304,042)	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	10,000	4,198	(5,802)
Miscellaneous	-	-	-	-	-	-
Total Revenues	600,726	296,684	(304,042)	10,000	4,198	(5,802)
Expenditures:						
General Government:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	500	64	436
Capital outlay	-	-	-	2,203,495	2,203,494	1
Debt service	-	-	-	-	-	-
Total General Government	-	-	-	2,203,995	2,203,558	437
Public Safety:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Parks and Recreation:						
Personal services	-	-	-	-	-	-
Material and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Parks and Recreation	-	-	-	-	-	-
Health & Welfare:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Health & Welfare	-	-	-	-	-	-
Economic Development & Opp.						
Personal services	25,701	25,082	619	-	-	-
Materials and supplies	600	243	357	-	-	-
Other services and charges	599,118	231,851	367,267	-	-	-
Capital outlay	-	-	-	-	-	-
Total Economic Development & Opp	625,419	257,176	368,243	-	-	-
Street:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Street	-	-	-	-	-	-
Total Expenditures	625,419	257,176	368,243	2,203,995	2,203,558	437
Revenues over (under) expenditure:	\$ (24,693)	\$ 39,508	\$ 64,201	\$ (2,193,995)	\$ (2,199,360)	\$ (5,365)
Other financing sources (uses)						
Transfers from other funds	-	-	-	940,000	940,000	-
Transfers to other funds	(67,083)	(67,083)	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	(91,776)	(27,575)	64,201	(1,253,995)	(1,259,360)	(5,365)
Fund Balance-beginning of year	27,950	27,949	(1)	1,263,682	1,263,681	(1)
Fund Balance -end of year	\$ (63,826)	\$ 374	\$ 64,200	\$ 9,687	\$ 4,321	\$ (5,366)

(Continued)

CITY OF EDMOND, OKLAHOMA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2012

(Continued)

	ASSET FORFEITURE FUND			SENIOR CITIZENS FUND		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	4,319	2,101	(2,218)
Investment income	6,500	6,334	(166)	2,500	1,563	(937)
Miscellaneous	10,000	58,223	48,223	76,911	59,124	(17,787)
Total Revenues	16,500	64,557	48,057	83,730	62,788	(20,942)
Expenditures:						
General Government:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total General Government	-	-	-	-	-	-
Public Safety:						
Personal services	-	-	-	-	-	-
Materials and supplies	22,995	15,963	6,992	-	-	-
Other services and charges	9,700	4,782	4,918	-	-	-
Capital outlay	157,350	111,098	46,252	-	-	-
Total Public Safety	190,005	131,843	58,162	-	-	-
Parks and Recreation:						
Personal services	-	-	-	-	-	-
Material and supplies	-	-	-	8,150	6,402	1,748
Other services and charges	-	-	-	56,450	47,988	8,462
Capital outlay	-	-	-	-	-	-
Total Parks and Recreation	-	-	-	64,600	54,390	10,210
Health & Welfare:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Health & Welfare	-	-	-	-	-	-
Economic Development & Opp.						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Economic Development & Opp	-	-	-	-	-	-
Street:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Street	-	-	-	-	-	-
Total Expenditures	190,005	131,843	58,162	64,600	54,390	10,210
Revenues over (under) expenditures	\$ (173,505)	\$ (67,286)	\$ 106,219	\$ 19,130	\$ 8,398	\$ (10,732)
Other financing sources (uses):						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	(173,505)	(67,286)	106,219	19,130	8,398	(10,732)
Fund Balance-beginning of year	1,018,328	1,018,328	-	226,187	226,186	(1)
Fund Balance -end of year	\$ 844,823	\$ 951,042	\$ 106,219	\$ 245,317	\$ 234,584	\$ (10,732)

(Continued)

CITY OF EDMOND, OKLAHOMA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2012

(Continued)

	HOSPITAL SALE TRUST			CEMETERY CARE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	12,156	15,604	3,448
Investment income	70,000	115,185	45,185	500	539	39
Miscellaneous	-	-	-	-	-	-
Total Revenues	70,000	115,185	45,185	12,656	16,143	3,487
Expenditures:						
General Government:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	2,000	2,000	-	25	3	22
Capital outlay	-	-	-	10,000	-	10,000
Debt service	7,000,000	-	7,000,000	-	-	-
Total General Government	7,002,000	2,000	7,000,000	10,025	3	10,022
Public Safety:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Parks and Recreation:						
Personal services	-	-	-	-	-	-
Material and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Parks and Recreation	-	-	-	-	-	-
Health & Welfare:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Health & Welfare	-	-	-	-	-	-
Economic Development & Opp.						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Economic Development & Opp	-	-	-	-	-	-
Street:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Street	-	-	-	-	-	-
Total Expenditures	7,002,000	2,000	7,000,000	10,025	3	10,022
Revenues over (under) expenditures	\$ (6,932,000)	\$ 113,185	\$ 7,045,185	\$ 2,631	\$ 16,140	\$ 13,509
Other financing sources (uses):						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	(940,000)	(940,000)	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	(7,872,000)	(826,815)	7,045,185	2,631	16,140	13,509
Fund Balance-beginning of year	7,925,158	7,925,159	1	69,814	69,813	(1)
Fund Balance -end of year	\$ 53,158	\$ 7,098,344	\$ 7,045,186	\$ 72,445	\$ 85,953	\$ 13,508

(Continued)

CITY OF EDMOND, OKLAHOMA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2012

(Continued)

	PARKS SALES TAX FUND			ART IN PUBLIC PLACES FUND		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes	\$ 1,664,143	\$ 1,788,775	\$ 124,632	\$ -	\$ -	\$ -
Intergovernmental	-	39,901	39,901	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	15,000	9,421	(5,579)	750	556	(194)
Miscellaneous	8,932	8,905	(27)	103,000	152,316	49,316
Total Revenues	1,688,075	1,847,002	158,927	103,750	152,872	49,122
Expenditures:						
General Government:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total General Government	-	-	-	-	-	-
Public Safety:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Parks and Recreation:						
Personal services	333,695	301,211	32,484	-	-	-
Material and supplies	59,920	54,562	5,358	400	2	398
Other services and charges	333,504	253,271	80,233	15,000	3,423	11,577
Capital outlay	1,634,800	1,454,217	180,583	257,504	205,117	52,387
Total Parks and Recreation	2,361,919	2,063,261	298,658	272,904	208,542	64,362
Health & Welfare:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Health & Welfare	-	-	-	-	-	-
Economic Development & Opp.						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Economic Development & Opp	-	-	-	-	-	-
Street:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Street	-	-	-	-	-	-
Total Expenditures	2,361,919	2,063,261	298,658	272,904	208,542	64,362
Revenues over (under) expenditures	\$ (673,844)	\$ (216,259)	\$ 457,585	\$ (169,154)	\$ (55,670)	\$ 113,484
Other financing sources (uses):						
Transfers from other funds	-	-	-	208,354	104,348	(104,006)
Transfers to other funds	(684,039)	(678,719)	5,320	(4,816)	(2,822)	1,994
Revenues and other sources over (under) expenditures and other uses	(1,357,883)	(894,978)	462,905	34,384	45,856	11,472
Fund Balance-beginning of year	1,572,948	1,572,948	-	47,004	47,004	-
Fund Balance -end of year	\$ 215,065	\$ 677,970	\$ 462,905	\$ 81,388	\$ 92,860	\$ 11,472

(Continued)

CITY OF EDMOND, OKLAHOMA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2012

(Continued)

	CONVENTION AND VISITOR'S BUREAU FUND			EECBG PROGRAM FUND		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	240,250	460,706	220,456
Charges for services	-	-	-	-	-	-
Investment income	2,000	329	(1,671)	-	-	-
Miscellaneous	15,000	13,481	(1,519)	-	-	-
Total Revenues	17,000	13,810	(3,190)	240,250	460,706	220,456
Expenditures:						
General Government:						
Personal services	170,203	162,720	7,483	30,920	30,309	611
Materials and supplies	12,580	12,579	1	-	-	-
Other services and charges	227,620	216,802	10,818	278,727	139,699	139,028
Capital outlay	-	-	-	376,734	284,699	92,035
Debt service	-	-	-	-	-	-
Total General Government	410,403	392,101	18,302	686,381	454,707	231,674
Public Safety:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Parks and Recreation:						
Personal services	-	-	-	-	-	-
Material and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Parks and Recreation	-	-	-	-	-	-
Health & Welfare:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Health & Welfare	-	-	-	-	-	-
Economic Development & Opp.						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Economic Development & Opp	-	-	-	-	-	-
Street:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Street	-	-	-	-	-	-
Total Expenditures	410,403	392,101	18,302	686,381	454,707	231,674
Revenues over (under) expenditures	\$ (393,403)	\$ (378,291)	\$ 15,112	\$ (446,131)	\$ 5,999	\$ 452,130
Other financing sources (uses):						
Transfers from other funds	411,485	402,466	(9,019)	-	-	-
Transfers to other funds	(42,028)	(42,028)	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	(23,946)	(17,853)	6,093	(446,131)	5,999	452,130
Fund Balance-beginning of year	28,509	28,508	(1)	13,792	13,792	-
Fund Balance -end of year	\$ 4,563	\$ 10,655	\$ 6,092	\$ (432,339)	\$ 19,791	\$ 452,130

(Continued)

CITY OF EDMOND, OKLAHOMA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2012

(Continued)

	AMBULATORY SERVICES FUND			CAPITAL IMPROVEMENT FUND		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	965,232	955,426	(9,806)	-	-	-
Investment income	2,000	1,846	(154)	3,500	2,557	(943)
Miscellaneous	-	-	-	-	-	-
Total Revenues	967,232	957,272	(9,960)	3,500	2,557	(943)
Expenditures:						
General Government:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	100	21	79
Capital outlay	-	-	-	67,130	28,240	38,890
Debt service	-	-	-	-	-	-
Total General Government	-	-	-	67,230	28,261	38,969
Public Safety:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Parks and Recreation:						
Personal services	-	-	-	-	-	-
Material and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Parks and Recreation	-	-	-	-	-	-
Health & Welfare:						
Personal services	-	-	-	-	-	-
Materials and supplies	10,000	8,480	1,520	-	-	-
Other services and charges	996,785	996,783	2	-	-	-
Capital outlay	-	-	-	-	-	-
Total Health & Welfare	1,006,785	1,005,263	1,522	-	-	-
Economic Development & Opp.						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Economic Development & Opp	-	-	-	-	-	-
Street:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	181,737	120,066	61,671
Total Street	-	-	-	181,737	120,066	61,671
Total Expenditures	1,006,785	1,005,263	1,522	248,967	148,327	100,640
Revenues over (under) expenditures	\$ (39,553)	\$ (47,991)	\$ (8,438)	\$ (245,467)	\$ (145,770)	\$ 99,697
Other financing sources (uses):						
Transfers from other funds	-	-	-	80,000	80,000	-
Transfers to other funds	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	(39,553)	(47,991)	(8,438)	(165,467)	(65,770)	99,697
Fund Balance-beginning of year	426,973	426,972	(1)	360,795	360,795	-
Fund Balance -end of year	\$ 387,420	\$ 378,981	\$ (8,439)	\$ 195,328	\$ 295,025	\$ 99,697

(Continued)

CITY OF EDMOND, OKLAHOMA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2012

(Continued)

	ROADWAY IMPROVEMENT			1996 CAPITAL IMPROVEMENT TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	250	197	(53)	-	13,293	13,293
Miscellaneous	-	-	-	-	-	-
Total Revenues	250	197	(53)	-	13,293	13,293
Expenditures:						
General Government:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	2	(2)	1,000	100	900
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total General Government	-	2	(2)	1,000	100	900
Public Safety:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Parks and Recreation:						
Personal services	-	-	-	-	-	-
Material and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Parks and Recreation	-	-	-	-	-	-
Health & Welfare:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Health & Welfare	-	-	-	-	-	-
Economic Development & Opp.						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Economic Development & Opp	-	-	-	-	-	-
Street:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	30,583	26,457	4,126	1,693,893	14,780	1,679,113
Total Street	30,583	26,457	4,126	1,693,893	14,780	1,679,113
Total Expenditures	30,583	26,459	4,124	1,694,893	14,880	1,680,013
Revenues over (under) expenditures	\$ (30,333)	\$ (26,262)	\$ 4,071	\$ (1,694,893)	\$ (1,587)	\$ 1,693,306
Other financing sources (uses):						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	(30,333)	(26,262)	4,071	(1,694,893)	(1,587)	1,693,306
Fund Balance-beginning of year	37,026	37,026	-	1,980,631	1,980,631	-
Fund Balance -end of year	\$ 6,693	\$ 10,764	\$ 4,071	\$ 285,738	\$ 1,979,044	\$ 1,693,306

(Continued)

CITY OF EDMOND, OKLAHOMA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2012

	2012 PUBLIC SAFETY CENTER TAX FUND		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 850,000	\$ 2,065,742	\$ 1,215,742
Intergovernmental	-	-	-
Charges for services	-	-	-
Investment income	-	3,799	3,799
Miscellaneous	-	-	-
Loan proceeds	7,000,000	-	(7,000,000)
Total Revenues	7,850,000	2,069,541	(5,780,459)
Expenditures:			
General Government:			
Personal services	-	-	-
Materials and supplies	-	-	-
Other services and charges	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
Total General Government	-	-	-
Public Safety:			
Personal services	-	-	-
Materials and supplies	-	-	-
Other services and charges	-	-	-
Capital outlay	7,850,000	83,595	7,766,405
Total Public Safety	7,850,000	83,595	7,766,405
Parks and Recreation:			
Personal services	-	-	-
Material and supplies	-	-	-
Other services and charges	-	-	-
Capital outlay	-	-	-
Total Parks and Recreation	-	-	-
Health & Welfare:			
Personal services	-	-	-
Materials and supplies	-	-	-
Other services and charges	-	-	-
Capital outlay	-	-	-
Total Health & Welfare	-	-	-
Economic Development & Opp.			
Personal services	-	-	-
Materials and supplies	-	-	-
Other services and charges	-	-	-
Capital outlay	-	-	-
Total Economic Development & Opp	-	-	-
Street:			
Personal services	-	-	-
Materials and supplies	-	-	-
Other services and charges	-	-	-
Total Street	-	-	-
Total Expenditures	7,850,000	83,595	7,766,405
Revenues over (under) expenditures	\$ -	\$ 1,985,946	\$ 1,985,946
Other financing sources (uses):			
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Revenues and other sources over (under) expenditures and other uses	-	1,985,946	1,985,946
Fund Balance-beginning of year	-	-	-
Fund Balance -end of year	\$ -	\$ 1,985,946	\$ 1,985,946

CITY OF EDMOND, OKLAHOMA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
BUDGET AND ACTUAL - MAJOR GOVERNMENTAL CAPITAL PROJECT FUND
For the fiscal year ended June 30, 2012

	2000 CAPITAL IMPROVEMENT TAX FUND		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	9,984,061	10,732,649	748,588
Intergovernmental	994,880	4,012,932	3,018,052
Licenses and permits	-	75,000	75,000
Investment income	550,000	509,627	(40,373)
Miscellaneous	-	-	-
Contributed capital	16,865,418	-	(16,865,418)
Total Revenues	<u>28,394,359</u>	<u>15,330,208</u>	<u>(13,064,151)</u>
Expenditures:			
General Government:			
Materials and Supplies	200	52	148
Other services and charges	35,000	10,588	24,412
Capital outlay	-	-	-
Debt service	6,957,904	6,947,354	10,550
Total General Government	<u>6,993,104</u>	<u>6,957,994</u>	<u>35,110</u>
Parks and Recreation:			
Capital outlay	26,926,171	2,447,200	24,478,971
Total Parks and Recreation	<u>\$ 26,926,171</u>	<u>\$ 2,447,200</u>	<u>\$ 24,478,971</u>
Street:			
Capital Outlay	16,167,144	10,881,866	5,285,278
Total Street	<u>16,167,144</u>	<u>10,881,866</u>	<u>5,285,278</u>
Total Expenditures	<u>50,086,419</u>	<u>20,287,060</u>	<u>29,799,359</u>
Revenues over (under) expenditures	<u>\$ (21,692,060)</u>	<u>\$ (4,956,852)</u>	<u>\$ 16,735,208</u>
Other financing sources (uses):			
Proceeds from revenue bonds	-	-	-
Premium on revenue bonds	-	-	-
Transfers from other funds	1,226,000	1,226,000	-
Transfers to other funds	(166,322)	(71,022)	95,300
Revenues and other sources over (under) expenditures and other uses	<u>(20,632,382)</u>	<u>(3,801,874)</u>	<u>16,830,508</u>
Fund Balance-beginning of year	<u>42,163,611</u>	<u>42,163,611</u>	<u>-</u>
Fund Balance -end of year	<u><u>21,531,229</u></u>	<u><u>38,361,737</u></u>	<u><u>16,830,508</u></u>

The City operates eight enterprise funds under the legal entity of the Edmond Public Works Authority ("EPWA"), a public trust created under applicable Oklahoma statutes on October 6, 1970, with the City named as the beneficiary thereof. The Electric, Water and Wastewater enterprise funds are reported as Major funds. The remaining five enterprise funds are reported as nonmajor and include the following:

SANITATION - Established to acquire and furnish sanitation services to the citizens, receive all revenues generated, pay debt service requirements on the debt issued related to the sanitation facility, pay all operating expenses, and finance future sanitation improvements.

ARCADIA LAKE - Established to account for revenues and expenses related to the operations of the Arcadia Lake and Recreation Facility.

DRAINAGE - Established to account for a fee assessed on each customer's utility bill for construction and further improvements to the City's drainage system.

KICKINGBIRD GOLF COURSE - The Golf Course Fund accounts for the costs of operating and maintaining the City's 18-hole municipal golf course. Revenues are generated through green fees, cart rentals, driving range fees and restaurant operations.

YOURGOVSHOP - The YourGovShop Fund is a cooperative purchasing service, operated by the City, which provides its partners and members the lowest competitive prices for good and services, as well as a reduction in the administrative costs of purchasing. Financing is provided by revenues generated from rebates, membership fees and General Fund transfers.

City of Edmond, Oklahoma
Combining Statement of Net Position
Other Enterprise Funds
June 30, 2012

Edmond Public Works Authority (EPWA)

	Sanitation Fund	Arcadia Lake Fund	Drainage Fund	Kickingbird Golf Course Fund	Yourgovshop Fund	Total
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 436,259	74,252	\$ 1,234,820	\$ 137,897	\$ 32,901	\$ 1,916,129
Investments	1,401,919	256,487	4,232,802	491,654	117,901	6,500,763
Restricted assets:						
Cash and equivalents	-	305,818	-	93,124	-	398,942
Investments	212,531	93,725	192,242	28,236	-	526,734
Receivables:						
Accrued interest receivable	5,751	3,124	14,903	2,379	397	26,554
Utility billing, net of allowance for uncollectible accounts	792,720	-	61,817	-	-	854,537
Other receivables	1,800	1,600	-	-	42,822	46,222
Due from other funds	74,338	-	69,386	-	-	143,724
Inventories	-	-	-	64,934	-	64,934
Total current assets	2,925,318	735,006	5,805,970	818,224	194,021	10,478,539
Non-current assets:						
Restricted assets:						
Cash and cash equivalents	-	470,032	-	150,625	-	620,657
Capital Assets:						
Non-depreciable	-	495,278	345,790	541,171	-	1,382,239
Depreciable, net of accumulated depreciation	291,405	4,468,309	3,151,044	1,618,404	-	9,529,162
Unamortized debt issuance costs	3,392	45,496	-	14,580	-	63,468
Total non-current Assets	294,797	5,479,115	3,496,834	2,324,780	-	11,595,526
Total assets	3,220,115	6,214,121	9,302,804	3,143,004	194,021	22,074,065
LIABILITIES						
Current Liabilities:						
Accounts payable	287,424	7,369	1,812	193,462	19,400	509,467
Accrued wages payables payable	23,415	13,401	6,387	20,854	517	64,574
Accrued interest payable	8,697	89,695	-	28,743	-	127,135
Unearned revenue	2,698	-	-	-	-	2,698
Compensated absences	6,748	2,914	2,011	4,665	302	16,640
Meter deposit liability	250,824	1,000	192,242	-	-	444,066
Revenue bonds payable	38,182	338,227	-	108,387	-	484,796
Total current liabilities	617,988	452,606	202,452	356,111	20,219	1,649,376
Non-current liabilities:						
Compensated absences	60,730	26,227	18,095	41,982	2,714	149,748
Unfunded OPEB obligation	54,296	11,388	11,380	30,079	1,058	108,201
Unfunded pension obligation	-	-	-	5,068	-	5,068
Revenue bonds payable, net	379,725	3,378,370	-	1,082,621	-	4,840,716
Total non-current Liabilities	494,751	3,415,985	29,475	1,159,750	3,772	5,103,733
Total liabilities	1,112,739	3,868,591	231,927	1,515,861	23,991	6,753,109
NET POSITION						
Invested in capital assets, net of related debt	(129,948)	1,231,084	3,496,834	963,469	-	5,561,439
Restricted for debt service	-	778,880	-	243,241	-	1,022,121
Restricted for scholarships	-	-	-	1,656	-	1,656
Unrestricted	2,237,324	335,566	5,574,043	418,777	170,030	8,735,740
Total net position	2,107,376	2,345,530	9,070,877	1,627,143	170,030	15,320,956

City of Edmond, Oklahoma
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 Other Enterprise Funds
 For the Year Ended June 30, 2012

Edmond Public Works Authority (EPWA)

	Sanitation Fund	Arcadia Lake Fund	Drainage Fund	Kickingbird Golf Course Fund	Yourgovshop Fund	Total
REVENUES						
Charges for services	\$ 7,577,025	\$ 826,381	\$ 1,758,988	\$ 1,710,096	\$ -	\$ 11,872,490
Miscellaneous	-	54,338	-	287,318	80,190	421,846
Total operating revenues	<u>7,577,025</u>	<u>880,719</u>	<u>1,758,988</u>	<u>1,997,414</u>	<u>80,190</u>	<u>12,294,336</u>
OPERATING EXPENSES						
Personal services	1,300,538	468,355	308,479	887,868	26,856	2,992,096
Materials and supplies	482,503	86,942	5,200	467,737	69	1,042,451
Maintenance, operations and contractual services	5,570,974	325,072	640,613	340,348	37,833	6,914,840
Amortization	6,499	-	-	-	-	6,499
Depreciation	8,315	210,725	66,375	150,490	-	435,905
Total operating expenses	<u>7,368,829</u>	<u>1,091,094</u>	<u>1,020,667</u>	<u>1,846,443</u>	<u>64,758</u>	<u>11,391,791</u>
Operating income (loss)	<u>208,196</u>	<u>(210,375)</u>	<u>738,321</u>	<u>150,971</u>	<u>15,432</u>	<u>902,545</u>
NON-OPERATING REVENUES (EXPENSES)						
Interest and investment revenue	15,713	33,844	36,985	14,507	984	102,033
Gain (loss) on sale of capital asset disposal	-	-	-	(2,759)	-	(2,759)
Miscellaneous revenue	1,350	-	-	-	-	1,350
Interest Expense	(21,383)	(180,843)	-	(57,952)	-	(260,178)
Total non-operating revenues (expenses)	<u>(4,320)</u>	<u>(146,999)</u>	<u>36,985</u>	<u>(46,204)</u>	<u>984</u>	<u>(159,554)</u>
Income (loss) before contributions and transfers	203,876	(357,374)	775,306	104,767	16,416	742,991
Capital contributions	-	13,500	-	18,376	-	31,876
Transfers in	-	429,171	-	100,000	-	529,171
Transfers out	(312,312)	-	-	-	-	(312,312)
Change in net position	<u>(108,436)</u>	<u>85,297</u>	<u>775,306</u>	<u>223,143</u>	<u>16,416</u>	<u>991,726</u>
Total net position--beginning	<u>2,215,812</u>	<u>2,260,233</u>	<u>8,295,571</u>	<u>1,404,000</u>	<u>153,614</u>	<u>14,329,230</u>
Total net position--ending	<u>\$ 2,107,376</u>	<u>\$ 2,345,530</u>	<u>\$ 9,070,877</u>	<u>\$ 1,627,143</u>	<u>\$ 170,030</u>	<u>\$ 15,320,956</u>

CITY OF EDMOND, OKLAHOMA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2012

Edmond Public Works Authority (EPWA)

	SANITATION UTILITY	ARCADIA LAKE	DRAINAGE UTILITY	KICKINGBIRD GOLF COURSE	YOURGOV-SHOP	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 7,576,357	\$ 884,719	\$ 1,830,859	\$ 1,997,414	\$ 68,739	\$ 12,358,088
Payments to suppliers	(6,097,027)	(414,019)	(644,025)	(685,357)	(29,971)	(7,850,399)
Payments to employees	(1,323,820)	(483,170)	(317,174)	(924,051)	(27,348)	(3,075,563)
Receipts of customer meter deposits	43,615	-	33,428	-	-	77,043
Payment of customer meter deposits	(42,414)	-	(15,820)	-	-	(58,234)
Interfund payments	-	-	-	-	-	-
Interfund receipts	41,068	-	46,099	(1,770)	-	85,397
Net cash provided (used) by operating activities	<u>197,779</u>	<u>(12,470)</u>	<u>933,367</u>	<u>406,236</u>	<u>11,420</u>	<u>1,536,332</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	-	429,171	-	100,000	-	529,171
Transfers to other funds	(312,312)	-	-	-	-	(312,312)
Net cash provided (used) by noncapital financing	<u>(312,312)</u>	<u>429,171</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>216,859</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	-	-	32,917	(274,626)	-	(241,709)
Principal paid on capital debt	(102,068)	(302,974)	-	(97,090)	-	(502,132)
Interest paid on capital debt	(25,997)	(181,013)	-	(68,007)	-	(265,017)
Net cash provided (used) by capital and related financing activities	<u>(128,065)</u>	<u>(483,987)</u>	<u>32,917</u>	<u>(429,723)</u>	<u>-</u>	<u>(1,008,858)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of investments	530,660	37,201	(97,378)	(4,625)	-	(102,003)
Sale of investments	13,696	31,522	33,301	13,388	10,815	578,676
Interest and dividends	544,356	68,723	(64,077)	8,763	921	92,828
Net cash provided (used) by investing activities	<u>1,088,712</u>	<u>137,446</u>	<u>3,224</u>	<u>17,426</u>	<u>11,736</u>	<u>569,501</u>
Net increase (decrease) in cash and cash equivalents	<u>301,758</u>	<u>1,437</u>	<u>902,207</u>	<u>85,276</u>	<u>23,156</u>	<u>1,313,834</u>
Balances-beginning of year	<u>134,501</u>	<u>848,665</u>	<u>332,613</u>	<u>296,370</u>	<u>9,745</u>	<u>1,621,894</u>
Balances-end of year	<u>\$ 436,259</u>	<u>\$ 850,102</u>	<u>\$ 1,234,820</u>	<u>\$ 381,646</u>	<u>\$ 32,901</u>	<u>\$ 2,935,728</u>
Reconciliation to Combining Statement of Net Position:						
Cash, including time deposits	\$ 436,259	\$ 74,252	\$ 1,234,820	\$ 137,897	\$ 32,901	\$ 1,916,129
Restricted cash, including time deposits-current	-	305,818	-	93,124	-	398,942
Restricted cash, including time deposits-noncurrent	-	470,032	-	150,625	-	620,657
Total cash and cash equivalents, end of year	<u>\$ 436,259</u>	<u>\$ 850,102</u>	<u>\$ 1,234,820</u>	<u>\$ 381,646</u>	<u>\$ 32,901</u>	<u>\$ 2,935,728</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:						
Operating income (loss)	\$ 208,196	\$ (210,375)	\$ 738,321	\$ 150,971	\$ 15,432	\$ 902,545
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization expense	14,814	210,725	66,375	150,490	-	442,404
Miscellaneous revenue	1,350	-	-	-	-	1,350
Change in assets and liabilities:						
Receivables, net	(2,018)	4,000	71,871	-	(11,451)	62,402
Inventories	-	-	-	9,809	-	9,809
Due from other funds	41,068	-	46,099	-	-	87,167
Accounts and other payables	(86,149)	(21,947)	(9,874)	94,063	7,062	(16,845)
Due to other funds	-	-	-	(1,770)	-	(1,770)
Customer meter deposits payable	1,201	-	17,608	-	-	18,809
Pension benefit obligation	-	-	-	(5,585)	-	(5,585)
OPEB obligation	15,594	3,489	3,125	8,638	307	31,153
Accrued compensated absences	3,723	1,638	(158)	(380)	70	4,893
Net cash provided by operating activities	<u>\$ 197,779</u>	<u>\$ (12,470)</u>	<u>\$ 933,367</u>	<u>\$ 406,236</u>	<u>\$ 11,420</u>	<u>\$ 1,536,332</u>
Non-cash Activities:						
Capital assets donated	-	13,500	-	18,376	-	31,876
Capital assets transferred to other funds	-	-	-	-	-	-
Total Non-cash Activities	<u>\$ -</u>	<u>\$ 13,500</u>	<u>\$ -</u>	<u>\$ 18,376</u>	<u>\$ -</u>	<u>\$ 31,876</u>

The Internal Service Funds are used to account for the financing of administrative services provided by one department or function to other departments or functions of the City on a cost reimbursement basis.

EMPLOYEE GROUP INSURANCE FUND - The Employee Group Insurance Fund has been established to account for the direct and indirect costs of administering a self-funded group health insurance plan. Financing is provided by the City, the Edmond Public Works Authority, City employees, and interest earnings on fund investments. Costs associated with the plan include the payment of employee and dependent health and dental claims, third party administrative costs, insurance premium payments for catastrophic claims, fully insured life, accidental death and dismemberment, and long term disability insurance.

LIABILITY/TORT CLAIM FUND - The Liability/Tort Claim Fund has been established to account for direct and indirect costs for the payment of judgments and settled claims relating to torts and worker's compensation. Financing is provided through billings to user departments.

VEHICLE MAINTENANCE FUND - The Vehicle Maintenance Fund has been established to account for expenditures necessary to maintain City vehicles. Financing is provided through billings to user departments.

FLEET MANAGEMENT FUND - The Fleet Management Fund has been established to accumulate resources for the replacement of vehicles and other equipment on a systematic basis. Financing is provided by fleet lease assessments to the General Fund, Park Sales Tax Fund, Administrative Support Services Fund, Edmond Public Works Authority, Fire Public Safety Limited Tax Fund and the Police Public Safety Limited Tax Fund.

FIELD SERVICES FUND - The Field Services Fund has been established to provide street maintenance, water/wastewater line maintenance and traffic control systems maintenance. Financing is provided by the General Fund, Water and Wastewater Fund based upon applicable cost accounting methods.

ADMINISTRATIVE SUPPORT SERVICES FUND - The Administrative Support Services Fund has been established to account for and allocate administrative overhead costs to user departments of the City. Financing is provided through billings to user departments based upon applicable cost accounting methods.

City of Edmond, Oklahoma
Combining Statement of Net Position
Internal Service Funds
June 30, 2012

	Group Insurance Fund	Vehicle Maintenance Fund	Liability/Tort Claim Fund	Fleet Management Fund	Field Services Fund	Administrative Support Services Fund	Total
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 1,117,812	\$ 94,868	\$ 808,537	\$ 1,128,808	\$ 191,200	\$ 949,653	\$ 4,290,878
Investments	4,005,742	339,966	2,701,056	4,045,148	685,176	3,368,322	15,145,410
Due from other funds	-	-	-	-	-	13,586	13,586
Receivables:							
Accrued interest	13,490	1,145	9,097	13,623	2,308	11,344	51,007
Receivables from other governments	-	-	-	-	-	-	-
Other receivables	-	7,760	-	-	-	110,758	118,518
Inventories	-	170,328	-	-	549,649	52,100	772,077
Total current assets	5,137,044	614,067	3,518,690	5,187,579	1,428,333	4,505,763	20,391,476
Non-current assets:							
Capital Assets:							
Nondepreciable	-	-	-	-	-	787,503	787,503
Depreciable, net of accumulated depreciation	-	-	-	13,011,657	-	3,266,366	16,278,023
Total non-current assets	-	-	-	13,011,657	-	4,053,869	17,065,526
Total assets	5,137,044	614,067	3,518,690	18,199,236	1,428,333	8,559,632	37,457,002
LIABILITIES							
Current Liabilities:							
Accounts payable	124,481	121,100	15,145	195,568	50,691	165,184	672,169
Salaries payable	-	11,908	4,376	1,359	71,018	203,037	291,698
Due to other funds	17,137	-	-	-	-	-	17,137
Compensated absences	-	4,272	721	168	16,603	55,926	77,690
Claims and judgments	358,543	-	832,000	-	-	-	1,190,543
Total current liabilities	500,161	137,280	852,242	197,095	138,312	424,147	2,249,237
Non-current liabilities:							
Compensated absences	-	38,444	6,487	1,508	149,426	503,337	699,202
Capital lease obligation	-	-	-	-	-	-	-
Claims and judgments	119,514	-	1,179,000	-	-	-	1,298,514
Total non-current liabilities	119,514	38,444	1,185,487	1,508	149,426	503,337	1,997,716
Total liabilities	619,675	175,724	2,037,729	198,603	287,738	927,484	4,246,953
NET POSITION							
Invested in capital assets, net of related debt	-	-	-	13,011,657	-	4,053,869	17,065,526
Unrestricted	4,517,369	438,343	1,480,961	4,988,976	1,140,595	3,578,279	16,144,523
Total net position	\$ 4,517,369	\$ 438,343	\$ 1,480,961	\$ 18,000,633	\$ 1,140,595	\$ 7,632,148	\$ 33,210,049

City of Edmond, Oklahoma
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2012

	Group Insurance Fund	Vehicle Maintenance Fund	Liability/Tort Claim Fund	Fleet Management Fund	Field Services Fund	Administrative Support Services Fund	Total
OPERATING REVENUES							
Charges for services	\$ 8,327,729	\$ 3,065,773	\$ 2,093,717	\$ 3,275,113	\$ 8,700,194	\$ 14,886,362	\$ 40,348,888
Miscellaneous	-	-	195,504	-	-	-	195,504
Total operating revenues	8,327,729	3,065,773	2,289,221	3,275,113	8,700,194	14,886,362	40,544,392
OPERATING EXPENSES							
Personal services	-	661,873	198,899	44,766	3,688,387	10,265,716	14,859,641
Materials and supplies	917	1,933,150	6,069	2,811	944,815	725,802	3,613,564
Other services and charges	626,574	478,762	279,668	142,579	3,500,574	3,802,286	8,830,443
Insurance premium expense	510,658	-	579,619	-	-	-	1,090,277
Claims expense	6,928,367	-	813,659	-	-	-	7,742,026
Depreciation	-	-	-	1,704,094	-	388,905	2,092,999
Total operating expenses	8,066,516	3,073,785	1,877,914	1,894,250	8,133,776	15,182,709	38,228,950
Operating income (loss)	261,213	(8,012)	411,307	1,380,863	566,418	(296,347)	2,315,442
NON-OPERATING REVENUES (EXPENSES)							
Interest and investment revenue	36,519	1,986	22,322	34,690	5,234	31,832	132,583
Gain (loss) on sale of capital assets	-	-	-	(67,443)	-	(1,003,023)	(1,070,466)
Miscellaneous revenue	15,013	3,761	200,957	103,618	-	44,827	368,176
Total non-operating revenues (expenses)	51,532	5,747	223,279	70,865	5,234	(926,364)	(569,707)
Income (loss) before contributions and transfers	312,745	(2,265)	634,586	1,451,728	571,652	(1,222,711)	1,745,735
Capital contributions	-	-	-	106,402	-	164,817	271,219
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Change in net position	312,745	(2,265)	634,586	1,558,130	571,652	(1,057,894)	2,016,954
Total net position - beginning, restated	4,204,624	440,608	846,375	16,442,503	568,943	8,690,042	31,193,095
Total net position - ending	\$ 4,517,369	\$ 438,343	\$ 1,480,961	\$ 18,000,633	\$ 1,140,595	\$ 7,632,148	\$ 33,210,049

CITY OF EDMOND, OKLAHOMA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2012

	EMPLOYEE GROUP INSURANCE FUND	VEHICLE MAINTENANCE FUND	LIABILITY/TORT CLAIM FUND	FLEET MANAGEMENT FUND	FIELD SERVICES FUND	ADMINISTRATIVE SUPPORT SERVICES FUND	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 8,342,742	\$ 3,061,774	\$ 2,832,310	\$ 3,378,731	\$ 8,700,194	\$ 14,820,953	\$ 41,136,704
Payments to suppliers	(1,024,310)	(2,413,422)	(886,928)	44,928	(4,448,803)	(4,471,410)	(13,199,946)
Payments to employees	(6,908,236)	(686,926)	(193,964)	(49,264)	(3,802,395)	(10,548,162)	(15,280,711)
Claims and judgments paid	17,137	-	(889,659)	-	-	-	(7,797,895)
Intrafund payments	427,333	(38,575)	861,759	3,374,395	448,996	29,739	46,876
Net cash provided by (used in) operating activities	427,333	(38,575)	861,759	3,374,395	448,996	(168,880)	4,905,028
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Sale of capital assets	-	-	-	(1,866,304)	-	-	(2,159,952)
Purchase of capital assets	-	-	-	(1,866,304)	-	(293,648)	(2,159,952)
Net cash provided by (used in) capital and related financing activities	-	-	-	(1,866,304)	-	(293,648)	(2,159,952)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of investments	328,296	-	-	(664,924)	(291,545)	1,068,388	440,215
Sale of investments	-	98,309	(314,675)	-	3,948	-	(216,366)
Interest and dividends	34,074	1,954	19,337	29,736	3,948	31,752	120,801
Net cash provided by (used in) investing activities	362,370	100,263	(295,338)	(635,188)	(287,597)	1,100,140	344,650
Net increase (decrease) in cash and cash equivalents	789,703	61,688	566,421	872,903	161,399	637,612	3,089,726
Balances-beginning of year	328,109	33,180	242,116	255,905	29,801	312,041	1,201,152
Balances-end of year	\$ 1,117,812	\$ 94,868	\$ 808,537	\$ 1,128,808	\$ 191,200	\$ 949,653	\$ 4,290,878
Reconciliation of Operating Income to Net Cash Provided by Operating Activities							
Operating Income (Loss)	\$ 261,213	\$ (8,012)	\$ 411,307	\$ 1,380,863	\$ 566,418	\$ (296,347)	\$ 2,315,442
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation expense	-	-	-	1,704,094	-	388,905	2,092,999
Miscellaneous nonoperating revenue (expense)	15,013	3,761	200,957	103,618	-	44,827	368,176
Change in assets and liabilities:							
Receivables, net	-	(7,760)	342,132	-	-	-	(7,760)
Inventory	-	-	-	-	(4,197)	(110,236)	231,896
Due from other funds	-	(33,313)	-	-	-	(4,263)	(41,773)
Accounts and other payables	133,970	-	(93,196)	191,677	(125,514)	(270,580)	33,852
Due to other funds	17,137	-	-	-	-	(4,113)	(153,213)
Deferred revenue	-	-	-	-	-	-	13,024
Accrued compensated absences	-	(3,681)	559	(5,857)	12,289	-	49,075
Net cash provided by operating activities	\$ 427,333	(38,575)	\$ 861,759	\$ 3,374,395	\$ 448,996	(168,880)	\$ 4,905,028

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governmental funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

SIDEWALK AND DRIVEWAY ESCROW FUND accounts for contractor performance deposits held by the City on various City construction projects. The deposits are refunded after the projects have been satisfactorily completed.

CLEET ASSESSMENT FUND accounts for the receipt of a State mandated penalty assessment on all City fines and forfeitures to be collected by the City and remitted quarterly to the State for its law enforcement training fund.

CITY OF EDMOND, OKLAHOMA
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 June 30, 2012

	<u>SIDEWALK AND DRIVEWAY ESCROW FUND</u>	<u>C.L.E.E.T. PENANLTY ASSESSMENT FUND</u>	<u>TOTALS</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 309,428	\$ 23,066	\$ 332,494
Total assets	<u>\$ 309,428</u>	<u>\$ 23,066</u>	<u>\$ 332,494</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ -	\$ 18,360	\$ 18,360
Due to other governments	-	4,706	4,706
Refundable deposits	<u>309,428</u>	<u>-</u>	<u>309,428</u>
Total Liabilities	<u>\$ 309,428</u>	<u>\$ 23,066</u>	<u>\$ 332,494</u>

CITY OF EDMOND, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
For the fiscal year ended June 30, 2012

	<u>BALANCE</u> <u>JUNE 30, 2011</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2012</u>
<u>SIDEWALK AND DRIVEWAY ESCROW</u>				
Assets:				
Cash and cash equivalents	\$ 1,426,508	\$ -	\$ 1,117,080	\$ 309,428
Total assets	<u>\$ 1,426,508</u>	<u>\$ -</u>	<u>\$ 1,117,080</u>	<u>\$ 309,428</u>
Liabilities:				
Refundable deposits	\$ 1,426,508	\$ 1,117,080	\$ -	\$ 309,428
Total liabilities	<u>\$ 1,426,508</u>	<u>\$ 1,117,080</u>	<u>\$ -</u>	<u>\$ 309,428</u>
<u>CLEET FUND</u>				
Assets:				
Cash and investments	\$ 19,164	\$ 198,479	\$ 194,576	\$ 23,066
Total Assets	<u>\$ 19,164</u>	<u>\$ 198,479</u>	<u>\$ 194,576</u>	<u>\$ 23,066</u>
Liabilities:				
Due to other governments	\$ 19,164	\$ 407,037	\$ 410,940	\$ 23,066
Total Liabilities	<u>\$ 19,164</u>	<u>\$ 407,037</u>	<u>\$ 410,940</u>	<u>\$ 23,066</u>
<u>TOTALS-ALL AGENCY FUNDS</u>				
Assets:				
Cash and investments	\$ 1,445,672	\$ 198,479	\$ 1,311,656	\$ 332,494
Total Assets	<u>\$ 1,445,672</u>	<u>\$ 198,479</u>	<u>\$ 1,311,656</u>	<u>\$ 332,494</u>
Liabilities:				
Due to other governments	\$ 19,164	\$ 407,037	\$ 410,940	\$ 23,066
Refundable deposits	<u>1,426,508</u>	<u>1,117,080</u>	<u>-</u>	<u>309,428</u>
Total Liabilities	<u>\$ 1,445,672</u>	<u>\$ 1,524,117</u>	<u>\$ 410,940</u>	<u>\$ 332,494</u>

The revenue bond and note agreements and indentures contain certain financial related covenants dealing with minimum requirements for net pledged revenue and minimum reserve account balance requirements. The following schedules are presented to indicate the level of compliance by the City or its public trusts with these covenants.

Schedule of Revenue Bond/Note Debt Service Coverage

This schedule compares the net revenues generated from revenues sources pledged for the payment of principal and interest of revenue bond and notes to the maximum annual debt service requirements on the debt.

Schedule of Reserve Account Balances

This schedule compares the amount of assets held in trust as reserve accounts related to revenue bonds and notes to the required balances to be maintained in these accounts as required by the debt covenants.

CITY OF EDMOND, OKLAHOMA
SCHEDULE OF REVENUE BOND/NOTE DEBT SERVICE COVERAGE
For the fiscal year ended June 30, 2012

	OWRB Notes Payable Series 2005 and 2006	Sales Tax and Utility Revenue Bonds Series 2003, 2004 2005 and 2010	Utility Revenue Bonds Series 2003, 2004, and 2005
GROSS REVENUES OF THE SYSTEM:			
Charges for services	\$ 110,607,500	\$ 110,607,500	\$ 110,607,500
Intergovernmental	72,975	72,975	72,975
Investment income	694,386	694,386	694,386
Miscellaneous income	<u>160,957</u>	<u>160,957</u>	<u>160,957</u>
Total Gross Revenues of the System	111,535,818	111,535,818	111,535,818
OPERATION AND MAINTENANCE EXPENSES:			
Personal services	7,330,880	7,330,880	7,330,880
Materials and supplies	2,250,422	2,250,422	2,250,422
Maintenance, operations and contractual services	78,057,899	78,057,899	78,057,899
Debt service on prior lien utility system revenue bonds	-	7,019,211	-
Total Operation and Maintenance Expenses	<u>87,639,201</u>	<u>94,658,412</u>	<u>87,639,201</u>
Total Gross Revenues of the System in Excess of Total Operation and Maintenance Expenses	23,896,617	16,877,406	23,896,617
Add: Pledged sales tax revenue	27,830,929	10,436,598	27,830,929
Net Revenues of the System plus pledged sales tax revenue	<u>\$ 51,727,546</u>	<u>\$ 27,314,004</u>	<u>\$ 51,727,546</u>
Maximum Debt Service Requirements on Liabilities	<u>\$ 8,399,737</u>	<u>\$ 6,990,269</u>	<u>\$ 8,399,737</u>
Computed Coverage	<u>616%</u>	<u>391%</u>	<u>616%</u>
Coverage Requirement	<u>125%</u>	<u>100%</u>	<u>130%</u>

NOTE: Revenues and expenses include only amounts related to the electric, water, wastewater, and sanitation funds.
Operating expenses exclude depreciation, amortization and other non-cash items, in accordance with the terms
of the applicable bond indentures.

Maximum Debt Service Requirements on Liabilities is based on the following:
Sales Tax and Utility System Revenue Bonds total debt service for the 2003, 2004, 2005 and 2010 series bonds in fiscal year 2021.
Utility System Revenue Bonds total debt service for the 2003, 2004, and 2005 series bonds and OWRB notes payable in fiscal year 2010.

**CITY OF EDMOND, OKLAHOMA
SCHEDULE OF RESERVE ACCOUNT BALANCES
JUNE 30, 2012**

	<u>REQUIRED RESERVES</u>	<u>RESERVE BALANCE JUNE 30, 2012</u>	<u>EXCESS BALANCE OVER REQUIRED RESERVES</u>
Required Balance:			
Series 2003 Utility Revenue Bonds	\$ 824,775	\$ 824,775	\$ -
Series 2004 Utility Revenue Bonds	1,115,395	1,138,851	23,456
Series 2005 Utility Revenue Bonds	4,043,500	4,126,712	83,212
Series 2003 Sales Tax and Utility Revenue Bonds	1,518,875	1,583,677	64,802
Series 2004 Sales Tax and Utility Revenue Bonds	1,523,170	1,555,322	32,152
Series 2005 Sales Tax and Utility Revenue Bonds	2,356,006	2,404,148	48,142
Series 2010 Sales Tax and Utility Revenue Bonds	1,390,000	1,448,191	58,191

Additional information for the discretely presented component unit referred to in the notes to the financial statements is provided.

HISTORIC PRESERVATION TRUST Created November 15, 1982 to preserve the qualities relating to the history of the City in order to promote the economic and general welfare of the people of the City of Edmond and to ensure the harmonious, orderly and efficient growth and development of the municipality. The EHPT governing body is appointed by the current City Council. The City is able to impose its will on the EHPT because, pursuant to state law, all issuance of EHPT debt requires a two-thirds approval of the City Council. The EHPT component unit does not issue separate financial statements.

**CITY OF EDMOND, OKLAHOMA
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT
June 30, 2012**

	HISTORIC PRESERVATION TRUST
ASSETS	
Cash and cash equivalents	\$ 81,330
Total assets	<u>\$ 81,330</u>
LIABILITIES AND FUND BALANCES	
Fund Balances:	
Unreserved	\$ 81,330
Total liabilities and fund balances	<u>\$ 81,330</u>
Reconciliation to Statement of Net Position:	
Fund balance	\$ 81,330
Amounts reported for the discretely presented component unit in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>313,882</u>
Net position of component unit	<u>\$ 395,212</u>

CITY OF EDMOND, OKLAHOMA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

	HISTORIC PRESERVATION TRUST
Revenues:	
Investment income	\$ 22
Miscellaneous	80
Total Revenues	102
Expenditures:	
Current:	
Culture, parks and recreation	12,595
Total Expenditures	12,595
Revenues over (under) expenditures	(12,494)
Other financing sources:	
Payment from the City of Edmond	30,000
Net change in fund balance	17,507
Fund balances - beginning	63,822
Fund balances - ending	\$ 81,329
Reconciliation to Statement of Activities:	
Net Change in fund balance	\$ 17,507
Amounts reported for the discretely presented component unit in the Statement of Activities are difference because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Depreciation expense	(31,595)
Change in net position - component unit	\$ (14,088)

STATISTICAL SECTION

This part of the City of Edmond's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health

Such statistical information includes:

FINANCIAL TRENDS – These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time

REVENUE CAPACITY – These schedules contain information to help the reader assess the city's most significant local revenue sources, gas and sales tax revenues.

DEBT CAPACITY – These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION – These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place

OPERATING INFORMATION – These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

CITY OF EDMOND, OKLAHOMA
NET POSITION BY COMPONENT
 Last Ten Fiscal Years
TABLE 1

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 58,815,656	\$ 55,201,553	\$ 82,123,621	\$ 79,410,940	\$ 123,811,001	\$ 135,777,034	\$ 170,168,033	\$ 186,474,825	\$ 152,755,649	\$ 165,301,789
Restricted	64,670,476	72,500,288	56,495,369	79,102,301	60,258,055	63,676,420	66,653,990	66,138,688	66,787,140	65,438,617
Unrestricted	17,381,089	19,337,449	18,020,922	20,871,764	22,342,098	22,118,829	4,246,686	(2,196,768)	16,285,449	17,858,558
Total governmental activities net asset:	<u>\$ 140,867,221</u>	<u>\$ 147,039,270</u>	<u>\$ 156,639,912</u>	<u>\$ 179,385,005</u>	<u>\$ 206,411,154</u>	<u>\$ 221,572,283</u>	<u>\$ 241,068,709</u>	<u>\$ 250,416,745</u>	<u>\$ 235,828,238</u>	<u>\$ 248,595,944</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 52,997,652	\$ 68,161,440	\$ 77,189,233	\$ 95,399,770	\$ 111,991,043	\$ 119,144,031	\$ 129,103,305	\$ 133,914,111	\$ 130,307,669	\$ 139,272,090
Restricted	7,510,850	8,827,180	9,517,278	9,140,116	10,181,517	10,563,415	10,899,446	11,431,161	11,102,953	12,737,861
Unrestricted	34,451,241	34,427,729	36,272,522	35,419,323	51,072,155	55,106,883	61,950,616	63,999,452	61,237,819	62,638,338
Total business-type activities net asset:	<u>\$ 94,959,743</u>	<u>\$ 111,416,349</u>	<u>\$ 122,979,033</u>	<u>\$ 139,959,209</u>	<u>\$ 173,244,715</u>	<u>\$ 184,814,329</u>	<u>\$ 201,953,367</u>	<u>\$ 209,344,724</u>	<u>\$ 202,648,441</u>	<u>\$ 214,648,289</u>
Primary government										
Invested in capital assets, net of related debt	\$ 111,813,308	\$ 123,362,993	\$ 159,312,854	\$ 174,810,710	\$ 235,802,044	\$ 254,921,065	\$ 299,271,338	\$ 320,386,936	\$ 283,063,318	\$ 304,573,869
Restricted	72,181,326	81,327,448	66,012,647	88,242,417	70,439,572	74,239,835	77,553,436	77,569,849	77,890,093	78,176,478
Unrestricted	51,832,320	53,785,178	54,293,444	56,291,087	73,414,253	77,225,712	66,197,302	61,802,684	77,523,268	80,996,896
Total primary government net asset:	<u>\$ 235,826,964</u>	<u>\$ 258,455,619</u>	<u>\$ 279,618,945</u>	<u>\$ 319,344,214</u>	<u>\$ 379,655,868</u>	<u>\$ 406,386,612</u>	<u>\$ 443,022,076</u>	<u>\$ 459,761,469</u>	<u>\$ 438,476,679</u>	<u>\$ 463,247,233</u>

NOTE: Data is only presented for years including and subsequent to implementation of GASB 34.

**CITY OF EDMOND, OKLAHOMA
CHANGES IN NET ASSETS
Last Ten Fiscal Years
TABLE 2**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Government activities:										
Government government	\$ 6,265,143	\$ 4,949,985	\$ 5,581,001	\$ 4,577,821	\$ 4,613,635	\$ 3,478,447	\$ 6,481,160	\$ 10,973,617	\$ 5,031,798	\$ 7,354,958
Public Safety	20,890,379	22,034,799	24,035,130	26,728,378	33,046,090	36,253,944	36,973,162	37,861,256	39,468,587	38,482,564
Streets and highways	8,818,751	8,427,250	9,281,426	7,774,914	6,621,593	7,758,419	9,037,694	10,282,715	10,186,548	10,413,380
Cultural, parks and recreation	2,358,522	2,764,522	3,643,976	4,120,945	4,394,149	4,875,902	5,108,657	5,460,930	5,419,709	5,163,602
Health and welfare	1,540,093	1,207,273	1,135,963	1,194,613	1,334,982	1,429,278	1,788,220	2,568,303	2,879,900	3,154,842
Economic development	360,000	487,873	520,058	666,286	846,548	846,548	-	-	-	107,884
Interest on long-term debt	1,265,340	1,656,226	2,468,989	3,132,985	3,696,158	3,575,609	3,446,624	3,303,605	3,060,764	2,825,422
Total governmental activities expenses	41,488,228	41,527,928	46,666,543	48,195,942	54,553,155	57,371,599	62,835,517	70,796,426	66,047,306	67,502,652
Business-type activities:										
Electric operations	39,134,407	43,043,748	45,129,392	58,990,366	57,623,476	55,694,109	58,763,582	60,634,285	65,755,607	68,889,466
Water operations	9,793,319	10,821,394	11,494,331	13,719,684	13,081,626	14,909,423	15,248,010	15,676,576	16,360,858	16,769,702
Wastewater operations	3,461,041	3,555,723	3,594,586	4,268,955	4,649,588	5,554,642	5,744,638	5,614,980	5,351,923	5,719,033
Sanitation operations	4,389,252	4,694,956	4,828,661	5,255,315	5,311,871	6,100,704	5,999,807	6,279,124	6,673,527	6,953,312
Lake operations	1,209,967	1,190,558	1,147,316	1,207,149	1,117,566	1,194,252	1,251,923	1,174,818	1,255,232	1,271,935
Drainage operations	445,689	473,978	438,084	556,395	626,863	814,071	822,836	934,104	953,486	1,020,667
Golf course operations	1,574,650	1,620,775	1,674,073	1,753,249	1,717,156	1,786,557	1,931,136	1,762,760	1,914,021	1,907,157
Cooperative purchasing services	-	26,327	43,042	68,587	67,999	63,194	58,693	41,299	64,215	64,757
Economic development (payment to EEDA)	39,383	382,050	382,050	393,511	405,305	417,459	430,000	442,900	412,000	440,000
Total business-type activities expenses	60,047,738	65,809,509	68,731,535	86,213,211	84,601,450	86,534,411	90,250,625	92,560,846	98,740,869	103,036,029
Total primary government expenses	\$ 101,535,966	\$ 107,337,437	\$ 115,398,078	\$ 134,409,153	\$ 139,154,605	\$ 143,906,010	\$ 153,086,142	\$ 163,357,272	\$ 164,788,175	\$ 170,538,681
Program Revenues										
Government activities:										
Charges for services:										
General government	\$ 5,323,831	\$ 5,363,012	\$ 5,445,449	\$ 5,519,015	\$ 6,452,852	\$ 7,308,113	\$ 7,108,368	\$ 7,370,016	\$ 7,604,193	\$ 7,353,230
Public Safety	1,002,146	1,394,636	1,233,048	1,289,125	1,310,158	1,184,312	821,340	831,720	946,769	1,220,778
Streets and highways	82,960	100,320	99,960	107,304	9,030	7,650	104,770	228,097	7,200	84,870
Cultural, parks and recreation	353,249	326,024	284,663	404,770	419,224	538,322	538,937	514,150	719,757	528,606
Health and welfare	-	-	-	-	-	-	-	689,333	1,167,687	1,140,753
Operating grants and contributions	3,069,896	1,618,299	1,484,734	1,360,892	5,233,942	4,902,301	4,036,616	4,878,847	5,547,074	5,475,330
Capital grants and contributions	112,603	5,079,879	5,758,056	13,737,184	16,974,830	5,968,765	17,642,392	16,112,303	5,176,962	5,232,894
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	9,944,685	13,882,170	14,305,910	22,418,290	30,400,036	19,909,463	30,252,423	30,624,466	21,169,642	21,036,461

(Continued)

CITY OF EDMOND, OKLAHOMA
TABLE 2
(Continued)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Business-type activities:										
Charges for services:										
Electric operations	\$ 44,204,645	\$ 49,179,513	\$ 49,303,502	\$ 62,385,534	\$ 59,686,400	\$ 57,936,121	\$ 64,787,581	\$ 63,074,399	\$ 65,175,715	\$ 71,935,412
Water operations	11,012,153	12,644,704	12,061,865	17,111,308	16,065,410	15,876,990	16,132,835	15,309,866	20,660,467	22,701,466
Wastewater operations	5,147,331	5,353,591	5,688,575	5,588,079	6,368,712	6,887,906	6,562,672	6,231,244	7,150,976	8,554,554
Sanitation operations	5,281,603	5,248,703	5,456,330	5,783,171	6,089,940	6,221,070	7,005,326	7,246,382	7,409,205	7,577,025
Lake operations	615,093	594,541	643,897	719,833	694,523	640,316	770,288	764,675	868,456	880,719
Drainage operations	748,483	757,760	793,311	813,767	841,717	1,571,298	1,579,935	1,630,168	1,625,597	1,758,988
Golf course operations	1,196,719	1,482,148	1,512,383	1,674,485	1,634,283	1,731,594	1,809,868	1,711,166	1,879,253	1,997,414
Cooperative purchasing service	-	87,824	39,083	84,184	111,752	70,085	63,693	53,641	49,240	80,190
Operating grants and contributions	-	210,066	-	-	-	107,870	82,117	2,717	225,488	72,975
Capital grants and contributions	945	3,264,449	5,902,464	9,760,255	14,079,770	5,360,805	8,309,381	3,537,407	3,649,620	1,665,577
Total business-type activities program revenues	\$ 68,206,972	\$ 78,823,299	\$ 81,401,410	\$ 103,920,616	\$ 105,572,507	\$ 96,404,055	\$ 107,103,696	\$ 99,561,665	\$ 108,694,017	\$ 117,224,320
Total primary government program revenues	\$ 78,151,657	\$ 92,705,469	\$ 95,707,320	\$ 126,338,906	\$ 135,972,543	\$ 116,513,516	\$ 137,356,119	\$ 130,186,131	\$ 129,863,659	\$ 138,260,781
Net (Expense)/Revenue	\$ (31,543,543)	\$ (27,645,758)	\$ (32,360,633)	\$ (25,777,652)	\$ (24,153,119)	\$ (37,462,136)	\$ (32,583,094)	\$ (40,171,960)	\$ (44,877,664)	\$ (46,466,191)
Government activities	8,159,234	13,013,790	12,669,875	17,707,405	20,971,057	9,869,644	16,853,071	7,000,819	9,953,148	14,188,291
Business-type activities	\$ (23,384,309)	\$ (14,631,968)	\$ (19,690,758)	\$ (8,070,247)	\$ (3,182,062)	\$ (27,592,492)	\$ (15,730,023)	\$ (33,171,141)	\$ (34,924,516)	\$ (32,277,900)
General Revenues and Other Changes in Net Assets										
Government activities:										
Taxes:										
Sales and use taxes - General government	\$ 18,643,609	\$ 20,580,628	\$ 22,357,983	\$ 24,744,109	\$ 26,208,998	\$ 27,558,790	\$ 29,572,916	\$ 27,484,883	\$ 28,917,747	\$ 31,289,351
Sales and use taxes - Public safety	3,315,610	3,644,362	3,920,670	4,261,107	4,527,512	4,742,710	5,014,947	4,748,676	4,914,564	5,366,325
Sales and use taxes - Park and recreation	1,105,203	1,214,787	1,306,890	1,420,369	1,509,171	1,580,904	1,671,649	1,582,892	1,638,188	1,788,775
Sales and use taxes - Capital improvements	6,631,220	7,288,724	7,841,339	8,522,215	9,055,024	9,485,420	10,029,894	9,497,352	9,829,129	12,798,391
Ad valorem property taxes	-	-	-	110,200	106,031	91,149	-	-	-	-
Franchise and public service taxes	1,384,276	1,419,720	1,428,235	1,606,776	1,699,807	1,866,394	1,961,519	1,886,700	2,304,910	2,106,551
Hotel/motel taxes	268,340	288,756	282,807	336,159	336,159	417,905	364,232	345,208	344,968	391,664
Liquor taxes	32,650	35,900	30,550	31,350	37,650	-	-	-	-	-
Payment from City of Edmond	-	-	-	-	-	-	-	-	-	-
Intergovernmental revenue not restricted to specific prog	196,419	195,768	305,830	673,351	749,106	761,720	694,962	675,890	981,492	894,306
Investment income	1,329,350	699,230	1,650,698	2,834,308	4,882,714	4,229,091	2,515,207	1,294,216	1,299,271	822,610
Miscellaneous	308,202	146,661	189,943	225,107	228,030	284,237	216,763	252,382	242,196	293,652
Gain (loss) on sale of capital assets	-	-	-	-	-	-	(1,696,494)	-	-	-
Transfers-Internal activity	2,756,921	(1,566,945)	2,646,330	3,148,383	1,839,066	1,604,942	1,733,927	1,751,799	1,066,444	3,475,226
Total governmental activities	35,971,800	33,947,591	41,961,275	47,871,237	51,179,288	52,623,262	52,079,522	49,519,998	51,538,909	59,236,851
Business-type activities:										
Investment earnings	1,138,558	752,797	1,483,073	2,438,172	2,603,501	2,829,720	1,925,301	1,113,106	991,181	780,706
Miscellaneous	255,618	164,181	56,066	6,990	9,771	180,998	158,658	1,029,229	176,357	506,071
Special item - gain on asset impairment	-	-	-	-	1,130,316	294,193	(64,102)	-	-	-
Extraordinary item - release of obligation to federal governm	-	-	-	-	10,409,927	-	-	-	-	-
Transfers - Internal activity	(2,756,921)	1,586,945	(2,646,330)	(3,148,383)	(1,839,066)	(1,604,942)	(1,733,927)	(1,751,799)	(1,066,444)	(3,475,226)
Total business-type activities	(1,362,745)	2,483,923	(1,107,191)	(702,221)	12,314,449	1,699,969	285,930	390,536	101,094	(2,188,449)
Total primary government	\$ 34,609,055	\$ 36,431,514	\$ 40,854,084	\$ 47,169,016	\$ 63,493,717	\$ 54,223,231	\$ 52,365,452	\$ 49,910,534	\$ 51,640,003	\$ 57,048,402
Change in Net Assets										
Government activities	\$ 4,428,257	\$ 6,301,833	\$ 9,600,642	\$ 22,093,585	\$ 27,026,149	\$ 15,161,126	\$ 19,496,428	\$ 9,348,038	\$ 6,661,245	\$ 12,770,660
Business-type activities	6,796,469	15,497,713	11,562,684	17,005,184	33,285,506	11,569,613	17,139,001	7,391,355	10,054,242	11,999,842
Total primary government	\$ 11,224,746	\$ 21,799,546	\$ 21,163,326	\$ 39,098,769	\$ 60,311,655	\$ 26,730,739	\$ 36,635,429	\$ 16,739,393	\$ 16,715,487	\$ 24,770,502

NOTE: Data is only presented for years including and subsequent to implementation of GASB 34.

CITY OF EDMOND, OKLAHOMA
FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
TABLE 3

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 2,145,051	\$ 2,102,098	\$ 2,644,316	\$ 3,149,184	\$ 3,929,627	\$ 3,771,989	\$ 3,573,228	\$ 1,770,558	\$ -	\$ -
Unreserved	4,457,425	7,082,953	6,201,103	5,289,270	4,192,773	2,841,745	2,005,534	4,985,485	-	-
Restricted	-	-	-	-	-	-	-	-	1,637,707	2,107,217
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	2,702,404	1,643,231
Unassigned	-	-	-	-	-	-	-	-	5,150,248	5,904,708
Total general fund	\$ 6,602,476	\$ 9,185,051	\$ 8,845,419	\$ 8,438,454	\$ 8,122,400	\$ 6,613,734	\$ 5,578,762	\$ 6,756,043	\$ 9,490,359	\$ 9,655,156
All Other Governmental Funds										
Reserved	\$ 22,189,371	\$ 7,229,922	\$ 8,138,401	\$ 1,208,651	\$ 8,499,925	\$ 7,229,922	\$ 7,329,922	\$ 7,314,772	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	65,078,915	63,331,400
Committed	-	-	-	-	-	-	-	-	2,879	3,613
Assigned	-	-	-	-	-	-	-	-	1,617,875	1,905,771
Unassigned	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Designated	430,000	18,599,780	7,703,977	22,627,713	23,989,752	24,031,157	22,314,064	32,566,108	-	-
Undesignated	29,021,201	37,658,494	31,751,472	46,432,370	41,902,706	35,556,974	35,121,329	-	-	-
Special revenue fund	3,421,940	4,093,722	4,979,560	10,222,120	3,454,075	5,184,515	4,202,565	9,733,245	-	-
Debt service fund	-	-	-	1,169	(3,701)	5,453	-	-	-	-
Capital project fund	11,808,531	6,365,692	5,609,261	1,773,794	2,371,829	2,606,709	1,619,906	19,253,710	-	-
Total all other govern	\$ 66,871,043	\$ 73,947,610	\$ 58,182,671	\$ 82,265,817	\$ 80,214,586	\$ 74,614,730	\$ 70,587,786	\$ 68,867,835	\$ 66,699,669	\$ 65,240,784
GRAND TOTAL	\$ 73,473,519	\$ 83,132,661	\$ 67,028,090	\$ 90,704,271	\$ 88,336,986	\$ 81,228,464	\$ 76,166,548	\$ 75,623,878	\$ 76,190,028	\$ 74,895,940

NOTE: Data is presented only for years including and subsequent to implementation of GASB 34.
 NOTE: Beginning in FY 2011 the City implemented GASB Statement 54, changing the categories of Fund Balance

CITY OF EDMOND, OKLAHOMA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
TABLE 4

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Sales and use taxes	\$ 29,695,642	\$ 32,728,501	\$ 35,426,882	\$ 38,947,800	\$ 41,300,705	\$ 43,367,824	\$ 46,289,406	\$ 43,313,803	\$ 45,299,628	\$ 51,252,842
Franchise and public service taxes	1,353,877	1,444,354	1,482,808	1,622,014	1,735,492	1,865,472	1,995,831	1,885,284	2,341,305	2,106,551
Ad valorem taxes	-	-	-	106,121	107,529	93,730	-	-	-	-
Hotel/motel taxes	268,340	288,756	282,807	293,962	336,159	417,905	364,232	345,208	344,968	391,664
Intergovernmental	3,052,507	1,932,653	2,230,231	8,142,917	13,106,317	8,251,646	7,292,287	9,707,740	6,776,753	10,805,328
Charges for services	3,487,644	3,414,444	3,636,375	3,824,794	4,532,811	5,121,590	4,980,864	6,209,535	6,750,908	6,633,164
Fines and forfeitures	2,063,428	2,041,466	1,896,419	2,061,344	2,368,946	2,424,600	2,375,687	2,097,681	2,436,202	2,068,170
Licenses and permits	1,176,650	1,678,748	1,495,372	1,416,563	1,275,103	1,418,060	1,063,724	1,083,211	1,082,107	1,525,110
Investment income	1,266,491	726,579	1,635,056	2,728,396	4,756,318	4,304,185	2,402,614	1,641,489	1,271,330	823,014
Payment from EEDA component unit	26,345	-	-	-	-	-	-	-	-	-
Miscellaneous	247,518	419,807	1,271,934	496,869	617,040	401,775	581,882	462,860	1,416,558	593,336
Total Revenues	\$ 42,658,442	\$ 44,675,308	\$ 49,357,884	\$ 59,640,760	\$ 70,136,420	\$ 67,666,767	\$ 67,346,527	\$ 66,746,811	\$ 67,719,759	\$ 76,199,179
Expenditures:										
General government	\$ 4,201,325	\$ 4,500,913	\$ 5,177,011	\$ 5,691,211	\$ 6,227,383	\$ 5,927,876	\$ 5,380,418	\$ 4,839,694	\$ 5,382,504	\$ 5,536,076
Public safety	20,158,167	21,341,415	23,169,172	25,775,741	32,337,759	35,466,366	35,183,104	36,047,474	37,953,732	37,732,091
Streets and highways	2,498,999	2,830,510	3,235,334	3,069,250	3,963,803	4,421,445	3,333,924	3,088,018	3,920,453	2,897,088
Cultural, Parks and Recreation	1,937,322	2,434,328	2,964,540	3,267,450	3,525,388	3,837,910	3,777,614	3,684,873	3,904,840	4,494,049
Health and welfare	1,536,937	1,204,091	1,133,251	1,194,613	1,275,167	1,369,320	1,549,305	2,313,124	2,624,963	4,164,797
Economic development	360,000	488,154	509,311	665,182	841,541	-	-	-	-	-
Capital Outlay	10,598,511	16,870,373	26,650,315	23,956,814	19,352,642	18,500,852	18,312,319	12,507,394	10,068,623	19,112,591
Debt service:										
Principal	778,205	1,446,888	2,125,000	2,281,203	3,291,203	3,411,203	3,445,000	3,595,000	3,370,000	4,095,000
Interest and fiscal charges	1,265,340	1,584,317	2,535,277	3,162,796	3,751,922	3,632,019	3,498,724	3,355,705	2,797,592	2,852,354
Total Expenditures	\$ 43,334,806	\$ 52,700,989	\$ 67,499,211	\$ 69,064,260	\$ 74,566,808	\$ 76,567,011	\$ 74,480,408	\$ 69,441,282	\$ 70,022,707	\$ 80,884,046
Excess of revenues over/(under) expenditures	\$ (676,364)	\$ (8,025,681)	\$ (18,141,327)	\$ (9,423,480)	\$ (4,430,388)	\$ (8,900,224)	\$ (7,133,881)	\$ (2,694,471)	\$ (2,302,948)	\$ (4,684,867)
Other financing sources(uses)										
Transfers in	\$ 40,919,050	\$ 43,589,875	\$ 46,068,921	\$ 51,117,118	\$ 52,520,218	\$ 54,816,508	\$ 60,118,792	\$ 54,742,916	\$ 57,700,798	\$ 62,738,138
Transfers out	(40,065,032)	(45,993,487)	(44,301,204)	(48,580,244)	(50,457,115)	(53,024,807)	(58,046,824)	(52,591,117)	(55,064,383)	(59,347,356)
Proceeds from sale of judgment	-	-	258,610	-	-	-	-	-	-	-
Transfer to escrow agent	-	-	-	-	-	-	-	-	(13,667,116)	-
Bond issuance costs	-	-	-	(411,519)	-	-	-	-	-	-
Bond discount	-	(118,468)	-	-	-	-	-	-	-	-
Bond premium	-	200,007	-	984,477	-	-	-	-	-	-
Bond proceeds	20,000,000	20,000,000	-	30,000,000	-	-	-	-	13,900,000	-
Total other financing sources(uses)	\$ 20,854,018	\$ 17,657,927	\$ 2,026,327	\$ 33,109,832	\$ 2,063,103	\$ 1,791,701	\$ 2,071,968	\$ 2,151,799	\$ 2,869,299	\$ 3,390,782
Net change in fund balances	\$ 20,177,654	\$ 9,632,246	\$ (16,115,000)	\$ 23,686,352	\$ (2,367,285)	\$ (7,108,523)	\$ (5,061,913)	\$ (542,672)	\$ 566,351	\$ (1,294,085)
Debt service as a percentage of noncapital expenditures	6.2%	8.5%	11.4%	12.0%	12.7%	11.9%	12.4%	13.7%	11.4%	12.7%

NOTE: Data is only presented for years including and subsequent to implementation of GASB 34.

CITY OF EDMOND, OKLAHOMA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 Last Ten Fiscal Years
TABLE 5

Fiscal Year	Ad Valorem Tax	Sales Tax	Use Tax	Franchise Tax	Liquor Tax	Hotel/Motel Tax	Totals
2003	-	28,735,285	960,357	1,321,227	32,650	268,340	31,317,859
2004	-	31,584,471	1,144,030	1,408,454	35,900	288,756	34,461,611
2005	-	33,979,137	1,447,745	1,452,258	30,550	282,807	37,192,497
2006	110,200	36,929,598	2,018,203	1,606,776	31,350	293,962	40,990,089
2007	106,031	39,238,438	2,062,267	1,699,807	37,650	336,159	43,480,352
2008	92,692	41,103,489	2,264,335	1,836,994	29,400	417,905	45,744,815
2009	-	43,462,875	2,826,531	1,924,619	36,900	364,232	48,615,157
2010	-	41,155,192	2,158,611	1,848,384	36,900	345,208	45,544,295
2011	-	42,592,891	2,706,737	2,301,455	39,850	344,968	47,985,901
2012	-	48,573,889	2,678,953	2,066,159	40,392	391,664	53,751,057

**CITY OF EDMOND, OKLAHOMA
ELECTRICITY REVENUE BY CUSTOMER TYPE
LAST SEVEN FISCAL YEARS
TABLE 6**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Residential	\$ 37,995,276	\$ 35,982,503	\$ 34,186,769	\$ 38,174,103	\$ 37,654,681	\$ 39,450,423	\$ 44,917,923
Commercial	15,538,466	16,082,452	17,187,660	18,854,931	17,716,150	17,706,025	20,110,914
Large Commercial & Industrial	2,571,921	1,788,194	974,507	963,824	859,249	846,672	879,907
Other	6,201,955	5,768,011	5,288,332	5,710,357	5,364,308	5,664,118	6,029,794
Totals	<u>\$ 62,307,618</u>	<u>\$ 59,621,160</u>	<u>\$ 57,637,268</u>	<u>\$ 63,703,216</u>	<u>\$ 61,594,388</u>	<u>\$ 63,667,237</u>	<u>\$ 71,938,538</u>

Source: City of Edmond Utility Customer Service Department

Note: Data is presented only for years including and subsequent to implementation of GASB 44.

**CITY OF EDMOND, OKLAHOMA
TOP TEN ELECTRIC CUSTOMERS
LAST SEVEN YEARS
TABLE 7**

Taxpayer	2006			2007			2008			2009			2010			2011			2012		
	Rank	Value	% of Total																		
City of Edmond	3	\$ 1,261,540	2.0%	1	\$ 1,991,286	3.4%	1	\$ 1,956,377	3.4%	1	\$ 2,400,975	3.8%	1	\$ 2,185,377	3.5%	1	\$ 2,049,567	3.2%	1	\$ 2,076,083	2.9%
Edmond Public Schools	1	\$ 1,592,237	2.6%	3	\$ 1,444,271	2.4%	2	\$ 1,608,329	2.8%	3	\$ 2,127,093	3.3%	2	\$ 2,083,285	3.4%	3	\$ 1,693,712	2.7%	2	\$ 1,957,444	2.7%
University of Central Oklahoma	2	\$ 1,328,232	2.1%	2	\$ 1,572,469	2.7%	3	\$ 1,539,092	2.7%	2	\$ 2,194,299	3.4%	3	\$ 2,072,185	3.4%	2	\$ 1,754,771	2.8%	3	\$ 1,789,302	2.5%
Wal Mart	4	\$ 736,785	1.2%	4	\$ 792,101	1.3%	4	\$ 737,862	1.3%	4	\$ 971,947	1.5%	4	\$ 827,417	1.3%	4	\$ 759,208	1.2%	4	\$ 851,814	1.2%
Crest Foods	7	\$ 380,946	0.6%	5	\$ 378,372	0.6%	7	\$ 281,402	0.5%	5	\$ 442,393	0.7%	5	\$ 411,060	0.7%	5	\$ 339,516	0.5%	5	\$ 375,621	0.5%
OU Medical Center	5	\$ 389,020	0.6%	6	\$ 348,727	0.6%	6	\$ 334,020	0.6%	6	\$ 426,035	0.7%	6	\$ 395,136	0.6%	7	\$ 315,069	0.5%	6	\$ 373,020	0.5%
Lowe's	9	\$ 265,047	0.4%	10	\$ 230,976	0.4%	10	\$ 206,106	0.4%	8	\$ 337,108	0.5%	6	\$ 406,365	0.7%	6	\$ 330,251	0.5%	7	\$ 363,185	0.5%
Integrus Health Edmond																					
Homeland Stores	6	\$ 377,894	0.6%	7	\$ 344,802	0.6%	5	\$ 334,632	0.6%	7	\$ 394,957	0.6%	8	\$ 337,554	0.5%	8	\$ 281,059	0.4%	8	\$ 349,842	0.5%
Oak Tree Partners LLC																					
Henderson Hills Baptist Church																					
Target	8	\$ 280,945	0.5%	9	\$ 258,601	0.4%	9	\$ 237,446	0.4%	10	\$ 299,360	0.5%	10	\$ 271,484	0.4%	9	\$ 255,308	0.4%	10	\$ 278,929	0.4%
OSBI																					
Home Depot	10	\$ 195,826	0.3%							9	\$ 315,726	0.5%									
UPC Acquisition Corp.																					
Totals		<u>\$ 6,808,472</u>	<u>10.9%</u>		<u>\$ 7,646,350</u>	<u>12.9%</u>		<u>\$ 7,492,789</u>	<u>13.0%</u>		<u>\$ 9,909,892</u>	<u>15.6%</u>		<u>\$ 9,262,267</u>	<u>15.0%</u>		<u>\$ 8,033,768</u>	<u>12.6%</u>		<u>\$ 8,721,511</u>	<u>12.1%</u>
Total Electric Revenue (see Table 6)		<u>\$ 62,307,618</u>			<u>\$ 59,321,160</u>			<u>\$ 57,637,268</u>			<u>\$ 63,703,216</u>			<u>\$ 61,594,388</u>			<u>\$ 63,667,237</u>			<u>\$ 71,938,538</u>	

Source: City of Edmond Utility Customer Service Department

**CITY OF EDMOND, OKLAHOMA
ELECTRICITY RATES
Last Seven Fiscal Years
TABLE 8**

Rate Code	Rate Schedule	Units	Edm.Elec. 1/1/2006	Edm Elec 1/1/2007	Edm Elec 1/1/2008	Edm Elec 1/1/2009	Edm Elec 1/1/2010	Edm Elec 1/1/2011	Edm Elec 1/1/2012	
13	<u>R-1 Residential</u>									
	Customer Charge	\$/mo	6.04	6.05	6.05	6.05	12.48	12.48	12.48	
	Energy Charge									
	Shoulder - May	\$/kWh	0.0067	0.0792	0.0792	0.0792	0.0806	0.0806	0.0806	
	First 600 kWh	\$/kWh	0.0035	0.0569	0.0569	0.0569	0.0806	0.0806	0.0806	
	Add'l kWh over 600									
	Summer (Jan-Sep)	\$/kWh	0.0070	0.0795	0.0795	0.0795	0.0806	0.0806	0.0806	
	First 1,400 kWh	\$/kWh	0.0067	0.0807	0.0807	0.0807	0.0833	0.0833	0.0833	
	Add'l kWh over 1,400									
	Shoulder - Oct	\$/kWh	0.0067	0.0792	0.0792	0.0792	0.0806	0.0806	0.0806	
	First 600 kWh	\$/kWh	0.0035	0.0569	0.0569	0.0569	0.0806	0.0806	0.0806	
	Add'l kWh over 600									
	Winter (Nov-Apr)	\$/kWh	0.0067	0.0792	0.0792	0.0792	0.0806	0.0806	0.0806	
First 600 kWh	\$/kWh	0.0021	0.0444	0.0444	0.0444	0.0452	0.0452	0.0452		
Add'l kWh over 600										
14	<u>LH/EAP-1 Low Income Home Energy Assistance Program Rider</u>									
	Customer Charge	\$/mo	created 1/1/2007	6.05	6.05	6.05	12.48	12.48	12.48	
	(Oct-May)	\$/mo	0	0	0	0	0	0	0	
	Summer (Jan-Sep)									
	Energy Charge									
	Winter (Nov-Apr)	\$/kWh	created 1/1/2007	0.0792	0.0792	0.0792	0.0792	0.0806	0.0806	
	First 600 kWh	\$/kWh	created 1/1/2007	0.0382	0.0382	0.0382	0.0452	0.0452	0.0452	
	Add'l kWh over 600									
	Summer & Shoulder (May-Oct)	\$/kWh		same as R-1	same as R-1	same as R-1	same as R-1	same as R-2	same as R-2	
	* Acceptance requires qualification by DHS prior to annual participation.									
	<u>GS-1 General Service</u>									
	Customer Charge	\$/mo	133.92	11.16	11.16	11.16	23.04	23.04	23.04	
	Energy Charge									
Summer (Jan-Oct)	\$/kWh	0.0106	0.0993	0.0993	0.0993	0.1003	0.1003	0.1003		
All kWh										
Winter (Nov-May)	\$/kWh	0.0087	0.0897	0.0897	0.0897	0.0864	0.0864	0.0864		
First 1000 kWh	\$/kWh	0.0031	0.054	0.054	0.054	0.048	0.048	0.048		
Add'l kWh over 1000										
05	<u>GS-TOU General Service Time-of-Use</u>									
	Customer Charge	\$/mo	133.92	11.16	11.16	11.16	23.04	23.04	23.04	
	TOU Meter Charge (Jun-Oct)	\$/mo	112.53	10.23	10.23	10.23	0	0	0	
	Energy Charge									
	Summer On-Peak Hours (2p-8p)	\$/kWh	0.0904	0.2899	0.2899	0.2899	0.2880	0.2880	0.2880	
	Summer Off-Peak Hours	\$/kWh	0.0031	0.054	0.054	0.054	0.048	0.048	0.048	
	Winter									
	First 1000 kWh	\$/kWh	0.0087	0.0897	0.0897	0.0897	0.0864	0.0864	0.0864	
	Add'l kWh over 1000	\$/kWh	0.0031	0.0540	0.0540	0.0540	0.0480	0.0480	0.0480	
	39	<u>PL-1 Power & Light</u>								
		Customer Charge	\$/mo	5,062.55	69.35	69.35	69.35	72	72	72
		Capacity Charge (new 25% ratchet)	\$/kW	135.40	11.34	11.34	11.34	11.76	11.76	11.76
		Summer (Jun-Oct)	\$/kW	31.06	5.43	5.43	5.43	6.10	6.10	6.10
Winter (Nov-May)										
(Continued)										
(Continued)										
(Continued)										
(Continued)										
(Continued)										
(Continued)										
(Continued)										

CITY OF EDMOND, OKLAHOMA
ELECTRICITY RATES
Last Seven Fiscal Years
TABLE 8

Rate Code	Rate Schedule	Units	Edm.Elec. 1/1/2006	Edm Elec 1/1/2007	Edm Elec 1/1/2008	Edm Elec 1/1/2009	Edm Elec 1/1/2010	Edm Elec 1/1/2011	Edm Elec 1/1/2012
36	Energy Charge								
	First 1,000,000 kWh	\$/kWh	0.0016	0.0395	0.0395	0.0395	0.0403	0.0403	0.0403
	All Add'l kWh	\$/kWh	0.0014	0.0365	0.0365	0.0365	0.0403	0.0403	0.0403
	Customer Charge	\$/mo	5,062.55	69.35	69.35	69.35	72.00	72.00	72.00
	TOU Meter Charge (Summer)	\$/mo	0.00	0	0	0	0	0	0
	Capacity Charge								
	<i>Summer</i>								
	Max Billing Demand	\$/kW	1.39	1.15	1.15	1.15	1.21	1.21	1.21
	On-Peak Hrs Demand	\$/kW	109.34	10.19	10.19	10.19	10.71	10.71	10.71
	<i>Winter</i>								
Max Billing Demand	\$/kW	31.06	5.43	5.43	5.43	5.70	5.70	5.70	
Energy Charge									
First 1,000,000 kWh	\$/kWh	0.0016	0.0395	0.0395	0.0395	0.0415	0.0415	0.0415	
All Add'l kWh	\$/kWh	0.0014	0.0365	0.0365	0.0365	0.0383	0.0383	0.0383	
35	PLP/TOU Leagr Power & Light Times-of-Use								
	Customer Charge	\$/mo	22,344.98	147.98	147.98	147.98	73.50	73.50	73.50
	Capacity Charge								
	(new 25% ratchet)								
	Summer (Jun-Oct) mo. Max. Demand	\$/kW	0.18	0.42	0.42	0.42	5.21	5.21	5.21
	On-Peak 2p-8p (except Sun.⁴)	\$/kW	62.25	7.81	7.81	7.81	0	0	0
	Winter (Nov-May)	\$/kW	19.76	4.40	4.40	4.40	5.21	5.21	5.21
	Energy Charge								
	First 2,000,000 kWh/month	\$/kWh	0.0016	0.0402	0.0402	0.0402	0	0	0
	All Additional kWh/month	\$/kWh	0.0014	0.0365	0.0365	0.0365	0	0	0
* for OG&E summer On-Peak all weekends and 3 holidays are exempt.									
On Peak kWh/mo (June 1-Sept 30, 2-7:00 pm)	\$/kWh					0.1150	0.1150	0.1150	
Off-Peak kWh/mo	\$/kWh					0.0343	0.0343	0.0343	
Winter Season: All kWh	\$/kWh								
51	PS-ND-1 Public Schools Non Demand								
	Customer Charge	\$/mo	created 1/1/2007	11.90	11.90	11.90	12.29	12.29	12.29
	Energy Charge								
	<i>Summer (Jun-Oct)</i>								
	All kWh	\$/kWh	created 1/1/2007	0.0990	0.0990	0.0990	0.1003	0.1003	0.1003
	<i>Winter (Nov-May)</i>								
	First 1000 kWh	\$/kWh	created 1/1/2007	0.0897	0.0897	0.0897	0.0874	0.0874	0.0874
	Add'l kWh over 1000	\$/kWh	created 1/1/2007	0.0537	0.0537	0.0537	0.0518	0.0518	0.0518
	GPWR Green Power Wind Rider (for all standard rates)								
	Wind Selection Charge	\$/kWh	0.018	0.0009	0.0009	0.0009	0.0027	0.0027	0.0027

(Customer selects 100% or fixed 100kWh blocks subject to WSC. This WSC rate is added to, and monthly FCA is subtracted from, the standard rate calculation for customer's selected quantity of wind power kWh.)

(Continued)

(Continued)

(Continued)

(Continued)

**CITY OF EDMOND, OKLAHOMA
ELECTRICITY RATES
Last Seven Fiscal Years
TABLE 8**

Rate Code	Rate Schedule	Units Existing Wood Pole	Edm.Elec.	Edm Elec					
			1/1/2006	1/1/2007	1/1/2008	1/1/2009	1/1/2010	1/1/2011	1/1/2012
44	<u>OSI-1 Outdoor Security Lighting</u> Base Charge 7,000 Mercury Vapor * 9,500 High Pressure Sodium 14,000 Metal Halide - Directional 15,500 High Pressure Sodium 25,000 High Pressure Sodium *Not available for new installations Additional Charges Extension of Secondary Circuit and Wood Pole 30 foot pole 35 foot pole 40 foot pole 45 foot pole 50 foot pole *with wiring requirement of 150 feet or less Underground wiring additional *If pole has to be hand set additional charge	7.49 5.86 12.91 8.06 11.62	71 41 71 71 107						
26	<u>Ornamental Lighting Fixtures</u> Base Charge 9,500 High Pressure Sodium on 24 foot fiberglass pole	18.84	41	41	41	41	41	41	41
99	<u>P&I Municipal Water Pumping</u> Customer Charge Energy Charge Summer (Jun-Oct) Winter (Nov-May) <u>LED-1 Traffic Signal Lights</u> Customer Charge Energy Charge Per intersection	\$/mo \$/KW \$/KW \$/mo 19.98	10.23 10.23 10.23 10.2 250						

NOTE: Data is presented only for years including and subsequent to implementation of GASB 44.
Source: City of Edmond Utility Customer Service Department

CITY OF EDMOND, OKLAHOMA
SALES TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
TABLE 9

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
City	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.75% *
Oklahoma County	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State of Oklahoma	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Total	7.75%	8.25% *								

* Effective April 1, 2012

CITY OF EDMOND, OKLAHOMA
TAXABLE SALES BY CATEGORY (1)
LAST TEN FISCAL YEARS
TABLE 10

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Agriculture, forestry, and fishing	16,746	32,508	94,900	136,158	(112,697)	55,375	98,379	42,304	31,739	56,292
Mining	16,521	17,507	33,313	41,275	62,265	29,076	64,906	1,736	46,492	66,585
Construction	12,721	12,219	10,517	26,862	39,045	28,500	36,612	36,107	32,830	69,507
Manufacturing	190,428	214,887	218,650	266,428	286,862	395,719	318,134	213,983	211,016	303,993
Transportation	13,816	10,434	14,017	17,725	14,693	18,553	33,001	59,514	69,009	62,873
Communications and utilities:										
Communications	1,785,855	1,837,584	1,831,506	1,874,056	1,946,509	2,024,068	2,115,513	2,107,808	2,063,197	2,116,694
Electric, gas, and sanitary services	2,004,817	2,241,881	2,283,891	2,666,243	2,854,686	2,787,641	2,962,614	2,904,097	2,807,077	2,969,951
Wholesale trade	1,625,305	1,905,865	2,250,048	2,607,706	3,106,444	2,966,272	4,257,938	2,311,014	2,554,821	3,149,901
Retail trade:										
Building materials, hardware, garden supply and mobile home dealer	3,396,626	3,994,425	4,469,778	5,042,389	4,738,770	4,844,080	5,048,412	4,676,327	4,417,446	4,967,601
General merchandise stores	5,883,604	6,199,356	6,503,736	7,045,225	7,618,216	8,165,460	8,430,100	8,427,080	8,509,668	8,974,710
Food stores	3,350,283	3,360,758	3,249,189	2,876,881	2,885,971	2,956,101	3,217,337	3,391,516	3,801,497	4,475,165
Automotive dealers and gasoline service stations	617,469	628,692	671,188	691,239	758,260	806,783	796,361	852,484	997,628	1,085,814
Apparel and accessory stores	797,147	811,444	980,522	1,025,086	1,282,690	1,347,014	1,407,880	1,495,670	1,522,093	1,631,106
Furniture, home furnishings and equipment stores	1,069,365	1,504,243	1,900,315	2,237,055	2,668,466	2,689,076	2,669,621	2,394,461	2,584,712	3,105,063
Eating and drinking places	3,329,065	3,678,036	4,086,620	4,379,635	4,726,865	5,199,041	5,296,659	5,306,478	5,613,523	6,193,801
Miscellaneous retail	2,796,905	2,989,918	3,344,484	3,617,962	4,036,836	4,196,902	4,408,032	4,515,923	4,697,973	5,197,419
Finance, insurance, and real estate services:	16,316	12,397	17,297	9,898	15,648	15,702	12,369	9,858	7,492	11,467
Hotels and motels	216,568	242,713	233,032	278,657	282,723	352,794	308,276	285,609	304,701	358,175
Personal services	177,842	199,595	212,786	255,982	260,538	248,418	259,991	248,369	255,986	272,925
Business services	833,129	812,772	825,734	860,724	1,014,966	948,339	891,543	786,322	804,873	929,140
Automotive repair services and garages	333,419	336,298	335,411	367,984	400,294	376,616	392,206	401,687	459,313	472,940
Miscellaneous repair services	11,293	14,459	16,324	20,810	16,400	17,679	23,696	22,068	25,167	25,149
Motion pictures	144,854	142,765	139,121	131,631	137,266	163,301	163,467	155,084	148,431	117,573
Other services	279,503	361,230	385,185	413,022	407,089	480,483	533,356	493,928	489,984	633,883
Nonclassifiable establishments	91,608	97,846	103,186	201,097	177,054	256,161	192,498	323,703	530,895	677,950
	\$ 29,011,225	\$ 31,659,833	\$ 34,210,749	\$ 37,091,732	\$ 39,605,879	\$ 41,369,153	\$ 43,938,901	\$ 41,463,130	\$ 42,967,561	\$ 47,925,677

Data is only presented for years including and subsequent to implementation of GASB 34.
(1) The source for taxable sales by category is the Oklahoma Tax Commission. It is gross amount before State takes portion for revolving fund. Amount is what is apportioned.

CITY OF EDMOND, OKLAHOMA
RATIO FOR OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
TABLE 11

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	% of Personal Income	Total Debt Per Capita*
	Revenue Bonds Payable	Capital Leases Payable	Revenue Bonds Payable	Notes Payable	Capital Leases Payable			
2003	\$ 38,685,000	\$ 41,888	\$ 59,635,000	\$ 8,305,891	\$ 152,614	\$ 106,820,393	5.18%	\$ 1,484
2004	57,280,000	-	74,630,000	4,123,663	66,541	136,100,204	6.49%	\$ 1,860
2005	55,155,000	-	72,140,000	3,963,262	202,484	131,460,746	6.01%	\$ 1,759
2006	82,960,000	-	69,370,000	21,218,892	199,233	173,748,125	8.00%	\$ 2,276
2007	79,755,000	-	66,060,000	24,130,636	123,383	170,069,019	7.40%	\$ 2,182
2008	76,430,000	-	62,620,000	23,188,242	50,665	162,288,907	7.06%	\$ 2,047
2009	72,985,000	-	58,685,000	22,186,681	50,761	153,907,442	6.70%	\$ 1,911
2010	69,390,000	-	54,590,000	21,156,506	-	145,136,506	5.13%	\$ 1,783
2011	66,845,000	-	50,695,000	20,096,707	-	137,636,707	5.07%	\$ 1,691
2012	62,750,000	-	46,625,000	19,010,890	-	128,385,890	3.96%	\$ 1,536

NOTE: Data is presented only for years including and subsequent to implementation of GASB 34.

* Population is calculated at calendar year end prior to fiscal year. See Table 16

CITY OF EDMOND, OKLAHOMA
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
Last Ten Fiscal Years
TABLE 12

Fiscal Year	Population	Net * Assessed Value	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2003	73,180	(3) 397,640,335	-	-	-	0.00%	-
2004	74,731	(3) 421,399,473	-	-	-	0.00%	-
2005	76,331	(3) 497,436,162	-	-	-	0.00%	-
2006	77,930	(3) 549,158,491	-	-	-	0.00%	-
2007	79,270	(3) 603,055,867	-	-	-	0.00%	-
2008	80,364	(4) 716,953,613	-	-	-	0.00%	-
2009	80,535	(5) 762,213,816	-	-	-	0.00%	-
2010	81,395	(5) 786,787,845	-	-	-	0.00%	-
2011	81,405	(6) 806,652,399	-	-	-	0.00%	-
2012	83,591	(7) 824,050,837	-	-	-	0.00%	-

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

* Oklahoma County Assessor's Report 2012

(1) Oklahoma Department of Commerce Projection

(2) 2000 Census

(3) City of Edmond GIS Department, based on 2000 Census Avg HH Size for Years 2001-2004 , and the 2007 ACS Avg HH Size for Years 2005-2007 with Occupancy Rate

(4) City of Edmond GIS Department, estimate only based on current Building Permits for 2008

(5) City of Edmond, GIS/Planning Department 2001-2010

Based on the American Community Survey Avg HH, and Building Permits since 2000 Census

(6) 2010 Census

(7) City of Edmond Planning Department, estimate based on the 2010 Census, current Building Permits, the Edmond Economic Development Authority Average House Hold (HH) size, and the American Community Survey Occupancy Rate

CITY OF EDMOND, OKLAHOMA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2012
TABLE 13

Jurisdiction	Net (1) Debt Outstanding	Percentage (2) Applicable to City of Edmond	Amount Applicable to City of Edmond
Direct - City of Edmond	\$ -	0.00%	\$0
Overlapping: Edmond School District	\$ 117,215,000	57.91%	67,881,123
Oklahoma County	62,366,435	13.74%	8,568,846
Total	<u>\$179,581,435</u>		<u>\$76,449,970</u>

(1) Gross general bonded debt outstanding less debt service reserves.

(2) Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in the City of Edmond.

CITY OF EDMOND, OKLAHOMA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
TABLE 14

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 39,764,034	\$ 42,139,947	\$ 49,743,616	\$ 54,915,849	\$ 6,305,587	\$ 71,695,361	\$ 76,221,382	\$ 78,678,785	\$ 80,665,240	\$ 82,405,084
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 39,764,034	\$ 42,139,947	\$ 49,743,616	\$ 54,915,849	\$ 6,305,587	\$ 71,695,361	\$ 76,221,382	\$ 78,678,785	\$ 80,665,240	\$ 82,405,084
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2012	
Net assessed valuation	\$ 824,050,837
Debt limit (10% of total assess value)	\$ 82,405,084
Debt applicable to limit:	
General obligation bonds	\$ -
Less: Street bonds outstanding	-
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 82,405,084</u>

Note: Article 10, Section 26 of the Constitution of the State of Oklahoma limits municipal debt to 10% of net assessed valuation.
Article 10, Section 27 of the Constitution of the State of Oklahoma limits municipal debt to non-utility or non-street purposes.

CITY OF EDMOND, OKLAHOMA
THE EDMOND PUBLIC WORKS AUTHORITY
UTILITY SYSTEMS DIVISION
Last Ten Fiscal Years
TABLE 15

	<u>Eligible Revenues</u>	<u>Eligible Expenses¹</u>	<u>Net Revenue Available for Debt Service</u>	<u>Maximum Annual Debt Service</u>	<u>Revenue Bond Coverage</u>
2003	86,329,322	50,973,880	35,355,442	5,239,055	6.75
	73,438,601	54,293,820	19,144,781	1,599,040	11.97
	84,425,263	49,080,807	35,344,456	8,372,379	4.22
	73,438,601	55,836,860	17,601,741	1,518,875	11.59
2004	80,646,937	59,706,592	20,940,345	4,660,277	4.49
	92,626,281	54,866,300	37,759,981	7,608,482	4.96
2005	81,738,628	62,742,821	18,995,807	4,600,458	4.13
	94,690,783	56,999,841	37,690,942	8,288,621	4.55
2006	101,549,692	78,472,004	23,077,688	6,822,961	3.38
	115,530,508	72,572,103	42,958,405	8,443,233	5.09
	115,530,508	72,572,103	42,958,405	8,443,233	5.09
2007	99,735,661	79,826,395	19,909,266	6,822,981	2.92
	114,845,407	72,731,962	42,113,445	8,443,233	4.99
	114,845,407	72,731,962	42,113,445	8,443,233	4.99
2008	98,908,461	79,729,807	19,178,654	6,882,981	2.81
	114,558,163	72,725,121	41,833,042	8,443,233	4.95
	114,558,163	72,725,121	41,833,042	8,443,233	4.95
2009	106,361,912	81,058,262	25,303,650	6,822,981	3.71
	123,109,588	74,052,201	49,057,387	8,443,233	5.81
	123,109,588	74,052,201	49,057,387	8,443,233	5.81
2010	102,344,442	81,867,810	20,476,632	6,822,981	3.00
	118,119,652	74,845,596	43,274,056	8,682,517	4.98
	118,119,652	74,845,596	43,274,056	8,682,517	4.98
2011	111,304,738	91,610,054	19,694,684	6,990,269	2.82
	127,646,147	83,031,312	44,614,835	8,443,233	5.28
	127,646,147	83,031,312	44,614,835	8,443,233	5.28
2012	121,972,416	94,658,412	27,314,004	6,990,269	3.91
	139,366,747	87,639,201	51,727,546	8,399,737	6.16
	139,366,747	87,639,201	51,727,546	8,399,737	6.16

¹Excludes depreciation and amortization expense.

CITY OF EDMOND, OKLAHOMA
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Calendar Years
TABLE 16

Calendar Year	Population (1)*	Personal Income (in thousands) (2)	Per Capita Personal Income	Median Age of Population (2)	Percent with College Degree or Higher (5)	School Enrollment (3)	Unemployment Rate (4)
2002	71,972	2,073,081,488	28,804	34.2	N/A	17,833	4.1%
2003	73,180	2,097,924,240	28,668	34.2	N/A	18,045	5.1%
2004	74,731	2,187,152,177	29,267	34.2	N/A	19,183	4.4%
2005	76,331	2,165,892,125	28,375	34.2	N/A	19,274	4.3%
2006	77,930	2,335,328,310	29,967	34.6	N/A	19,726	3.9%
2007	79,270	2,522,054,320	31,816	34.8	52	20,272	4.3%
2008	80,535	2,670,460,065	33,159	34.7	48.6	20,786	4.6%
2009	81,395	2,828,232,065	34,747	34.9	51.4	21,358	4.8%
2010	81,405 *	2,713,228,650	33,330	35.0	50.1	21,960	4.2%
2011	83,591	3,242,745,663	38,793	34.2	47.3	22,472	4.0%

Note: Information was unavailable for the cells with N/A .

Sources:

- (1) City of Edmond, GIS/Planning Department 2001-2011
Based on the American Community Survey Avg HH, and Building Permits to date
- * Based on 2010 Census Bureau data
- (2) Edmond Economic Development Authority (EEDA)
- (3) Edmond School District
- (4) www.bls.gov
- (5) Edmond Economic Development Authority (EEDA). Information for previous years not available.

**CITY OF EDMOND, OKLAHOMA
PRINCIPAL EMPLOYERS
Current and Six Years Ago
TABLE 17**

Employer	2006			2012		
	Rank	Employees	% of Total	Rank	Employees	% of Total
Edmond Public Schools	1	2,191	41.2%	1	2,598	40.3%
University of Central Oklahoma	2	1,009	19.0%	2	1,224	19.0%
City of Edmond	3	642	12.1%	3	659	10.2%
Adfitech	7	250	4.7%	4	541	8.4%
OU Medical Center ¹	5	350	6.6%	5	485	7.5%
Petra Industries	8	189	3.6%	6	311	4.8%
Remy International ²	4	430	8.1%	7	277	4.3%
INTEGRIS Health Edmond				8	140	2.2%
Pelco Products	10	107	2.0%	9	123	1.9%
Innovative Healthcare Systems				10	91	1.4%
Cox Communications	9	147	2.8%			
Ben E. Keith ³	6	250*				
Totals		<u>5,315</u>	100%		<u>6,449</u>	100%

Source: Edmond Economic Development Authority

NOTE: Information for ten years ago is unavailable. The earliest figures available were used.

¹Formerly Edmond Medical Center

²Formerly Unit Parts

³Ben E. Keith is located out of City of Edmond limits but was included in 2006 data, this company is still in business, we are only including those within the City li

CITY OF EDMOND, OKLAHOMA
FULL-TIME EQUIVALENT BUDGETED CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Seven Fiscal Years
TABLE 18

<u>Function/Program</u>	<u>Fiscal Year 2006</u>	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2008</u>	<u>Fiscal Year 2009</u>	<u>Fiscal Year 2010</u>	<u>Fiscal Year 2011</u>	<u>Fiscal Year 2012</u>
General Government:							
Managment Services	5	6	5	5	5	4	5
City Clerk/Governmental Relations	7	4	4	4	4	4	4
Finance	7	7	8	8	8	8	8
Treasurer	2	2	2	2	2	2	2
Human Resources	6	6	7	7	7	7	7
IT	15	16	16	16	16	16	16
Legal	7	7	8	8	8	8	8
Other	19	22	22	24	26	26	26
Engineering	14	14	14	14	14	14	14
Planning	6	6	6	6	6	6	6
CDBG	1	1	1	1	1	1	1
Building	15	15	15	15	15	15	15
Community Image	8	7	7	7	5	5	5
Convention & Visitors Bureau	2	2	2	2	2	2	2
Downtown Community Center	2	2	2	2	2	2	2
Total General Government	116	117	119	121	121	120	121
Public Safety and Judiciary:							
Police:							
Officers	105	111	114	114	114	114	114
Civilians	17	20	22	22	22	22	22
Animal Welfare	9	10	10	10	10	10	10
Fire:							
Firefighters & Officers	113	111	114	114	115	115	115
Civilians	3	5	6	7	7	7	7
Emergency Management	3	2	2	2	2	2	2
Central Communications/EM	20	21	24	24	24	24	24
Municipal court	8	8	8	8	8	8	8
Total Public Safety and Judiciary	278	288	300	301	302	302	302
Transportation:							
Streets	28	25	25	25	25	25	25
Traffic	5	5	5	5	5	5	5
Public Works Administration	6	12	14	14	14	12	12
	39	42	44	44	44	42	42
Cultural, Parks and Recreation:							
Parks and Recreations	41	44	40	41	41	42	42
Total Cultural, Parks and Recreation	41	44	40	41	41	42	42
Utilities:							
Electric	44	47	48	48	48	48	49
Water	43	42	43	42	42	42	42
Solid Waste	21	21	21	21	21	21	20
Wastewater	20	19	21	21	21	22	22
Drainage	5	5	5	5	5	5	5
Utility Customer Service	36	36	38	38	38	38	38
Central Warehousing	0	0	0	3	3	3	3
Total Public Works	169	170	176	178	178	179	179
Total Full-Time Budgeted Employees by Function/Program	643	661	679	685	686	685	686

Other includes, Urban Forestry, Vehicle Maintenance, Marketing and Facility Maintenance
Source: City of Edmond Human Resource Dept.
NOTE: Data is presented only for years including and subsequent to issuance of GASB 44

CITY OF EDMOND, OKLAHOMA
Capital Asset Statistics by Function/Program
Last Seven Fiscal Years
TABLE 19

<u>Function/Program</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Police:							
Stations	1	1	1	1	1	1	1
Patrol units	115	124	126	138	139	144	147
Fire :							
Stations	5	5	5	5	5	5	5
Engines	7	6	6	6	5	5	5
Quint	1	1	1	1	2	2	2
Vehicles	22	25	26	29	29	29	29
Refuse Collection:							
Collection trucks	23	23	23	23	22	22	25
Streets:							
Street miles ¹	601	610	618	625	627	627	487
Streetlights	4,042	4,162	4,458	4,463	4,954	5,421	5,542
Traffic signals	84	82	91	95	96	99	99
Parks and Recreation:							
Acreage	4,821	4,821	4,821	4,949	4,960	4,960	4,960
Playgrounds	22	22	22	23	23	23	23
Baseball/softball diamonds	24	24	24	24	24	24	24
Soccer/football fields	13	13	13	13	16	16	16
Community Center	1	1	1	1	1	1	1
Pool	1	1	1	1	1	1	1
Golf course	1	1	1	1	1	1	1
Disc Golf courses	3	3	3	3	3	3	3
Public Transportation:²							
Buses	3	3	3	3	8	8	12
Trolley	3	3	3	3	0	0	0
Cemetery:							
Plots Maintained ³	15,165	15,165	15,165	15,165	15,165	15,165	15,599
Vehicles & Machinery	3	3	4	4	4	4	4
Water:							
Water mains (miles)	432	463	474	480	484	493	500
Fire hydrants	3,626	3,882	3,982	4,092	4,129	4,315	4,392
Storage capacity (thousands of gallons)							
Clearwells and Tower	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Arcadia Lake	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Wastewater:							
Sanitary sewers (miles) Force Main	24	22	22	22	22	22	22
Sanitary sewers (miles) Gravity Main	385	399	407	413	416	416	423
Storm sewers (miles)	87	95	100	105	107	111	115
Treatment capacity (thousands of gallons)	9,000	9,000	9,000	9,000	9,000	9,000	9,000

Source: City of Edmond Departments

(1) Street miles included private roads for years prior to 2012

(2) Edmond's Public Transportation began July, 1, 2009, COTPA owns the buses, Edmond maintains them

(3) Amounts have been restated to reflect number of plots maintained

CITY OF EDMOND, OKLAHOMA
Operating Indicators by Function/Program
Last Seven Fiscal Years
TABLE 20

Function/Program	2006	2007	2008	2009	2010	2011	2012
Police							
Physical Arrests	2,953	2,683	2,364	2,071	2,543	2,658	2,728
Parking Violations	2,419	1,533	1,086	1,643	1,462	1,547	1,230
Traffic Violations	17,062	19,965	19,815	18,821	17,409	17,480	14,196
Fire							
Emergency Responses	4,052	4,518	5,020	5,692	5,745	5,890	4,939
Fires Extinguished	266	330	260	330	238	214	177
Inspections	988	1,080	883	1,191	1,057	937	949
Solid Waste Collection							
Solid Waste Collected (Tons Per Day)	244	238	258	259	255	262	242
Recyclables Collected (Tons Per Day)	11	11	12	11	11	10	8
Other Public Works							
Potholes Repaired:							
Asphalt Patching (Tons)	532	309	261	345	255	218	385
Concrete Patching (Cubic Yards)	126	171	91	106	160	117	140
Asphalt Repairs (Tons)	2,878	1,728	4,741	2,364	2,793	2,183	446
Concrete Repairs (Cubic Yards)	220	303	477	433	554	510	203
Parks & Recreation							
Athletic Field-Agreements							
EASL (# of Fields Used)	20	20	20	20	20	20	20
Edmond Soccer Club (# of Fields Used)	13	13	13	13	16	16	16
Miracle League of Edmond (# of Fields Used)	1	1	1	1	1	1	1
YMCA (# of Fields Used)	2	7	7	7	7	7	7
Edmond Round Up Arena	1	1	1	1	1	1	1
Edmond Rugby Club (# of Fields Used)			2	2	2	2	2
Edmond Lacrosse Club (# of Fields Used)			5	5	5	5	4
B & B Tennis (# of Courts Used)	14	14	14	14	14	14	14
Community Center-MAC Program Participants	1,699	1,940	844	1,120	2,309	6,525	2,332
MAC-Special Event Participants ¹	n/a	n/a	10,381	5,419	6,500	4,086	3,338
(MAC-Multi-Use Activity Center)							
Senior Center-Program Participants	50,927	48,369	69,361	68,034	60,181	38,772	42,240
-Sr. Center Lunch Program	21,247	22,471	19,726	17,080	11,266	9,486	9,669
Water							
New Connections	606	942	412	284	283	330	491
Water Main Breaks	73	97	60	44	57	73	45
Average Daily Produced (Thousands of Gallons)	11,000	10,230	10,130	10,340	9,440	10,709	11,409
Peak Daily Produced (Thousands of Gallons)	20,100	21,950	19,950	21,910	22,078	21,177	21,906
Wastewater							
Average Daily Sewage Treatment (Millions of Gallons)	7,000	7,000	7,300	6,850	7,180	6,900	7,400
Transit							
Citylink Bus Service-Revenue Mileage	0	0	0	0	228,920	220,219	279,388
Total Route Miles-Trolleys and Broncho ²	269,074	261,033	268,759	269,059	-	-	-
Passengers ³	64,587	69,622	61,089	66,033	109,000	179,220	235,005

¹ 2008, tracking of Programs and Special Events are being tracked separately

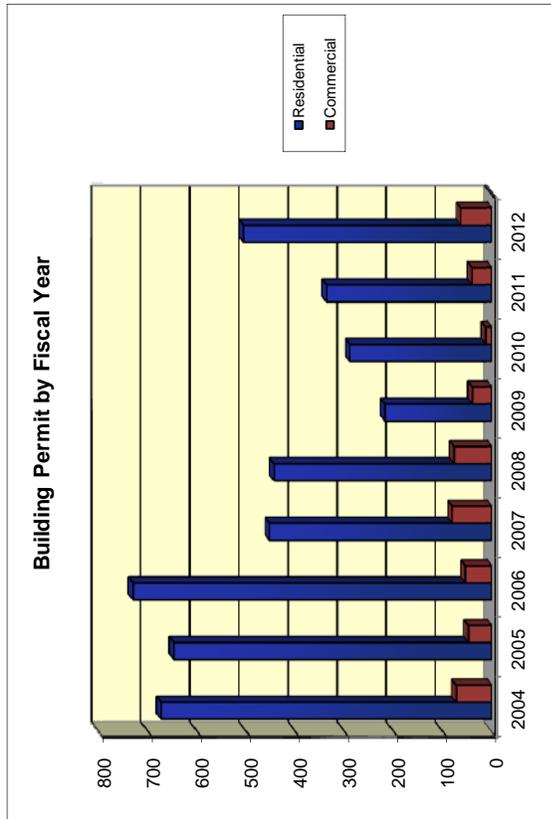
Source: Various City Departments

² Transit information provided by Metro Transit 2006-2009

³ Transit information provided by McDonald Transit & Associates 2010, Edmond's Transit began July 1, 2009

CITY OF EDMOND, OKLAHOMA
CONSTRUCTION PERMITS
 Last Nine Fiscal Years
TABLE 21

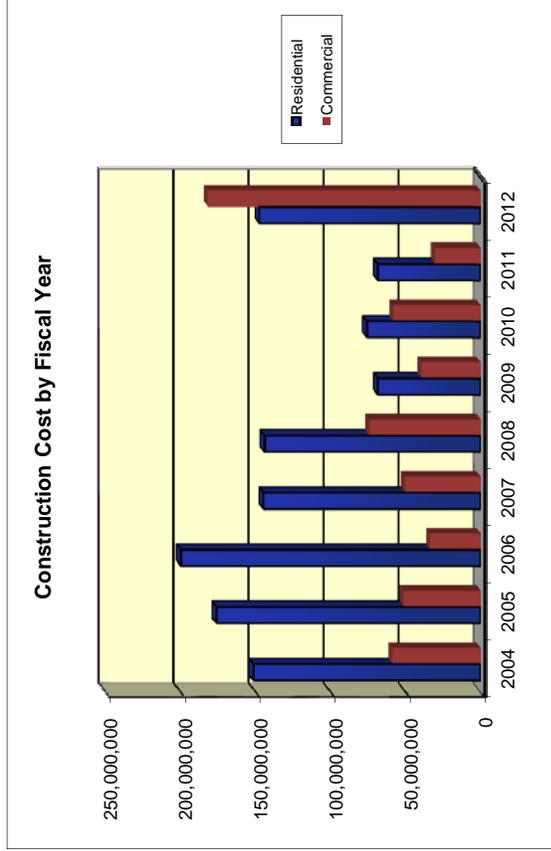
Number of Permits



Residential Construction

Fiscal year	Number of Permits	Construction Cost
2012	506	147,731,866
2011	337	68,660,592
2010	289	75,872,141
2009	218	68,660,592
2008	444	144,263,081
2007	453	144,963,081
2006	731	200,030,250
2005	648	176,260,195
2004	674	151,727,255

Construction Costs



Commercial Construction

Fiscal year	Number of Permits	Construction Cost
2012	64	181,906,271
2011	41	30,497,140
2010	13	58,412,750
2009	40	39,639,775
2008	77	74,341,194
2007	81	50,307,822
2006	54	33,718,058
2005	48	51,226,563
2004	73	58,743,850

Source: City of Edmond Public Works Department Fiscal building permit reports
 Note: Previous years information is not available

CITY OF EDMOND, OKLAHOMA
SINGLE AUDIT REPORTS
AND SUPPLEMENTARY SCHEDULES

June 30, 2012

CITY OF EDMOND, OKLAHOMA

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

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

We have audited 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 Edmond, Oklahoma (the "City") as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 20, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described as finding 12-1 in the accompanying schedule of findings and questioned costs, that we consider to be a significant deficiency in internal control over financial reporting. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

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

Orledge & Associates, P.C.

Edmond, Oklahoma
December 20, 2012



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the City of Edmond, Oklahoma (the "City") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2012. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

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

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

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

Schedule of Expenditure of Federal Awards

We have audited 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 as of and for the year ended June 30, 2012, and have issued our report thereon dated December 20, 2012, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the City. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Arledge & Associates, P.C.

Edmond, Oklahoma
December 20, 2012

CITY OF EDMOND, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Program or Award Amount	Federal Expenditures
FEDERAL AWARDS				
U.S. Dept. of Housing and Urban Development:				
Community Development Block Grant : Entitlement	14.218	BC-10-MC-40-0009	\$ 329,359	\$ 296,684
Community Development Block Grant : Entitlement - ARRA	14.253	B-09-MY-0009	0	0
Total U.S. Dept. of Housing and Urban Development			329,359	296,684
U.S. Dept. of Justice:				
Passed through the Oklahoma District Attorney's Council: Local Law Enforcement Block Grant	16.592	N/A	10,466	10,466
Passed through the Oklahoma State Bureau of Investigation: Internet Crimes Against Children	16.543	OJJDP-OSBI	-	-
Total U.S. Dept. of Justice			10,466	10,466
U.S. Dept. of Agriculture:				
Passed through Oklahoma Department of Agriculture: Highway Tree Planting Program	10.675	SAFETEALU-10-07	-	-
Total U.S. Dept. of Agriculture			-	-
U.S. Dept. of Transportation:				
Passed through Central Oklahoma Transportation and Parking Authority: New Freedom	20.521	SAFETEA-LU	110,105	54,432
Jobs Access and Reverse Commute Program	20.516	SAFETEA-LU	53,147	53,147
			163,252	107,579
Passed through the Oklahoma Highway Safety Office: State and Community Highway Safety	20.600	SE-12-03-02-14	30,000	57,205
State and Community Highway Safety	20.600	K8-12-03-14-14	30,000	27,973
State and Community Highway Safety	20.600	CE-12-03-11-14	3,000	2,625
State and Community Highway Safety	20.600	K6-12-03-02-06	118,221	116,979
			60,000	204,782
Subtotal CFDA 20.600				
Total U.S. Dept. of Transportation			223,252	312,361
US Dept. of Energy:				
Energy Efficiency and Conservation Block Grant - ARRA	81.128	DE-SC0001632	726,700	337,507
Passed through Oklahoma Department of Commerce: State Energy Efficiency and Conservation Block Grant - ARRA	81.128	13961-SEECBG 09	250,000	117,200
Total U.S. Dept. of Energy			976,700	454,707
U. S. Department of Homeland Security				
Passed through Oklahoma Department of Public Safety:				
Assistance to Firefighters Grant	97.044	EMW-2010-FO-00841	-	-
Passed through Oklahoma Department of Civil Emergency Management: Disaster Relief and Emergency Public Assistance	97.036	FEMA OK-#1926	607,780	523,525
Passed through Oklahoma Office of Homeland Security: Emergency Management Performance Grants	97.042	PL 85-606	10,000	10,000
Total U.S. Department of Homeland Security			617,780	533,525
Total Federal Awards			\$ 2,157,557	\$ 1,607,743

Notes to Schedule of Expenditures of Federal Awards

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

CITY OF EDMOND, OKLAHOMA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
Material weakness(es) identified? _____ yes X no
Significant deficiency(ies) identified
not considered to be material weaknesses? X yes _____ none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:
Material weakness(es) identified? _____ yes X no
Reportable condition(s) identified
not considered to be material weakness(es)? _____ yes X none reported

Type of auditor's report issued on compliance
for major programs: Unqualified

Any audit findings disclosed that are required
to be reported in accordance with
OMB Circular A-133, Section .510(a)? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
81.128 (ARRA)	Energy Efficiency and Conservation Block Grant
97.036	Disaster Relief and Emergency Public Assistance

Dollar threshold used to distinguish
between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? X yes _____ no

CITY OF EDMOND, OKLAHOMA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012

SECTION II – FINANCIAL STATEMENT FINDINGS

Compliance Findings

None

Internal Control Findings

12-1

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Compliance Findings

None

Internal Control Findings

None

CITY OF EDMOND, OKLAHOMA

SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012

Finding 12-1 Utility Billings

Criteria: The City records amounts for utility billings and receivables. These activities should be adequately monitored, recorded, and reconciled by the City.

Condition: The City continues to experience significant difficulties in reconciling its billings and receivables between the general ledger and the related subsidiary ledgers.

Cause: During fiscal 2007, the City implemented new software for its utility customer billings. As part of this conversion, the City experienced significant difficulties in reconciling its billings and receivables between the general ledger and the related subsidiary ledgers.

Effect: The general ledger and subsidiary ledgers are only reconciled at year-end. Although no adjustments to income were required as a result of this annual reconciliation, interim financial information provided to decision makers has the potential for material misstatements.

Recommendation: We acknowledge that improvement has been made on this issue and that the City has developed plans to replace the current system. We encourage the City to continue these efforts so that reliable and timely information is available to decision makers.

Management's Response: As noted in previous audit findings, management has taken steps to replace the current utility system to address this reconciliation issue as well as to streamline manual processes currently present for utility customer service with regard to billing and collections. Management has reviewed several customer information systems (CIS) and has narrowed it down. At the time this is written, the City is in the process of selecting a new system based on the responses to the City's request for proposals for the replacement of our current utility system.

Management would like to continue to note that customers are being billed correctly and revenue is posted accurately within the financial reports.

CITY OF EDMOND, OKLAHOMA

SUMMARY SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS
For Prior Year Ended June 30, 2011

Finding 11-1 Utility Billings

Criteria: The City records amounts for utility billings and receivables. These activities should be adequately monitored, recorded, and reconciled by the City.

Condition: The City continues to experience significant difficulties in reconciling its billings and receivables between the general ledger and the related subsidiary ledgers. As a result of these difficulties, the City reconciles to these subsidiary ledgers only at year-end, posting large adjustments prior to our arrival.

Cause: During fiscal 2007, the City implemented new software for its utility customer billings. As part of this conversion, the City experienced significant difficulties in reconciling its billings and receivables between the general ledger and the related subsidiary ledgers.

Effect: The general ledger and subsidiary ledgers are out of balance. Although no entries were required as a result of our audit procedures, interim financial information provided to decision makers has the potential for material misstatements, which may lead to incorrect assumptions and faulty decision making.

Recommendation: It is our understanding that the City has assigned individuals to study this issue and make recommendations. These recommendations may lead to continuing efforts to bring the current system up to satisfactory performance or to replace the existing billing system with a new system. We encourage the City to continue its efforts to determine the best solution so that reliable and timely information is available to decision makers.

Management's Response: As noted in previous audit findings, this issue has been recognized as a priority area that needs to be corrected. Unfortunately, it will be at a significant expense – currently budgeted at \$1,000,000. Presently, a “Request for Proposals” is nearly complete and will be sent out after the first of the year to replace our utility billing software - greatly improving the utility financial reporting capabilities by capturing all financial transactions. The outcome of that effort is to eliminate year-end adjusting entries as it relates to the financial impact of revenue. As was the case last year, the audit findings showed no adjustments to revenue required as a result of the annual reconciliation.

Also, one significant interim step has been implemented – specifically, staff has recently begun reconciling the receivables to the general ledger on a monthly basis to the subsidiary ledgers in conjunction with the current process of an annual reconciliation.

Management would like to continue to note that customers are being billed correctly and revenue is posted accurately within the financial reports.

Current Year Status: See finding 12-1.

Finding 11-2 Capital Assets

Criteria: Infrastructure donated to the City should be accurately measured and reported.

Condition: During the year, the City determined that its capital assets, resulting principally from its donated infrastructure, had been overstated by approximately \$38.5 million in its fiscal 2010 financial statements.

Cause: Reports submitted to the finance department for the purpose of recording donated capital assets contained, in addition to the value of the donated asset, any amounts expended by the City.

Effect: Values reported for donated capital assets were overstated by any amounts expended by the City related to the donated capital asset.

Recommendation: We recommend that policies and procedures be developed and distributed to the necessary departments and that communication between departments be sufficient to ensure the delivery of accurate and relevant information.

Management's Response: The Finance Department has communicated to the appropriate departments about the relevant information provided on donated infrastructure that is booked at year end to the City's assets. Finance Department will continue to monitor this information as well as have regularly scheduled meetings throughout the year to identify when these assets are donated to the City. The Finance Department restated the prior year assets as it relates to the overstated assets in an effort to accurately state the City's capital asset value at the end of FY2010.

Current Year Status: This comment was resolved in the current year.