

CITY OF EDMOND, OKLAHOMA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2013

Prepared by:
Financial Services Department

Ross VanderHamm
Finance Director

**CITY OF EDMOND, OKLAHOMA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORT
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December 31, 2013

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, 2013, 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., a 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, 46.6% 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 Brookings Institute's September 2013 Metro Monitor measured how severe the Great Recession was for 100 of the largest U.S. metropolitan areas. Specifically - how strongly they have rebounded? The Oklahoma City metro area, which includes Edmond, ranked 42nd overall (14th in Employment; 27th in GDP Output; 40th in House Prices and 66th in Unemployment).

According to the Federal Bureau of Investigation's (FBI) 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 near the top when it comes to being one of the safest cities to live and grow a family in the entire nation," said Edmond Police Chief Bob Ricks. Edmond ranks in the top 6.44% of the safest reporting cities in the U.S. with a population above 75,000 for 2012, and it is the safest city in Oklahoma when compared against the ten largest cities in Oklahoma.

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

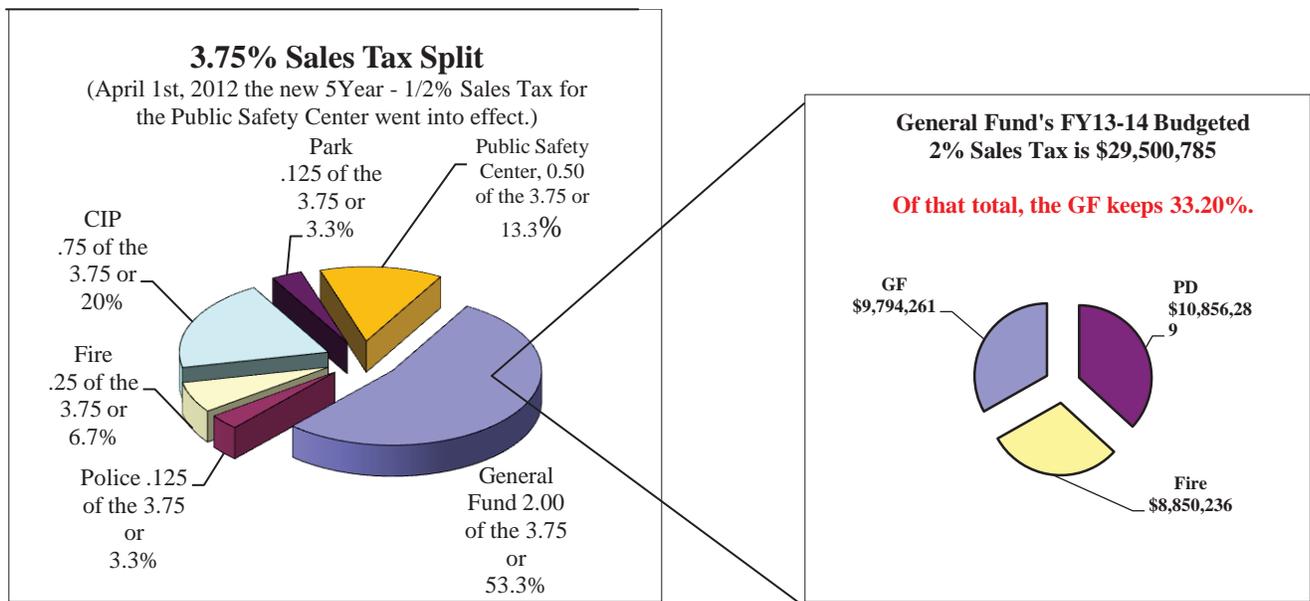
Manager’s recommended budget is required to be submitted to the City Council by June 1. The City Council must hold a public hearing on the budget by June 15 and adopt the budget at least seven days prior to July 1, which is the beginning of the new fiscal year. The appropriated budget is prepared by 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 continues to show strong growth since the national recession, and in FY12-13, sales tax collections exceeded the conservative 3% budgeted projection with 12.3% actual growth.

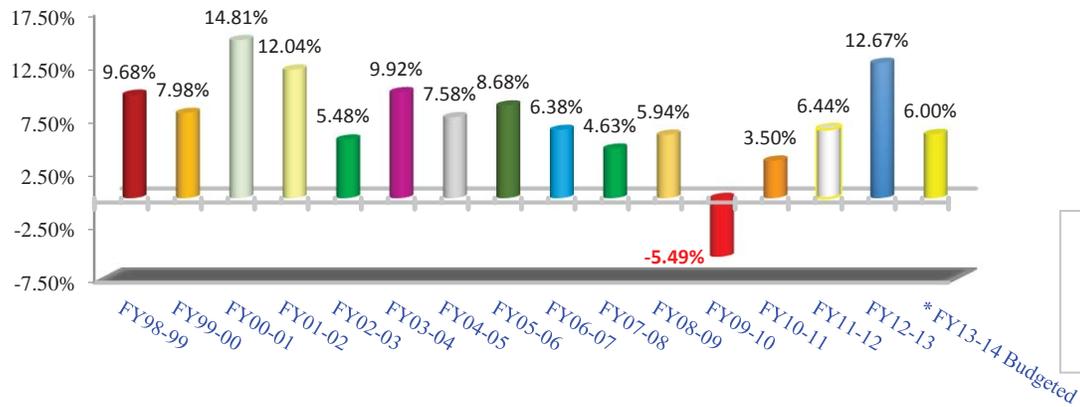
Typically, sales tax accounts for over one-half of General Fund revenues. However, due to the voter-approved 2000 Sales Tax initiative, Public Safety (i.e. Fire and Police) receives over 66% of these funds each year.

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.



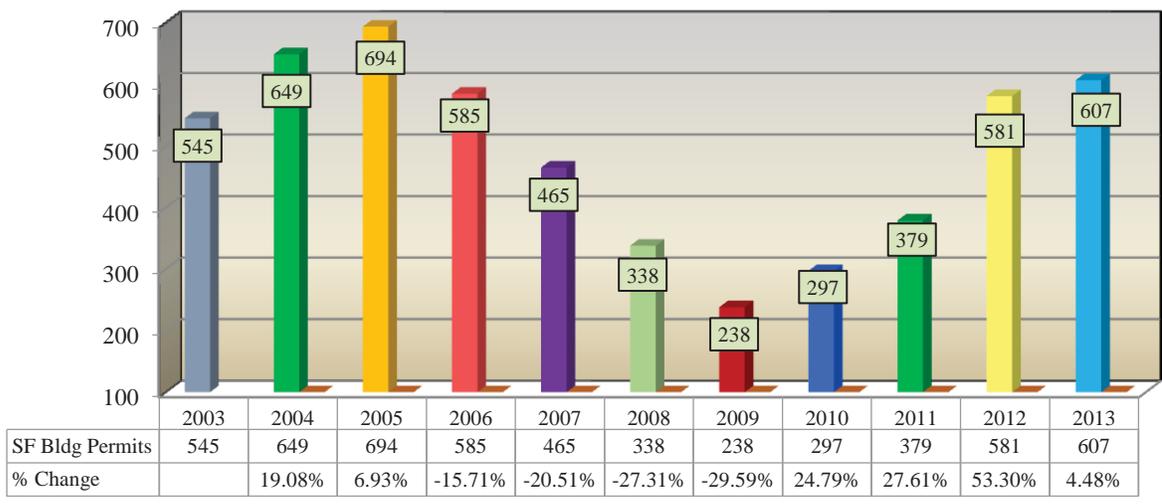
The City typically has exceeded projected annual increases in this critical revenue source. Actual annual growth for the past 15 years and proposed new FY is noted in the chart below. One significant change in our budgeting for FY13-14 is that the projected 6% growth is not based on prior year FY12-13’s 12.67% growth (primarily because we considered that year to be an anomaly); but instead, we based FY13-14’s 6% sales tax growth the on FY11-12’s actuals.

Sales Tax Growth through FY13-14 15 Year History



Edmond has experienced many years of a growing and vibrant economy, but during the past several years there were variances in keys sectors of the community. Housing for example has steadily increased since its low 5 years ago. With the close of 2013, the market has significantly increased the number of new single family residential permits as compared to 2012, as well as a large increase in total value. New single family residential permits for calendar year 2013 are expected to reach 607, while 2012 residential permits were 581. Commercial building permits have also increased over last year. In 2012, there were 149 commercial permits issued, but 2013 is expected to finish with 189 new permits. The value of the 189 commercial permits totaled \$98,678,059 compared to \$128,297,338 for the 149 permits in 2012. Overall, in calendar year 2013, the new Single-Family residential construction value equaled \$244,697,146 (up for the fourth straight year from last year's \$168,565,604 total), bringing the total new construction value to \$343,375,205 - an increase from last year's total value of \$293,862,942. There were a total of 22,300 inspections made in 2012. It is estimated there will be approximately 25,310 inspections in calendar 2013.

Single-Family Residential Building Permits - Calendar Year



Capital Improvements

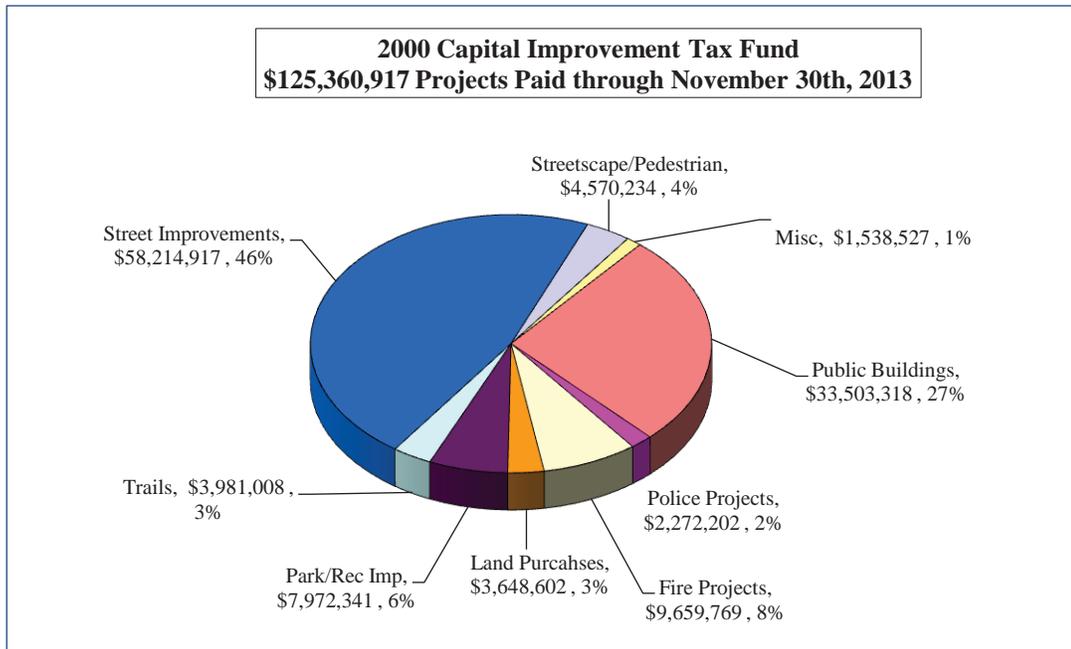
Presently, a significant portion of long-term financial planning occurring in the City of Edmond is related to passage of a permanent three-quarter cent sales tax approved by voters on December 12, 2000 entitled the 2000 Capital Improvement Tax Fund. Revenues from this tax are being used to service debt 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, 2013 the CIP has funded \$125,360,917 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, construction began 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 early in 2014.

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 will provide for the city purchase of land, infrastructure installation and investment into the Conference Center/Hotel project. The sports complex involves city purchase of land utilized to construct the facility. The total city-cost for the entire I-35 & Covell project is \$11 million which provides for repayment of \$9 million to the City over time.

Due to the voter-approved half-cent sales tax increase a public safety center is currently under construction and will combine the Edmond Police Department with Central Communications and Emergency Management into a new 75,000-square-foot building. Completion is expected in 2015.



Investments

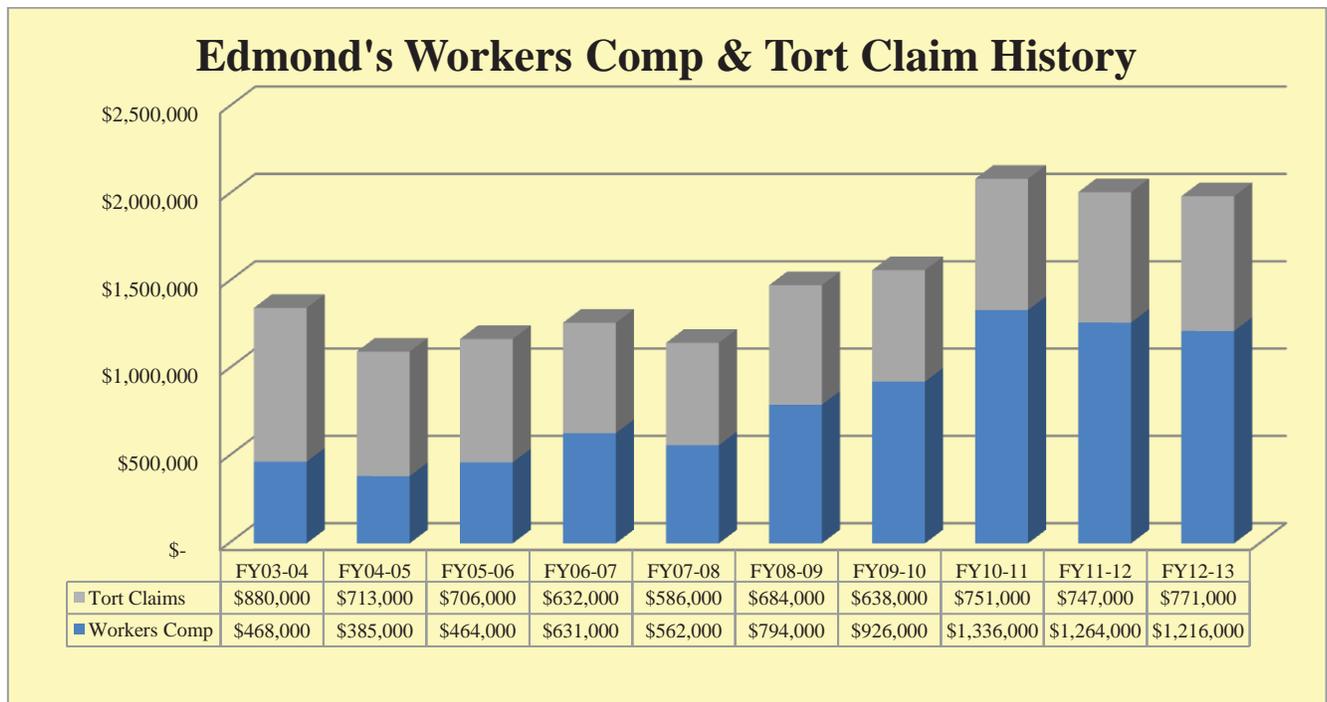
The total pooled investments, including the trust accounts, at the end of the fiscal year were invested in approximately 32% Certificate of Deposit Account Registry Service (CDARS®), 30% U.S. government agency bonds, 23% cash and cash equivalents, 2% collateralized bank Certificate of Deposits (CDs) and 13% treasury notes. The pooled cash investment portfolio as of June 30, 2013 had a weighted yield of .42% - down from 0.52% last year. The City’s average investment returns were better than treasury benchmarks. The pooled cash portfolio consisted of 43% of investments maturing in under 6 months, 15% maturing in 6 to 12 months, 29% maturing in 1 to 2 years, and 13% 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 held competitive compared with the yields of government agencies. The agency portfolio contained 45% callable securities at the end of the fiscal year, which reflected a strategy to increase slight incremental yields.

Risk Management Program

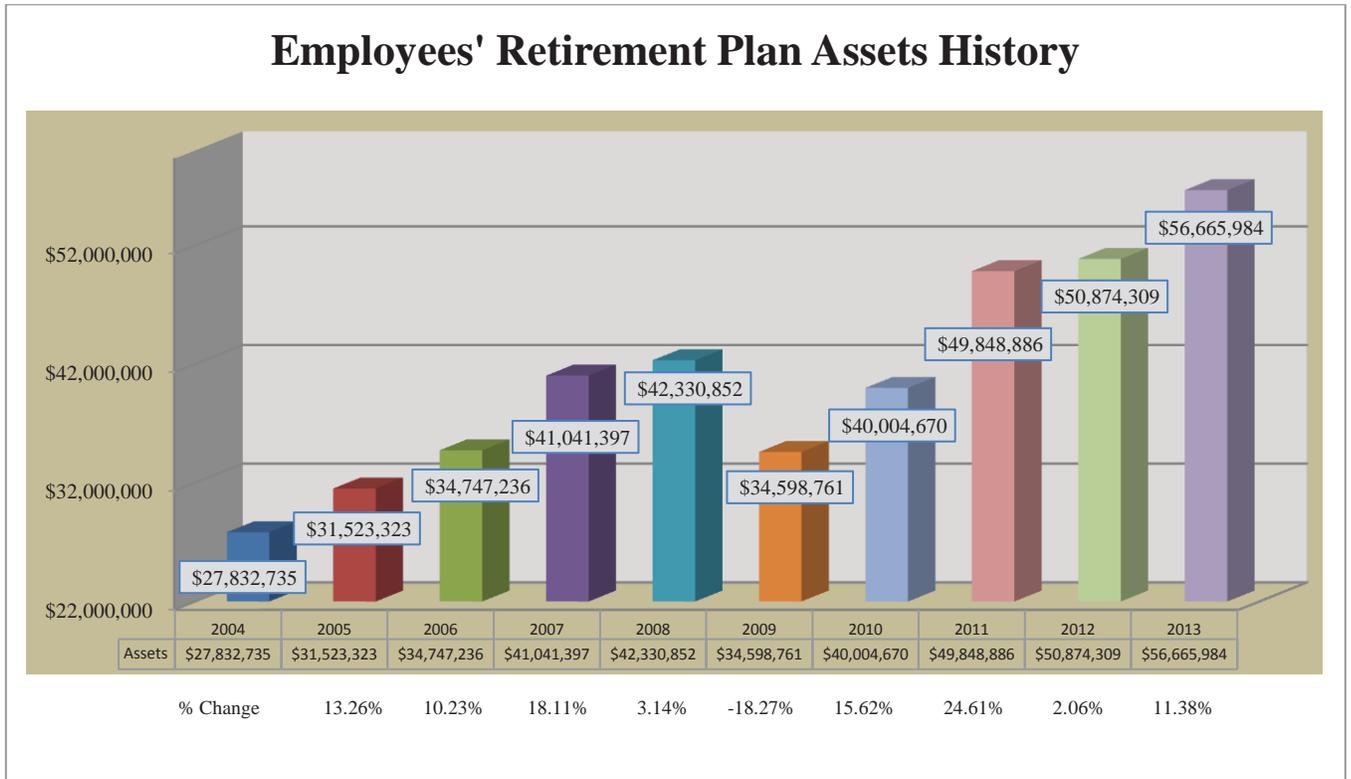
Safety and accountability are the responsibility of each department and overseen by the Risk Manager. The City is currently contracting with a third party administrator, CCMSI to process the City’s workers’ compensation claims. Trident Insurance Services provides general liability insurance coverage 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, 2013 for workers’ compensation and tort claims are \$1,216,000 and \$771,000 respectively. This reflects a decrease in exposure of worker’s comp claims by 4% and an increase in general liability of 3%.



Employee Retirement Plan

The assets of the Employees’ Defined Benefit Pension Plan for non-uniformed employees posted an unrealized gain of \$3,394,927 for a market value of \$56,665,984. The investment returns for the calendar year of 2012 were 13.65%, compared to the benchmark of 12.20%. The year-to-date investment return as of June 30, 2013 was 2.67% compared to the benchmark of 5.4%. Compared to the previous fiscal year the employee and employer contributions to the Plan decreased \$164,972 or 5%, the contributions and interest paid to terminated employees decreased by approximately \$76,292 or 12%, while benefit payments to retirees increased by approximately \$108,556 or 7%.



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, 2013, the market value of the assets in the plan was 96% of the accrued actuarial liability, compared to 93% funding one year earlier, and 98% 2 years ago. As of July 1, 2013, the required employer contribution rate per the actuarial valuation report is 8.32% of wages paid compared to 8.17% for last year.

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. The 2013 Oklahoma Legislature did amend the percentages for both the employee (from 8% to 9%) and the employer (from 13% to 14%) effective November 1st, 2013. 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, 35 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 fifth year to recognize the impact this has on the City’s finances, our unfunded liability has increased 32% from \$1,302,641 last year to \$1,710,847. 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, 2012. 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-seven consecutive years ending June 30, 1986-2012. With transparency and accountability critical to the City’s mission, the City also received their second consecutive Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) called the “Citizens Report”. 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 Clerk

CITY OF EDMOND, OKLAHOMA

PRINCIPAL OFFICIALS AND FINANCE COMMITTEE MEMBERS

JUNE 30, 2013

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

FINANCE COMMITTEE MEMBERS

Stephen Schaus	Chairperson
Darrell Davis	Member
Charles Lamb	Member

ADMINISTRATION

Larry Stevens	City Manager
Stephen Murdock	City Attorney
Stephen Schaus	City Treasurer
Steve Commons	Assistant City Manger Administration
Jim Smith	Assistant City Manager Operations
Ross VanderHamm	City Clerk
Jake Rhoades	Fire Chief
Bob Ricks	Police Chief
Lisa Goodpasture	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
Holly Wescott	Treasury Coordinator



Government Finance Officers Association

**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, 2012

Executive Director/CEO

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Edmond, Oklahoma, (the "City") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Andledge & Associates, P.C.

December 27, 2013

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, 2013. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2013, the City's total net position increased by \$39.9 million.
- The City recorded derivative instruments of \$1,922,852 and \$1,295,683 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 \$70.8 million and were funded by program revenues of \$26.7 million and further funded with taxes and other general revenues and transfers that totaled \$69.2 million.
- In the City's business-type activities, such as utilities, lake and golf course, program revenues exceeded expenses by \$16.8 million.
- Sales and use taxes increased by \$10.5 million or 20% 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 \$180 million from the prior year.
- At June 30, 2013, the General Fund reported an unassigned fund balance of \$6.7 million.
- For budgetary reporting purposes, the General Fund and major special revenue funds reported actual revenues above estimates of \$2.3 million or 4%, while expenditures were under the final appropriations by \$3.8 million or 9%.
- The City implemented GASB Statement 65-*Financial Reporting of Items Previously Reported as Assets and Liabilities*.

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, 63, and 65. 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.

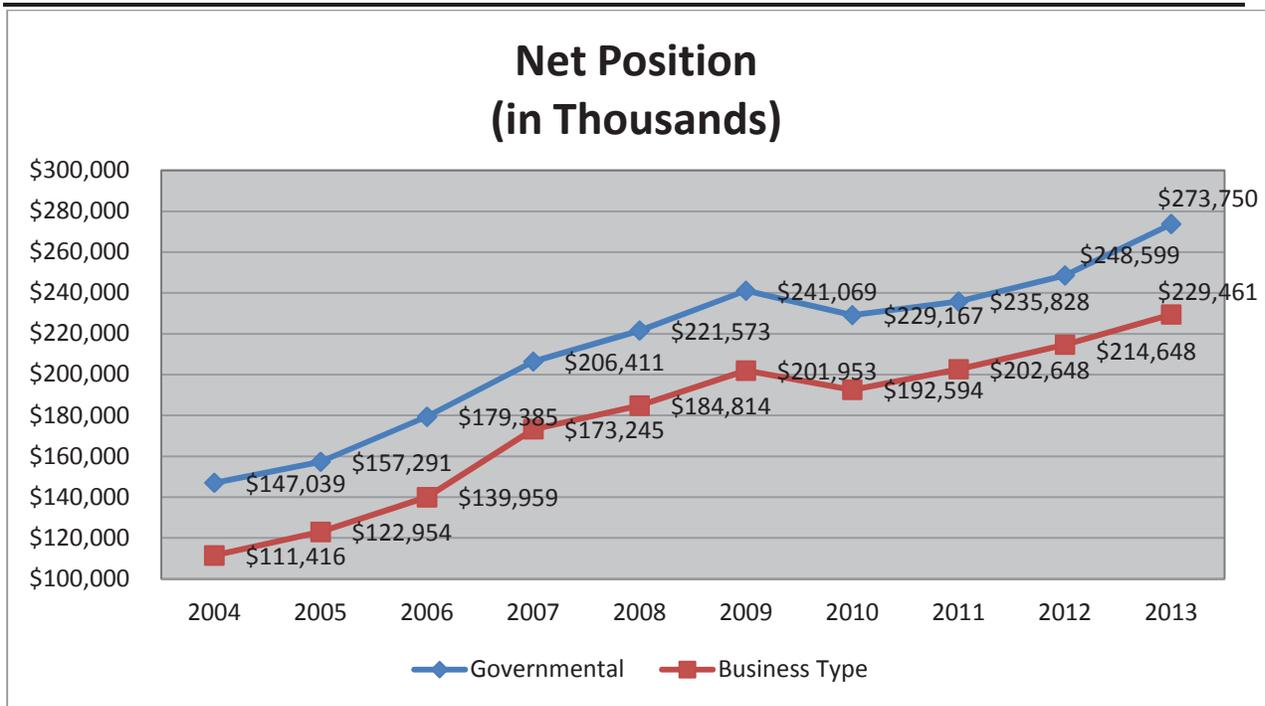
A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

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 \$503,210,169 at the close of the most recent fiscal year.

TABLE 1
NET POSITION (In Thousands)

	<u>Governmental Activities</u>		<u>% Inc.</u>	<u>Business-Type Activities</u>		<u>% Inc.</u>	<u>Total</u>		<u>% Inc.</u>
	<u>2013</u>	<u>2012</u>	<u>(Dec.)</u>	<u>2013</u>	<u>2012</u>	<u>(Dec.)</u>	<u>2013</u>	<u>2012</u>	<u>(Dec.)</u>
Current assets	\$ 111,333	\$ 92,030	21%	\$ 86,243	\$ 86,245	0%	\$ 197,576	\$178,275	11%
Capital assets, net	253,176	227,800	11%	210,338	202,302	4%	463,514	430,102	8%
Other non-current assets	10,557	9,897	7%	7,574	8,086	-6%	18,131	17,983	1%
Total assets	<u>375,066</u>	<u>329,727</u>	14%	<u>304,155</u>	<u>296,633</u>	3%	<u>679,221</u>	<u>626,360</u>	8%
Deferred Outflows	696	-		1,061			1,757	-	
Current liabilities	25,245	15,160	67%	17,945	19,458	-8%	43,190	34,618	25%
Non-current liabilities	74,844	63,784	17%	56,515	60,893	-7%	131,359	124,677	5%
Total liabilities	<u>100,089</u>	<u>78,944</u>	27%	<u>74,460</u>	<u>80,351</u>	-7%	<u>174,549</u>	<u>159,295</u>	10%
Deferred Inflows	1,923	2,184	-12%	1,296	1,632	-21%	3,219	3,816	-16%
Net assets									
Invested in capital assets, net of related debt	179,082	165,302	8%	152,657	139,272	10%	331,739	304,574	9%
Restricted	77,481	65,438	18%	13,162	12,738	3%	90,643	78,176	16%
Unrestricted	17,187	17,859	-4%	63,642	62,638	2%	80,829	80,497	0%
Total net position	<u>\$ 273,750</u>	<u>\$248,599</u>	10%	<u>\$ 229,461</u>	<u>\$214,648</u>	7%	<u>\$ 503,211</u>	<u>\$463,247</u>	9%



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 2013, this investment in capital assets, net of related debt amounted to \$331,738,681. 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, \$90,642,782, also represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$80,828,706, 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, 2013, net position of the primary government changed as follows:

CITY OF EDMOND, OKLAHOMA
MANAGEMENT DISCUSSION & ANALYSIS
June 30, 2013

TABLE 2
CHANGES IN NET POSITION (In Thousands)

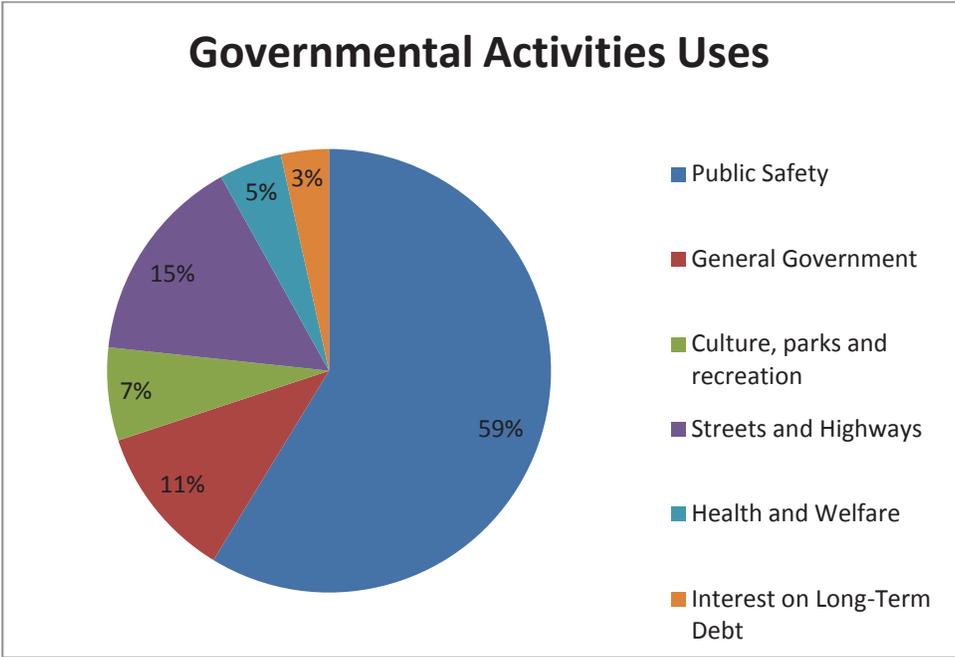
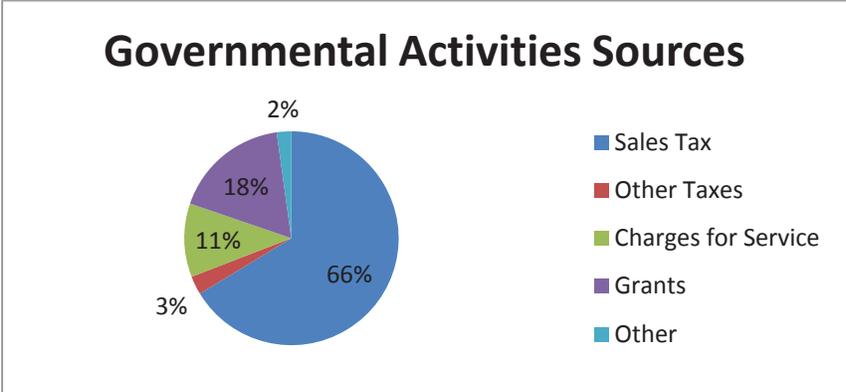
	<u>Governmental Activities</u>		<u>% Inc.</u>	<u>Business-Type Activities</u>		<u>% Inc.</u>	<u>Total</u>		<u>% Inc.</u>
	<u>2013</u>	<u>2012</u>	<u>(Dec.)</u>	<u>2013</u>	<u>2012</u>	<u>(Dec.)</u>	<u>2013</u>	<u>2012</u>	<u>(Dec.)</u>
Revenues									
Program revenue:									
Charges for service	10,353	10,328	0%	115,999	115,485	0.45%	126,352	125,813	0%
Operating grants and contributions	5,683	5,475	4%	921	72	1179%	6,604	5,547	19%
Capital grants and contributions	10,669	5,233	104%	6,989	1,665	320%	17,658	6,898	156%
General Revenue:									
Taxes	64,380	53,751	20%	-	-	0%	64,380	53,751	20%
Intergovernmental revenue	1,101	894	23%	-	-	0%	1,101	894	23%
Investment income	609	823	-26%	481	780	-38%	1,090	1,603	-32%
Miscellaneous	347	294	18%	260	505	-49%	607	799	-24%
Total Revenues	93,142	76,798	21%	124,650	118,507	5%	217,792	195,305	12%
Expenses									
General Government	7,932	7,355	8%	-	-	-	7,932	7,355	8%
Public Safety	41,599	38,482	8%	-	-	-	41,599	38,482	8%
Streets & highways	10,788	10,413	4%	-	-	-	10,788	10,413	4%
Culture, parks an recreation	4,743	5,163	-8%	-	-	-	4,743	5,163	-8%
Health and welfare	3,245	3,264	-1%	-	-	-	3,245	3,264	-1%
Interest on long-term debt	2,479	2,825	-12%	-	-	-	2,479	2,825	-12%
Electric	-	-	-	72,308	68,889	5%	72,308	68,889	5%
Water	-	-	-	16,805	16,769	0%	16,805	16,769	0%
Wastewater	-	-	-	6,495	5,719	14%	6,495	5,719	14%
Sanitation	-	-	-	6,798	6,953	-2%	6,798	6,953	-2%
Lake	-	-	-	1,289	1,271	1%	1,289	1,271	1%
Drainage	-	-	-	887	1,020	-13%	887	1,020	-13%
Golf Course	-	-	-	1,928	1,907	1%	1,928	1,907	1%
Cooperative purchasing service	-	-	-	63	64	-2%	63	64	-2%
Payment to EEDA	-	-	-	470	440	7%	470	440	7%
Total Expenses	70,786	67,502	5%	107,043	103,032	4%	177,829	170,534	4%
Excess (deficiency) before transfers	22,356	9,296	140%	17,607	15,475	14%	39,963	24,771	61%
Transfers	2,795	3,475	-20%	(2,795)	(3,475)	-20%	-	-	-
Increase in net position	25,151	12,771	97%	14,812	12,000	23%	39,963	24,771	61%
Beginning net position	248,599	235,828	-	214,648	202,648	-	463,247	438,476	-
Ending net position	<u>\$ 273,750</u>	<u>\$ 248,599</u>	-	<u>\$ 229,460</u>	<u>\$ 214,648</u>	-	<u>\$ 503,210</u>	<u>\$ 463,247</u>	-

The City's governmental activities' increase in net position of \$25 million represents a 97% increase from the prior year's change in net position and is primarily the result of increased tax collections and capital grant contributions. The business-type activities' increase in net position of \$15 million represents a 23% increase from the prior year's change in net position which is largely attributable to the increase in grant contributions and less transfers out. The results indicate the City, as a whole, increased in total net position of \$40 million is a combination of increased revenue collections in taxes and grant contributions. Expenses as a whole reflected a relatively low nominal increase.

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, 2013, the City’s governmental activities were funded as follows:



For the year ended June 30, 2013, total expenses for governmental activities amounted to \$70.7 million. Of these total expenses, taxes and other general revenues funded \$69.2 million, while those directly benefiting from the program funded \$16.3 million in grants and other contributions and \$10.3 million from charges for services. Besides the aforementioned increase in sales tax other notable changes for governmental activities include an increase in grants and contributions.

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.)
	2013	2012		2013	2012	
	General Government	\$ 7,932		\$ 7,355	8%	
Public Safety	41,599	38,482	8%	(36,296)	(33,595)	8%
Streets & Highways	10,788	10,413	4%	632	(4,420)	-114%
Culture, parks and recreation	4,743	5,164	-8%	(4,070)	(4,462)	-9%
Health and Welfare	3,173	3,155	1%	(1,710)	(1,832)	-7%
Economic Development	72	108	-33%	351	188	87%
Interest on long-term debt	2,479	2,825	-12%	(2,479)	(2,825)	-12%
TOTAL	\$ 70,786	\$ 67,502	5%	\$ (44,082)	\$ (46,466)	-5%

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.)
	2013	2012		2013	2012	
	Electric	\$ 72,308		\$ 68,889	5%	
Water	16,805	16,770	0%	11,402	7,170	59%
Wastewater	6,495	5,719	14%	6,011	3,336	80%
Sanitation	6,797	6,953	-2%	1,016	624	63%
Lake	1,289	1,272	1%	(443)	(391)	13%
Drainage	888	1,021	-13%	797	738	8%
Golf	1,928	1,907	1%	84	90	-7%
Cooperative purchasing services	63	65	-3%	19	15	27%
Economic development	470	440	7%	(470)	(440)	7%
TOTAL	\$ 107,043	\$ 103,036	4%	\$ 16,865	\$ 14,188	19%

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 \$16.8 million for the year ended June 30, 2013.
- All individual activities reported net revenue for the year ended June 30, 2013, with the exception of electric operations, lake operations and economic development which reported net expenses of \$1.5 million, \$0.4 million and \$0.4 million respectively.

- Significant increase in net revenue was recognized in the water, wastewater and sanitation operations due to delay in capital projects and management of operating expenses.

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2013 fiscal year, the governmental funds reported a combined fund balance of \$89.6 million or a 19 % increase. The proprietary funds reported combined net position of \$223.3 million or a 6% increase from 2012. The fund balance constraints and net position restrictions are listed below:

Governmental Funds:

Fund Balance:

Restricted	\$	77,471,458
Committed		7,352
Assigned		5,415,930
Unassigned		6,770,667
Total Fund Balance Constraints and Designations		\$ 89,665,407

Proprietary Funds:

Net Asset Restrictions:

Restricted for debt service	\$	13,160,167
Restricted for scholarships		1,656
Total Enterprise Fund Net Asset Restrictions		\$ 13,161,823

Other fund highlights include:

- For the year ended June 30, 2013, the General Fund's total fund balance increased by \$1,581,993 or 16% 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 increased by \$3,978,128 or 10% due to an increase in dedicated sales tax collections.
- The Fire Public Safety Limited Tax Fund's total fund balance increased by \$1,509,606 or 19% 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 \$304,575 or 5% due to an increase in police sales tax collections and transfers from the general fund.
- All enterprise funds, with the exception of Electric, reported an increase in net position, after transfers, for the year ended June 30, 2013. In each of the funds mentioned above, charges for services did cover operational cost with the exception of Electric and Lake Operations.
- The employee pension trust fund posted an increase to net position of the fund of \$5.8 million. The increase is due to contributions sent by contributors in the plan as well as investment yields in the market.

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 \$2,187,123 due to sales tax and intergovernmental revenue. Actual revenues were above final estimates by \$1,659,422 or 3% which was a result of an increase in sales tax collections and intergovernmental revenues, while expenditures were under final appropriations by \$1.6 or 1% 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, 2013, the City had \$463.5 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 increase of \$33.4 million or 7% over 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>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	14,955	12,898	2,351	2,351	17,306	15,249
Buildings	47,434	48,799	24,093	25,017	71,527	73,816
Imp. Other than buildings	8,077	9,033	2,889	7,344	10,966	16,377
Equipment	21,294	20,957	2,435	2,509	23,729	23,466
Intangible water rights	-		16,127	16,771	16,127	16,771
Utility property			151,613	135,346	151,613	135,346
Infrastructure	113,118	115,227			113,118	115,227
Construction in progress	48,298	20,887	10,830	12,963	59,128	33,850
Totals	<u>\$253,176</u>	<u>\$ 227,801</u>	<u>\$ 210,338</u>	<u>\$ 202,301</u>	<u>\$463,514</u>	<u>\$ 430,102</u>

This year's more significant capital asset additions included:

- \$8.3 million in Wastewater Utility improvements
- \$5.9 million in Electric Utility improvements
- \$5.8 million in Water Utility improvements
- \$4.7 million in Street improvement projects
- \$2.3 million in Fleet replacement and additions
- \$2.0 million in I-35 Economic Development
- \$0.9 million in Buildings and improvements
- \$0.4 million in Park improvements
- \$0.2 million in Public Safety projects

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 \$137.1 million in long-term debt outstanding which represents a \$5.4 million or 4% increase from the prior year. The City’s changes in long-term debt by type of debt are as follows:

Primary Government Long-Term Debt							Total Percentage Change
(In Thousands)							
<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>			
<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>		
Accrued absences	2,993	2,761	573	539	3,566	3,300	8%
Revenue bonds	73,260	62,750	42,400	46,625	115,660	109,375	6%
Notes payable	-	-	17,891	19,011	17,891	19,011	-6%
Totals	<u>\$ 76,253</u>	<u>\$ 65,511</u>	<u>\$ 60,864</u>	<u>\$ 66,175</u>	<u>\$ 137,117</u>	<u>\$ 131,686</u>	4%

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, 2013 Economic Report noted the following:

For yet another month, gross collections point toward steady growth in Oklahoma’s economy, State Treasurer Ken Miller announced today as he released the gross receipts to the treasury report for November.

- Miller said gross receipts for the month are up by more than \$58 million or 7.3% compared to November of last year.

“The Oklahoma economy continues to expand heading into the Christmas shopping season,” Miller said. “Relatively steady growth in gross collections has become the norm over the past few years, such that it has become somewhat expected. But as we have seen, that doesn’t necessarily translate to the General Revenue Fund.”

- Miller said sales tax collections in November show ongoing consumer confidence with receipts up 2.6% from last November.
- Monthly collections from oil and gas production have exceeded the prior year for seven consecutive months.

Other Indicators:

- The Business Conditions Index for Oklahoma ticked upward in November to 49.3 from October's rate of 48.6. Researchers cited pullbacks in the energy sector and slowed construction during the month. Numbers above 50 mean growth is expected.
- Oklahoma's seasonally-adjusted unemployment rate rose to 5.5% in October, according to the Oklahoma Employment Security Commission. The number of those employed fell by 1,210, while the number of unemployed rose by 2,760 and topped 100,000 for the first time since 2011.

November collections:

- The revenue report for November sets gross collections at \$857.84 million, up \$58.48 million or 7.3% from November 2012.
- Gross income tax collections, a combination of personal and corporate income taxes, generated \$221 million, a decrease of \$4.65 million or 2.1% from the previous November.
- Personal income tax collections for the month are \$211.11 million, down \$9.01 million or 4.1% from the prior year. Corporate collections are \$9.89 million, up by \$4.36 million or 78.9%.
- Sales tax collections, including remittances on behalf of cities and counties, total \$356.64 million in November. That is \$7.79 million or 2.2% above November 2012.
- Gross production taxes on oil and natural gas generated \$69.88 million in November, an increase of \$13.63 million or 24.2% from last November. Compared to October reports, gross production collections are down by \$3.61 million or 4.9%.
- Motor vehicle taxes produced \$94.82 million for the month, up by \$43.91 million or 86.3% from the prior year.

Twelve-month collections:

- Gross revenue totals \$11.46 billion during the December 2012-November 2013 period. That is \$382.28 million or 3.5% higher than collections from the previous 12-month period.
- Gross income taxes generated \$4.15 billion for the period, reflecting an increase of \$192.34 million or 4.9% from the prior 12 months.
- Personal income tax collections total \$3.53 billion, up by \$176.08 million or 5.2% from the prior 12 months. Corporate collections are \$610.93 million for the period, an increase of \$16.26 million or 2.7% over the previous period.
- Sales taxes for the period generated \$4.26 billion, an increase of \$108.77 million or 2.6% from the prior 12-months.

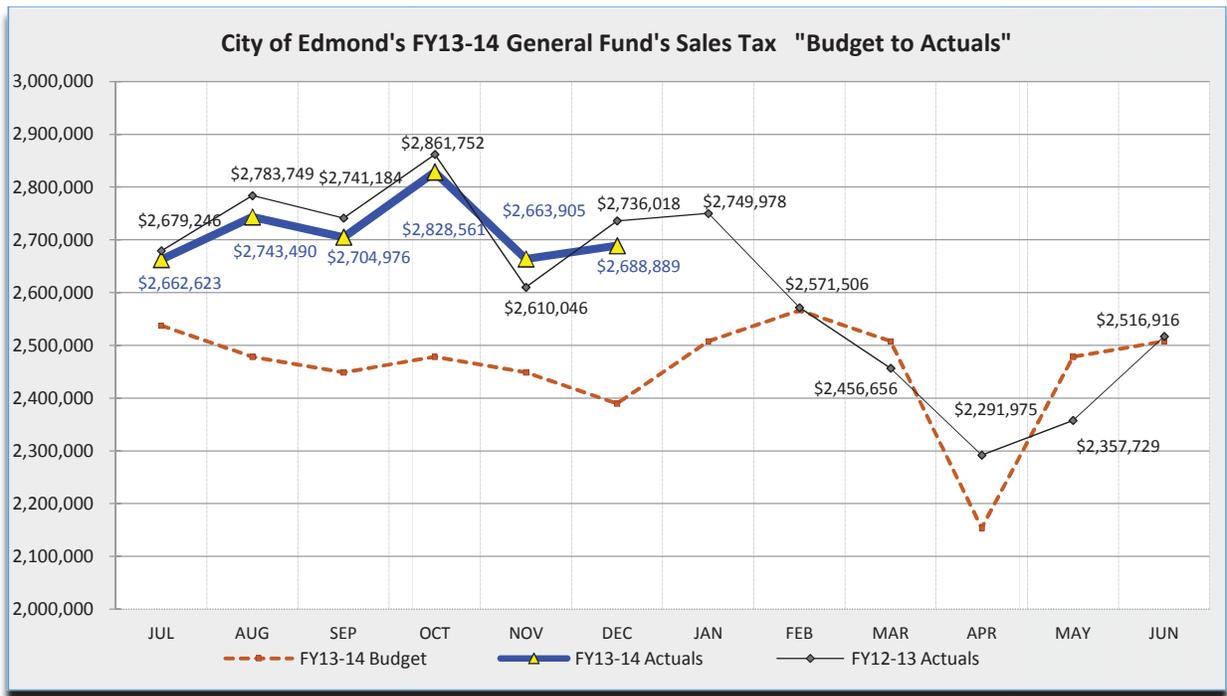
- Oil and gas production tax collections brought in \$785.83 million during the 12 months, up by \$46.54 million or 6.3% from the previous period.
- Motor vehicle collections total \$720.47 million for the period. This is an increase of \$11.17 million or 1.6% from the trailing 12 months.
- Other sources generated \$1.54 billion, up \$23.46 million or 1.5% from the previous 12 months.

City of Edmond highlights:

According to Applied Geographic Solutions, Edmond has a population of 84,524 and is the sixth largest city in Oklahoma. 49.3% of Edmond residents age 25 and older have at least a bachelor's degree, 18% of which have a graduate degree. Compare that to the entire United States population age 25 and older, with 27.9% having least a bachelor's degree. The per capita income in Edmond is \$38,124 and the average household income is \$98,736.

Sales Tax Growth:

The City of Edmond considered the 12.67% sales tax growth from FY12-13 to be an anomaly, and consequently, it budgeted 6% over the previous year (FY11-12). As the chart below indicates, the first 6 months of FY13-14 have continued to follow the previous year's historical highs. The current 6 month accumulative growth (from FY11-12 actual collections) is 18.9%, and 10.06% from Budget.



General Fund's Monthly Comparison Through December

	July	Aug	Sept	Oct	Nov	Dec
FY13-14 Budget	2,537,068	2,478,066	2,448,565	2,478,066	2,448,565	2,389,564
FY12-13 Actuals	2,679,246	2,783,749	2,741,184	2,861,752	2,610,046	2,736,018
FY13-14 Actuals	2,662,623	2,743,490	2,704,976	2,828,561	2,663,905	2,688,889
FY13-14 Actuals compared to Budget	125,555	265,424	256,411	350,495	215,340	299,325

Edmond's FY13-14 Budget:

The FY13-14 Budget totals \$266,374,954, which is an 18.97% increase from the previous year's budget – primarily due to several large capital projects.

From the City Manager's FY13-14 Budget Message:

“Edmond has been very fortunate to have much greater revenue (sales tax) growth this year than projected, as through the first ten months sales tax collections are 14.6% above last year, as compared to a conservative 3% annual budget projection. We will almost certainly end the current fiscal year with a double-digit growth percentage. However, we

believe this year's growth is somewhat of an anomaly resulting from a couple of factors, and we have no intention of moving away from our long-term conservative approach to revenue forecasting, which continues to serve this organization well."

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 13.80% balance.
- FY13-14 will be the fifth year the City has operated its own public transportation service, CITYLINK. It provides four local routes, one express route to and from OKC that runs 12 times per day, and an on-demand paratransit service. This program has been very successful, as total ridership has increased by almost 300% since we initiated our own service, and last year the total ridership was over 235,000. The on-demand, door-to-door paratransit service has been particularly popular with local residents.
- The cost of providing public transportation services continues to go up with the increased demand, and we are concerned about where the additional funding will come from. Our staff has been very successful in taking advantage of all available grant funding to help leverage the total program costs. Part of the funding problem involves grant programs that we have relied upon are now either being targeted for elimination or having their federal allocations significantly reduced over the next couple of years.

UCO continues to provide the funding for the "Broncho Bus" (\$200,437) which operates in and around the campus area. While the net City budget this year for CITYLINK is \$898,679, the revised actual net cost is \$1,096,673, a 22% increase. Next year's budget should be basically the same, at \$1,096,259 but only after a first-time allocation of \$50,000 from the Community Agency Review Commission.

- Residential Building permits increased 26% from the previous year.
- This City contribution rate to the Employee Pension Program will increase slightly in FY13-14 for the first time in five years, from the current 7.97% to 8.17%.

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.

- The Edmond Recreation Aquatic Center, which is being financed with major funding support from the Edmond Public Schools and the YMCA of Greater Oklahoma City as partners in this development, is nearly complete and is scheduled to open February, 2014.
- The new adult softball complex in Edmond 66 Park will also take shape and be completed in 2013.
- Another major phase of street reconstruction on Covell from Mitch Park to Thomas Drive and Kelly between Danforth and Covell was completed in FY12-13. Additional work on Covell and Kelly are included in the 5 year capital plan. Kelly's next section for improvement will occur in the budget year from Covell to Coffee Creek.
- The next phase of improvements on Covell move to the I-35 interchange, with roadway improvements planned from Fairfax Boulevard to the west exit/entrance ramps on Covell at I-35.
- 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.
- 33rd and Broadway Intersection improvements are also planned working with ODOT in the budget year.
- \$2M is set aside in the budget year for street rehabilitation, resurfacing and reconstruction with a 2.5% inflation adjustment added to the future budget years.
- 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. 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 is proceeding with the city investment in the land and infrastructure installation. The investment into the Conference Center/Hotel project will be initiated in the budget year. The City has purchased the land for the sports complex and will lease the land to the complex developer for the construction on this new community sport facility. The maximum city investment in this economic development project will be \$11M. The result is projected that \$9M will be repaid over to the City from the development groups and we are developing new retail opportunities for additional sales tax collections along our I-35 corridor.
- Just prior to the start of the new budget year a bond issue was initiated in the amount of \$13.7M. This was the first 10 year bond issue for the fund and was secured at an average interest rate of 1.633%. If interest rates remain lower, we will probably be refinancing a couple of other outstanding bond issues in this fund over the next two years. Past refunding issues have resulted in additional cash revenue for the fund of around \$1M per refunded bond issue.

Capital Improvements Fund—General Fund

- \$200,000 is set aside for the driving range improvements at Kickingbird Golf Course. This involves the partnership opportunity to fund an indoor teaching facility on the range which was previously mentioned in the Golf Course Fund.

- \$100,000 is being set aside to identify and develop specific projects related to the Bicycle Master Plan.
- \$60,000 is included for the continuance of School Zone Improvements.

2012 Capital Improvement Sales Tax Fund (Public Safety Center)

- \$33.6M is authorized budget authority for the construction of a new public safety center. The improvements are being financed by a 5-year one-half cent sales tax approved by the voters October 2011. Estimated timeframe on the construction of new facility is to be open in Spring 2015.

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 7 North Broadway, 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, 2013

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Historic Preservation Trust	Economic Development Authority
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 12,670,287	\$ 7,659,206	\$ 20,329,493	\$ 96,760	\$ 239,276
Investments	70,015,437	44,763,137	114,778,574	-	-
Restricted assets:					
Cash and equivalents	16,106,676	6,047,846	22,154,522	-	41,033
Investments	3,043,000	5,979,644	9,022,644	-	-
Accrued interest receivable	250,430	174,083	424,513	-	582
Accounts receivables, net of allowance	4,611,988	12,212,546	16,824,534	-	163,931
Internal balances	(6,158,312)	6,158,312	-	-	-
Due from other governments	9,888,083	800,049	10,688,132	-	-
Inventory	905,701	2,447,862	3,353,563	-	-
Total Current Assets	<u>111,333,290</u>	<u>86,242,685</u>	<u>197,575,975</u>	<u>96,760</u>	<u>444,822</u>
Non-current Assets:					
Restricted assets:					
Cash and cash equivalents	1,719,730	6,096,473	7,816,203	-	-
Investments	6,739,000	-	6,739,000	-	-
Derivative instruments	1,922,852	1,295,683	3,218,535	-	-
Capital Assets:					
Non-depreciable	63,253,658	13,181,032	76,434,690	100,450	-
Depreciable, net of depreciation	189,922,453	197,156,881	387,079,334	181,837	5,935
Unamortized bond insurance costs	174,826	181,888	356,714	-	-
Total Non-current Assets	<u>263,732,519</u>	<u>217,911,957</u>	<u>481,644,476</u>	<u>282,287</u>	<u>5,935</u>
Total assets	<u>375,065,809</u>	<u>304,154,642</u>	<u>679,220,451</u>	<u>379,047</u>	<u>450,757</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	696,561	1,061,097	1,757,658	-	-
LIABILITIES					
Current Liabilities:					
Accounts payable and other accrued expenses	6,553,437	7,738,380	14,291,817	-	7,824
Accrued interest payable	1,251,015	1,162,544	2,413,559	-	-
Amounts held in escrow	606,277	-	606,277	-	-
Matured revenue bonds payable	4,495,000	-	4,495,000	-	-
Meter deposit liability	-	3,389,052	3,389,052	-	-
Unearned revenue	4,913,774	7,418	4,921,192	-	-
Current portion:					
Notes payable	-	1,155,098	1,155,098	-	-
Revenue bonds payable	5,855,000	4,435,000	10,290,000	-	-
Compensated absences	299,252	57,314	356,566	-	2,928
Estimated liability for claims	1,272,389	-	1,272,389	-	-
Total Current Liabilities	<u>25,246,144</u>	<u>17,944,806</u>	<u>43,190,950</u>	<u>-</u>	<u>10,752</u>
Non-current liabilities:					
Compensated absences	2,693,260	515,904	3,209,164	-	26,354
Unfunded OPEB obligation	1,291,993	418,854	1,710,847	-	-
Revenue bonds payable, net	69,399,373	38,843,658	108,243,031	-	-
Notes payable	-	16,736,284	16,736,284	-	-
Claims and judgments	1,459,129	-	1,459,129	-	-
Total Non-current Liabilities	<u>74,843,755</u>	<u>56,514,700</u>	<u>131,358,455</u>	<u>-</u>	<u>26,354</u>
Total Liabilities	<u>100,089,899</u>	<u>74,459,506</u>	<u>174,549,405</u>	<u>-</u>	<u>37,106</u>
DEFERRED INFLOWS					
Accumulated increase in fair value of hedging derivatives	1,922,852	1,295,683	3,218,535	-	-
NET POSITION					
Invested in capital assets, net of related debt	179,081,790	152,656,891	331,738,681	282,287	5,935
Restricted by:					
Enabling legislation	8,353,055	-	8,353,055	-	41,033
Statutory requirements	946,008	-	946,008	-	-
External contracts	68,181,896	13,161,823	81,343,719	-	-
Unrestricted	17,186,870	63,641,836	80,828,706	96,760	366,683
Total Net Position	<u>\$ 273,749,619</u>	<u>\$ 229,460,550</u>	<u>\$ 503,210,169</u>	<u>\$ 379,047</u>	<u>\$ 413,651</u>

See accompanying notes to the basic financial statements.

City of Edmond, Oklahoma
Statement of Activities
For the Year Ended June 30, 2013

Net (Expenses) Revenues and Changes in Net Position

Functions/Programs	Expenses	Program Revenue			Primary Government		Historic Preservation Trust	Component Units
		Charges for Services	Operating Grants and Contributions	Capital grants and Contributions	Governmental Activities	Business-Type Activities		
Primary government:								
Governmental activities:								
General government	\$ 7,931,878	\$ 7,421,872	\$ -	\$ -	\$ (510,006)	\$ -	\$ -	\$ -
Public safety	41,599,381	1,246,610	4,056,841	-	(36,295,930)	-	-	-
Streets and highways	10,787,542	11,670	870,354	10,537,359	631,841	-	-	-
Cultural, parks and recreation	4,742,925	536,743	55,382	80,821	(4,069,979)	-	-	-
Health and welfare	3,173,294	1,135,962	327,474	-	(1,709,858)	-	-	-
Economic development	72,066	-	372,665	50,567	351,166	-	-	-
Interest on long-term debt	2,478,720	-	-	-	(2,478,720)	-	-	-
Total governmental activities	70,785,806	10,352,857	5,682,716	10,668,747	(44,081,486)	-	-	-
Business-type activities:								
Electric operations	72,308,154	70,744,562	12,673	-	(1,550,919)	(1,550,919)	-	-
Water operations	16,804,561	22,891,181	-	5,315,648	11,402,268	11,402,268	-	-
Wastewater operations	6,495,234	9,923,751	908,624	1,673,806	6,010,947	6,010,947	-	-
Sanitation operations	6,797,466	7,813,513	-	-	1,016,047	1,016,047	-	-
Lake operations	1,289,412	846,471	-	-	(442,941)	(442,941)	-	-
Drainage operations	887,642	1,684,899	-	-	797,257	797,257	-	-
Golf course operations	1,928,258	2,012,055	-	-	83,797	83,797	-	-
Cooperative purchasing services	62,844	82,326	-	-	19,482	19,482	-	-
Economic development	470,000	-	-	-	(470,000)	(470,000)	-	-
Total business-type activities	107,043,571	115,998,758	921,297	6,989,454	16,865,938	16,865,938	-	-
Total primary government	\$ 177,829,377	\$ 126,351,615	\$ 6,604,013	\$ 17,658,201	\$ (44,081,486)	\$ (27,215,548)	\$ -	\$ -
Component Units:								
Cultural, parks and recreation	47,686	-	-	-	-	-	(47,686)	(54,302)
Economic development	554,302	-	-	-	-	-	-	(554,302)
Total component units	\$ 601,988	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (47,686)	\$ -
General revenues:								
Taxes:								
Sales and use taxes					34,403,578			
Sales and use taxes-Restricted for public safety					5,870,777			
Sales and use taxes-Restricted for park and recreation					1,956,926			
Sales and use taxes-Restricted for capital improvements					19,569,255			
Hotel/motel taxes					421,979			
Franchise taxes					2,157,871			
Payment from City of Edmond					-			470,000
Grants and contributions not restricted to specific programs					1,101,004			-
Unrestricted investment earnings					608,693			3,189
Miscellaneous					346,998			29,172
Transfers					2,795,080	(2,795,080)		-
Total general revenues and transfers					69,232,161	(2,053,677)		502,361
Change in net position					25,150,675	14,812,261		(51,941)
Net position - beginning					248,598,944	214,648,289		465,592
Net position - ending					\$ 273,749,619	\$ 229,460,550	\$ 379,047	\$ 413,651

See accompanying notes to the basic financial statements.

City of Edmond
Balance Sheet
Governmental Funds
June 30, 2013

	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	\$ 1,280,930	\$ 1,299,951	\$ 727,410	\$ 20,907,760	\$ 2,655,075	\$ 26,871,126
Investments	6,960,929	6,938,116	3,882,343	26,227,847	17,096,122	61,105,357
Due from other funds	58,128	909,893	1,116,135	-	14,799	2,098,955
Due from other governments	5,507,081	623,090	322,586	1,749,271	1,536,924	9,738,952
Accrued interest receivable	21,707	21,636	12,107	66,770	69,921	192,141
Other receivables	1,033,984	-	92	3,192,506	96,511	4,323,093
Total assets	<u>14,862,759</u>	<u>9,792,686</u>	<u>6,060,673</u>	<u>52,144,154</u>	<u>21,469,352</u>	<u>104,329,624</u>
LIABILITIES						
Accounts payable	336,142	583,762	386,029	4,047,851	193,755	5,547,539
Due to other funds	2,041,141	-	1,044	-	49,082	2,091,267
Deferred revenue	229,179	-	-	-	-	229,179
Matured interest payable	-	-	-	1,251,015	-	1,251,015
Matured revenue bonds payable	-	-	-	4,495,000	-	4,495,000
Amounts held in escrow	606,277	-	-	-	-	606,277
Total liabilities	<u>3,212,739</u>	<u>583,762</u>	<u>387,073</u>	<u>9,793,866</u>	<u>242,837</u>	<u>14,220,277</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	412,871	3,712	11,238	10,423	5,696	443,940
Total deferred inflows of resources	<u>412,871</u>	<u>3,712</u>	<u>11,238</u>	<u>10,423</u>	<u>5,696</u>	<u>443,940</u>
FUND BALANCES						
Restricted	2,644,344	8,996,218	5,453,435	40,613,106	19,764,355	77,471,458
Committed	-	-	-	-	7,352	7,352
Assigned	1,822,138	208,994	208,927	1,726,759	1,449,112	5,415,930
Unassigned	6,770,667	-	-	-	-	6,770,667
Total fund balances	<u>11,237,149</u>	<u>9,205,212</u>	<u>5,662,362</u>	<u>42,339,865</u>	<u>21,220,819</u>	<u>89,665,407</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,862,759</u>	<u>\$ 9,792,686</u>	<u>\$ 6,060,673</u>	<u>\$ 52,144,154</u>	<u>\$ 21,469,352</u>	<u>\$ 104,329,624</u>

See accompanying notes to the basic financial statements.

City of Edmond, Oklahoma
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2013

Total fund balance, governmental funds	\$ 89,665,407
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 funds, net of accumulated depreciation of \$187,202,677.	235,467,145
Certain other long-term assets are not available to pay current fund liabilities and therefore are deferred in the funds:	
Accrued interest receivable	25,631
Other receivables, net of allowance	408,808
Receivable from other governments	9,501
Certain long-term liabilities are not due and payable from current financial resources and, therefore are not reported in the funds:	
Revenue bonds payable	(73,260,000)
Accrued compensated absences	(2,148,398)
Unamortized loss on refunding	696,561
Unamortized debt premium	(1,994,373)
Unfunded OPEB obligation	(1,291,993)
Unamortized bond issuance costs	174,826
Unearned revenue	(4,684,595)
Derivative instrument	1,922,852
Accumulated increase in fair value of hedging derivatives is a deferred inflow	(1,922,852)
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	36,852,166
Internal service fund interfund balance resulting from net revenues reported in business-type activities	(6,171,067)
Net Position of Governmental Activities as shown on the Statement of Net Position	\$ 273,749,619

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, 2013

	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	\$ 34,403,578	\$ 3,913,851	\$ 1,956,926	\$ 11,741,553	\$ 9,784,628	\$ 61,800,536
Franchise and public service taxes	2,199,488	-	-	-	-	2,199,488
Hotel/motel taxes	-	-	-	-	421,979	421,979
Intergovernmental	2,299,771	2,729,586	1,115,084	7,498,634	443,642	14,086,717
Charges for services	5,850,591	6,000	2,000	-	957,756	6,816,347
Fines and forfeitures	2,053,931	-	-	-	-	2,053,931
Licenses and permits	1,389,282	-	-	-	-	1,389,282
Investment income	54,923	25,533	15,683	515,018	64,674	675,831
Miscellaneous	296,144	27,557	81,958	-	341,667	747,326
Total Revenues	48,547,708	6,702,527	3,171,651	19,755,205	12,014,346	90,191,437
EXPENDITURES						
Current:						
General government	5,002,157	-	-	441,303	896,105	6,339,565
Public safety	2,340,481	18,892,845	19,300,956	-	66,665	40,600,947
Health and welfare	1,889,896	-	-	-	1,019,382	2,909,278
Culture, parks and recreation	4,135,376	-	-	-	722,641	4,858,017
Streets and highways	4,350,720	-	-	-	-	4,350,720
Debt service:	-	-	-	4,495,000	-	4,495,000
Principal	-	-	-	2,458,647	-	2,458,647
Interest and other charges	-	-	-	22,026,799	4,897,638	28,076,563
Capital outlay	399,249	171,340	581,537	29,421,749	7,602,431	94,088,737
Total Expenditures	18,117,879	19,064,185	19,882,493	29,421,749	7,602,431	94,088,737
Excess (deficiency) of revenues over expenditures	30,429,829	(12,361,658)	(16,710,842)	(9,666,544)	4,411,915	(3,897,300)
OTHER FINANCING SOURCES (USES)						
Transfers in	34,848,773	13,871,264	17,015,417	35,000	4,069,049	69,839,503
Transfers out	(63,696,609)	-	-	(2,203,494)	(1,085,802)	(66,985,905)
Refunding bonds issued	-	-	-	13,255,000	-	13,255,000
Premium on refunding bonds issued	-	-	-	685,836	-	685,836
Issuance of long-term debt	-	-	-	13,710,000	-	13,710,000
Premium on long-term debt issued	-	-	-	639,388	-	639,388
Transfer to escrow agent	-	-	-	(12,477,058)	-	(12,477,058)
Total other financing sources and uses	(28,847,836)	13,871,264	17,015,417	13,644,672	2,983,247	18,666,764
Net change in fund balances	1,581,993	1,509,606	304,575	3,978,128	7,395,162	14,769,464
Fund balances at beginning of year	9,655,156	7,695,606	5,357,787	38,361,737	13,825,657	74,895,943
Fund balances at end of year	\$ 11,237,149	\$ 9,205,212	\$ 5,662,362	\$ 42,339,865	\$ 21,220,819	\$ 89,665,407

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 As of June 30, 2013

Net Change in fund balances of Governmental Funds \$ 14,769,464

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	32,761,158
Capital assets donated	2,849,120
Depreciation expense	(10,756,263)
Disposal of capital assets	(121,725)

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:

Bond premium	(1,325,225)
Amortization expense	(546,135)
Interest expense	(20,073)

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

Unearned revenue	(4,773,357)
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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	4,495,000
Bond proceeds	(26,965,000)
Bond proceeds transferred to escrow agent	12,477,058

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	(164,245)
Pension benefit obligation change	67,398
OPEB obligation change	(308,820)

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	3,642,117
Net revenues of internal service funds reported in business-type activities	(929,797)

Change in net position of governmental activities	\$ 25,150,675
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See accompanying notes to the basic financial statement

City of Edmond, Oklahoma
Statement of Net Position
Proprietary Funds
June 30, 2013

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	\$ (401,216)	\$ 4,970,614	\$ 1,723,007	\$ 1,366,801	\$ 7,659,206	\$ 3,625,567
Investments	75,797	25,951,457	10,810,501	7,925,382	44,763,137	18,692,080
Restricted assets:						
Cash and equivalents	-	5,503,090	-	544,756	6,047,846	-
Investments	2,338,705	1,014,356	2,196,406	430,177	5,979,644	-
Receivables:						
Accrued interest receivable	6,117	98,887	40,840	28,239	174,083	58,289
Utility billing, net of allowance for uncollectible accounts	8,330,270	1,737,396	1,130,805	926,969	12,125,440	-
Due from other funds	182	29,060	2,343	76,791	108,376	27,918
Receivables from other governments	12,673	-	787,376	-	800,049	149,131
Other receivables	56,322	-	-	30,784	87,106	288,897
Inventories	2,378,289	-	-	69,575	2,447,864	905,699
Total current assets	<u>12,797,139</u>	<u>39,304,860</u>	<u>16,691,278</u>	<u>11,399,474</u>	<u>80,192,751</u>	<u>23,747,581</u>
Non-current assets:						
Restricted assets:						
Cash and cash equivalents	219,308	4,797,887	350,169	729,109	6,096,473	-
Derivative instruments	-	1,295,683	-	-	1,295,683	-
Capital assets:						
Non-depreciable	194,332	8,637,340	2,833,564	1,515,796	13,181,032	871,093
Depreciable, net of accumulated depreciation	44,296,690	95,320,436	48,298,354	9,241,401	197,156,881	16,837,873
Unamortized bond insurance costs	2,930	156,835	1,743	20,380	181,888	-
Total non-current assets	<u>44,713,260</u>	<u>110,208,181</u>	<u>51,483,830</u>	<u>11,506,686</u>	<u>217,911,957</u>	<u>17,708,966</u>
Total assets	<u>57,510,399</u>	<u>149,513,041</u>	<u>68,175,108</u>	<u>22,906,160</u>	<u>298,104,708</u>	<u>41,456,547</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	18,997	877,561	3,275	161,264	1,061,097	-
LIABILITIES						
Current liabilities:						
Accounts payable	6,406,860	386,619	293,122	463,622	7,550,223	698,541
Salaries payable	85,845	28,128	9,022	65,162	188,157	307,357
Accrued interest payable	20,173	1,008,508	19,039	114,824	1,162,544	-
Due to other funds	121,133	-	-	-	121,133	22,851
Current portion:						
Compensated absences	30,781	6,336	2,299	17,898	57,314	84,412
Claims and judgments	-	-	-	-	-	1,272,389
Notes payable	-	1,155,098	-	-	1,155,098	-
Revenue bonds payable	93,332	3,741,259	95,288	505,121	4,435,000	-
Unearned revenue	1,352	2,013	3,151	902	7,418	-
Meter deposit liability	2,357,762	577,779	51,824	401,687	3,389,052	-
Total current liabilities	<u>9,117,238</u>	<u>6,905,740</u>	<u>473,745</u>	<u>1,569,216</u>	<u>18,065,939</u>	<u>2,385,550</u>
Non-current liabilities:						
Compensated absences	277,025	57,020	20,694	161,165	515,904	759,702
Claims and judgments	-	-	-	-	-	1,459,129
Unfunded OPEB obligation	178,728	77,899	23,118	139,109	418,854	-
Notes payable	-	16,736,284	-	-	16,736,284	-
Revenue bonds payable, net	814,424	32,748,532	815,694	4,465,008	38,843,658	-
Total non-current Liabilities	<u>1,270,177</u>	<u>49,619,735</u>	<u>859,506</u>	<u>4,765,282</u>	<u>56,514,700</u>	<u>2,218,831</u>
Total liabilities	<u>10,387,415</u>	<u>56,525,475</u>	<u>1,333,251</u>	<u>6,334,498</u>	<u>74,580,639</u>	<u>4,604,381</u>
DEFERRED INFLOWS						
Accumulated increase in fair value of hedging derivatives	-	1,295,683	-	-	1,295,683	-
NET POSITION						
Invested in capital assets, net of related debt	43,598,738	50,299,034	52,831,038	5,928,081	152,656,891	18,156,492
Restricted for debt service	-	9,895,568	2,163,513	1,101,086	13,160,167	-
Restricted for scholarships	-	-	-	1,656	1,656	-
Unrestricted	3,543,243	32,374,842	11,850,581	9,702,103	57,470,769	18,695,674
Total net position	<u>\$ 47,141,981</u>	<u>\$ 92,569,444</u>	<u>\$ 66,845,132</u>	<u>\$ 16,732,926</u>	<u>\$ 223,289,483</u>	<u>\$ 36,852,166</u>

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

6,171,067

Total net position per Government-Wide financial statements

\$ 229,460,550

See accompanying notes to the basic financial statements.

City of Edmond, Oklahoma
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2013

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	\$ 70,731,884	\$ 21,526,435	\$ 9,239,113	\$ 11,993,958	\$ 113,491,390	\$ 43,030,726
Permits and other fees	-	1,205,314	684,638	-	1,889,952	-
Operating grants and contributions	12,673	-	908,624	-	921,297	233,027
Miscellaneous	12,678	159,432	-	445,378	617,488	288,889
Total operating revenues	<u>70,757,235</u>	<u>22,891,181</u>	<u>10,832,375</u>	<u>12,439,336</u>	<u>116,920,127</u>	<u>43,552,642</u>
OPERATING EXPENSES						
Personal services	4,431,946	1,415,715	465,027	3,088,217	9,400,905	15,628,843
Materials and supplies	1,172,055	583,258	507,320	1,066,932	3,329,565	3,751,387
Wholesale electricity purchases	55,989,404	-	-	-	55,989,404	-
Maintenance, operations and contractual services	8,063,076	7,200,935	3,807,315	6,546,303	25,617,629	9,861,534
Economic development (payment to component unit)	470,000	-	-	-	470,000	-
Insurance premium expense	-	-	-	-	-	1,162,398
Claims expense	-	-	-	-	-	7,530,530
Amortization	63,493	210,402	147,919	42,352	464,166	-
Depreciation	2,777,962	5,269,561	1,622,375	417,147	10,087,045	2,279,715
Total operating expenses	<u>72,967,936</u>	<u>14,679,871</u>	<u>6,549,956</u>	<u>11,160,951</u>	<u>105,358,714</u>	<u>40,214,407</u>
Operating income (loss)	<u>(2,210,701)</u>	<u>8,211,310</u>	<u>4,282,419</u>	<u>1,278,385</u>	<u>11,561,413</u>	<u>3,338,235</u>
NON-OPERATING REVENUES (EXPENSES)						
Interest and investment revenue	24,769	368,279	29,116	59,119	481,283	36,619
Miscellaneous revenue	251,246	8	4,604	4,262	260,120	280,673
Gain (Loss) on capital asset disposal	(1,090)	-	-	-	(1,090)	(144,498)
Interest expense	(46,685)	(2,278,924)	(52,349)	(235,678)	(2,613,636)	-
Total nonoperating revenues (expenses)	<u>228,240</u>	<u>(1,910,637)</u>	<u>(18,629)</u>	<u>(172,297)</u>	<u>(1,873,323)</u>	<u>172,794</u>
Income (loss) before contributions and transfers	<u>(1,982,461)</u>	<u>6,300,673</u>	<u>4,263,790</u>	<u>1,106,088</u>	<u>9,688,090</u>	<u>3,511,029</u>
Capital contributions	-	5,315,648	1,673,806	58,518	7,047,972	131,088
Transfers in	-	31,356,757	-	574,616	31,931,373	-
Transfers out	(2,811,558)	(31,490,950)	(155,211)	(327,252)	(34,784,971)	-
Changes in net position	<u>(4,794,019)</u>	<u>11,482,128</u>	<u>5,782,385</u>	<u>1,411,970</u>	<u>13,882,464</u>	<u>3,642,117</u>
Total net position--beginning	51,936,000	81,087,316	61,062,747	15,320,956	209,407,019	33,210,049
Total net position--ending	<u>\$ 47,141,981</u>	<u>\$ 92,569,444</u>	<u>\$ 66,845,132</u>	<u>\$ 16,732,926</u>	<u>\$ 223,289,483</u>	<u>\$ 36,852,166</u>
Change in net position, per above					13,882,464	
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.					929,797	
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements					<u>\$ 14,812,261</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, 2013**

	Edmond Public Works Authority (EPWA) Enterprise Funds					Internal Service Funds
	Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 71,196,054	\$ 23,470,221	\$ 9,753,465	\$ 12,386,604	\$ 116,806,344	\$ 43,513,805
Payments to suppliers	(65,402,542)	(7,734,414)	(5,011,564)	(7,663,721)	(85,812,241)	(14,882,569)
Payments to employees	(4,371,852)	(1,403,908)	(461,948)	(3,049,114)	(9,286,822)	(15,545,962)
Payments to component unit	(470,000)	-	-	-	(470,000)	-
Receipts of customer meter deposits	401,322	98,346	8,821	68,202	576,691	-
Refunds of customer meter deposits	(741,821)	(149,342)	(28,354)	(110,581)	(1,030,098)	-
Claims and judgments paid	-	-	-	-	-	(7,288,069)
Interfund payments	(99,006)	22,960	(1,901)	-	(77,947)	(8,618)
Interfund receipts	(182)	-	-	66,933	66,751	-
Net cash provided by (used in) operating activities	<u>511,973</u>	<u>14,303,863</u>	<u>4,258,519</u>	<u>1,698,323</u>	<u>20,772,678</u>	<u>5,788,587</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	-	31,356,757	-	574,616	31,931,373	-
Transfers to other funds	(2,811,558)	(31,490,950)	(155,211)	(327,252)	(34,784,971)	-
Net cash provided by (used in) noncapital financing activities	<u>(2,811,558)</u>	<u>(134,193)</u>	<u>(155,211)</u>	<u>247,364</u>	<u>(2,853,598)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	(3,402,390)	(2,516,931)	(4,941,910)	(220,485)	(11,081,716)	(2,936,565)
Proceeds from sale of capital assets	-	(4,270,807)	(354,624)	(520,846)	(5,344,506)	-
Principal paid on capital debt	(198,229)	(2,148,734)	(191,174)	(243,055)	(2,683,912)	-
Interest paid on capital debt	(100,949)	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>(3,701,568)</u>	<u>(8,936,472)</u>	<u>(5,487,708)</u>	<u>(968,325)</u>	<u>(19,094,073)</u>	<u>(2,936,565)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	-	(5,198,811)	(120,060)	(1,441,140)	(6,760,011)	(3,636,368)
Proceeds from sale and maturities of investments	3,963,942	-	-	82,832	4,046,774	22,280
Interest and dividends	37,917	455,092	72,901	85,884	651,794	96,755
Net cash provided by (used in) investing activities	<u>4,001,859</u>	<u>(4,743,719)</u>	<u>(47,159)</u>	<u>(1,272,424)</u>	<u>(2,061,443)</u>	<u>(3,517,333)</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,999,294)</u>	<u>489,479</u>	<u>(1,431,559)</u>	<u>(295,062)</u>	<u>(3,236,436)</u>	<u>(665,311)</u>
Balances - beginning 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>
Balances - end of year	<u>\$ (181,908)</u>	<u>\$ 15,271,591</u>	<u>\$ 2,073,176</u>	<u>\$ 2,640,666</u>	<u>\$ 19,803,525</u>	<u>\$ 3,625,567</u>
Reconciliation to Statement of Net Position:						
Cash and cash equivalents	\$ (401,216)	\$ 4,970,614	\$ 1,723,007	\$ 1,366,801	\$ 7,669,206	\$ 3,625,567
Restricted cash and cash equivalents-current	-	5,503,090	-	544,756	6,047,846	-
Restricted cash and cash equivalents-noncurrent	219,308	4,797,887	350,169	729,109	6,096,473	-
Total cash and cash equivalents, end of year	<u>\$ (181,908)</u>	<u>\$ 15,271,591</u>	<u>\$ 2,073,176</u>	<u>\$ 2,640,666</u>	<u>\$ 19,803,525</u>	<u>\$ 3,625,567</u>

(Continued)

CITY OF EDMOND, OKLAHOMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2013
(Continued)

Edmond Public Works Authority (EPWA) Enterprise Funds						INTERNAL SERVICE FUNDS
	ELECTRIC	WATER	WASTEWATER	OTHER	TOTAL	
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ (2,210,701)	\$ 8,211,310	\$ 4,282,419	\$ 1,278,385	\$ 11,561,413	\$ 3,338,235
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization expense	2,841,455	5,479,963	1,770,294	4,594,999	10,551,211	2,279,715
Other non-operating revenues/expenses	251,246	8	4,604	4,282	260,120	280,673
Change in assets and liabilities:						
Receivables, net	226,260	579,032	(289,864)	(56,994)	458,434	(263,234)
Other receivables	(26,014)	-	-	-	(26,014)	(56,276)
Inventories	(101,809)	-	-	(4,641)	(106,450)	(133,622)
Due from other governments	(25,346)	-	-	-	(386,497)	-
Due from other funds	(182)	22,960	(1,901)	66,933	87,810	(14,332)
Pension benefit obligation	(6,562)	(3,627)	(1,975)	(5,068)	(17,232)	-
OPFB obligation	43,606	19,494	5,375	30,908	99,383	-
Accounts and other payables	(62,489)	48,851	(1,132,143)	(45,257)	(1,191,038)	284,482
Customer meter deposits payable	(340,499)	(50,996)	(19,533)	(42,379)	(453,407)	-
Due to other funds	(99,006)	-	-	-	(99,006)	5,714
Accrued compensated absences	22,014	(3,132)	2,394	12,675	33,951	67,222
Net cash provided by (used in) operating activities	\$ 511,973	\$ 14,303,863	\$ 4,258,519	\$ 1,698,323	\$ 20,772,678	\$ 5,788,587
Non-cash Activities:						
Capital assets donated	-	5,315,648	1,673,806	58,518	7,047,972	131,088
Net Non-cash Activities	-	5,315,648	1,673,806	58,518	7,047,972	131,088

See accompanying notes to the basic financial statements

City of Edmond, Oklahoma
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 447,654	\$ 64,219
Other Receivables		845
Accrued interest	66,088	-
Total cash and cash equivalents	513,742	65,064
Investments at fair value:		
Pooled investments	-	344,030
Common Stock	4,903,652	
Pooled equity funds	28,814,648	-
Pooled fixed income funds	16,193,141	-
Alternative-Open end mutual funds	5,673,857	-
Other	633,032	-
Total investments	56,218,330	344,030
Total assets	56,732,072	409,094
LIABILITIES		
Refunds payable and others	1,368	409,094
Total liabilities	1,368	409,094
NET POSITION		
Held in trust for benefits and other purposes	\$ 56,730,704	\$ -

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, 2013

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 1,822,720
Plan Members	1,200,943
Total contributions	3,023,663
Investment earnings:	
Net increase (decrease) in fair value of investments	3,394,927
Interest	1,753,743
Investment activity expense	(113,620)
Total net investment earnings	5,035,050
Total additions	8,058,713
DEDUCTIONS:	
Benefits	1,631,832
Refunds of contributions	545,474
Administrative	14,884
Miscellaneous expense	9,970
Total deductions	2,202,160
Changes in net position	5,856,553
Net position - beginning	50,874,151
Net position - ending	\$ 56,730,704

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
- E. ECONOMIC DEVELOPMENT

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. 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, 2013

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 purposes pursuant to constraints imposed by formal action of the city’s highest level of decision-making authority. The City’s highest level of decision-making authority is made by ordinance. 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 purposes 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 \$103,710,000 of Series 2004, 2005, 2010, 2012 and 2013 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 2024, 2026, 2021 and 2023 respectively. The total principal and interest payable for the remainder of the life of these bonds is \$91,075,953. Pledged sales taxes received in the current year were \$11,741,553 and the net utility revenues were \$14,578,444. Debt service payments of \$6,953,647 for the current fiscal year were 59% of the pledged sales taxes and 19% 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 \$75,784,243.

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 \$31,356,757 were returned to the General Fund. The debt service payments on the bonds and notes this year were \$7,923,607 which was 36% of pledged net utility revenues of \$21,925,701 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

Effective July 1, 2012, the City implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement established 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. This new standard did not have a material impact on the City's financial statements.

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, 2013, 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 2004, 2005, 2010, 2012 and 2013 series sales tax and utility revenue bond indentures require (1) a reserve account balance \$8,029,615 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, 2013.

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.

CITY OF EDMOND, OKLAHOMA
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3.A. DEPOSIT AND INVESTMENT RISKS

Primary Government:

The City of Edmond, including its blended component unit held the following deposits and investments at June 30, 2013.

Type	Fair Value	Rating	Maturities in Years			
			Demand	Less Than One	1 - 5	6 - 10
Demand accounts	\$ 21,360,726	n/a	\$ 21,360,726	\$ -	\$ -	\$ -
Time deposits	62,621,604	n/a	-	44,355,000	18,266,604	-
Money market accounts	20,175,377	n/a	20,175,377	-	-	-
U.S. Obligations	23,619,153	(1)	-	20,826,386	2,792,767	-
U.S. Government sponsored entities	53,919,478	(1)	-	11,582,748	42,336,731	-
Mutual Funds -fixed income	16,193,141	**	-	-	-	16,193,141
Sub-total	197,889,479		41,536,103	76,764,133	63,396,102	16,193,141
Mutual Funds:						
Alternative	5,673,857	n/a				
Equity Funds	28,814,648	n/a				
Sub-total Mutual Funds	34,488,505					
Master Limited Partnerships	4,903,652	n/a				
Other	633,032					
Total Investments	\$ 237,914,669					
Reconciliation to Statement of Net Assets:						
Cash and cash equivalents	\$ 20,329,493					
Investments	114,778,574					
Current restricted cash and cash equivalents	22,154,522					
Current restricted investments	9,022,644					
Noncurrent restricted cash and cash equivalents	7,816,203					
Noncurrent restricted investments	6,739,000					
Pension retirement fund assets	56,665,984					
Agency fund cash and investments	408,249					
	\$ 237,914,669					

** Unrated

(1) Federal agencies are backed by the “full faith and credit” of the U.S. government. Bonds issued by Government-Sponsored Enterprises (GSEs) are not backed by the government’s “full faith and credit” guarantee and therefore are subject to credit and default risk. The GSE credit rating from Standard and Poor’s (S&P) is AA+ and from Moody’s is AAA.

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.

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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, 2013, 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 2 and 11 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, 2013, the City had concentration of credit risk in the following investments: FFCB 2%, FHLB 7%, FHLMC 6%, and FNMA 9%.

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 2013 Percent
Fixed Income	29%	29%
Large Cap Equities	15%	15%
Small Cap Equities	5%	5%
International Equities	14%	14%
Emerging Market Equities	9%	9%
Real Estate	9%	9%
Commodities	11%	10%
Master Limited Partnerships	8%	9%

At June 30, 2013, the City had complied with the investment policies as defined above.

Component Units:

Total bank deposits of the EEDA component unit were \$239,276 at June 30, 2013 and were properly collateralized. In addition, deposits of the Historical Preservation Trust of \$96,760 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.

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Associated Debt	Effective Date	Termination Date	Contract Interest Rate	Change in Fair Value	Fair Value at June 30, 2013	Counterparty	Credit Rating
Governmental activities:							
2004 Sales Tax & Utility Revenue Bonds:							
Debt Service	8/24/2004	7/1/2024	4.500%	(30,674)	274,925	JPMorgan	A+
Reserve Fund	8/24/2004	7/1/2024	4.876%	(89,015)	739,479	JPMorgan	A+
2005 Sales Tax & Utility Revenue Bonds:							
Debt Service	2/23/2006	7/1/2015	4.410%	(34,756)	72,113	JPMorgan	A+
Reserve Fund	2/23/2006	7/1/2015	4.740%	(110,557)	222,866	JPMorgan	A+
2012 Sales Tax & Utility Revenue Bonds:							
Reserve Fund	5/13/2003	7/1/2021	4.650%	(3,662)	613,469	JPMorgan	A+
Total governmental activities:				\$ (268,664)	\$ 1,922,852		
Business-type Activities:							
2004 Utility System Revenue Bonds:							
Debt Service	8/24/2004	7/1/2024	4.500%	(22,531)	201,487	JPMorgan	A+
Reserve Fund	8/24/2004	7/1/2024	4.86%	(64,967)	539,704	JPMorgan	A+
2005 Utility System Revenue Bonds:							
Debt Service	2/23/2006	7/1/2015	4.590%	(73,839)	154,477	JPMorgan	A+
Reserve Fund	2/23/2006	7/1/2015	4.770%	(175,861)	400,015	JPMorgan	A+
Total business-type activities:				\$ (337,198)	\$ 1,295,683		
Total				\$ (605,862)	\$ 3,218,535		

Fair value was determined using expected cash flows discounted to the treasury curve at June 30, 2013.

Credit risk – The counterparty to the forward sale contract derivative agreements is JPMorgan serving as guarantor. At June 30, 2013, 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.

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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 City entered into an agreement with the Edmond Public Schools and the Greater Oklahoma City YMCA in partnering together on a capital project known as Edmond Recreational Area Center. At the end of the fiscal year, the City reflects a \$3.2 million receivable in the governmental activities for its share of unreimbursed costs incurred for the project. Further disclosure is explained in Note 4.E. The governmental activities receivables include fines, other taxes, and miscellaneous receivables as follows:

Business-Type Activities:

	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Sanitation Fund</u>	<u>Drainage Fund</u>	<u>Total</u>
Utilities Receivable	\$ 8,539,407	\$ 1,786,505	\$ 1,155,619	\$ 868,697	\$ 79,480	\$ 12,429,708
Less: allowance for uncollectible accounts	<u>(209,137)</u>	<u>(49,109)</u>	<u>(24,814)</u>	<u>(18,404)</u>	<u>(2,804)</u>	<u>(304,268)</u>
Utilities receivable, net of allowance	<u>\$ 8,330,270</u>	<u>\$ 1,737,396</u>	<u>\$ 1,130,805</u>	<u>\$ 850,293</u>	<u>\$ 76,676</u>	<u>\$ 12,125,440</u>
Other Receivables-Business-Type Activities						<u>87,106</u>
Tota Accounts Receivable-Business-Type Activities						<u>\$ 12,212,546</u>

Governmental Activities:

	<u>Fines Receivable</u>	<u>Other Taxes Receivable</u>	<u>Park & Recreation Receivable</u>	<u>Miscellaneous Receivables</u>	<u>Total</u>
Other receivables	\$ 1,690,013	\$ 454,013	\$ 3,250,474	\$ 466,356	\$ 5,860,856
Less: allowance for uncollectible accounts	<u>(1,248,868)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,248,868)</u>
Other receivables, net of allowance	<u>\$ 441,145</u>	<u>\$ 454,013</u>	<u>\$ 3,250,474</u>	<u>\$ 466,356</u>	<u>\$ 4,611,988</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.

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	Current		Noncurrent		Total
	<u>Cash and cash equivalents</u>	<u>Investments</u>	<u>Cash and cash equivalents</u>	<u>Investments</u>	
Primary Government					
Governmental Activities:					
Revenue bond trustee accounts	\$ 16,106,676	\$ 3,043,000	\$ 1,719,730	\$ 6,739,000	\$ 27,608,406
Total Governmental Activities	<u>\$ 16,106,676</u>	<u>\$ 3,043,000</u>	<u>\$ 1,719,730</u>	<u>\$ 6,739,000</u>	<u>\$ 27,608,406</u>
Business-type Activities:					
Revenue bond trustee accounts	\$ 5,635,977	\$ 392,359	\$ 6,096,473	-	\$ 12,124,809
Deposits held for refund	-	3,389,052	-	-	3,389,052
Deposits held for construction	411,869	2,198,233	-	-	2,610,102
Total Business-type Activities	<u>\$ 6,047,846</u>	<u>\$ 5,979,644</u>	<u>\$ 6,096,473</u>	<u>\$ -</u>	<u>\$ 18,123,963</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	<u>\$ 41,033</u>
Total	<u><u>\$ 41,033</u></u>

CITY OF EDMOND, OKLAHOMA
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3.D. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	Balance at July 1, 2012	Additions	Deductions	Balance at June 30, 2013
Governmental activities :				
Non-depreciable:				
Land	\$ 12,897,695	\$ 2,057,906	\$ -	\$ 14,955,601
Construction-in-progress	20,886,597	30,386,064	(2,974,604)	48,298,057
Total non-depreciable assets at historical cost	<u>33,784,292</u>	<u>32,443,970</u>	<u>(2,974,604)</u>	<u>63,253,658</u>
Depreciable:				
Buildings	60,762,006	869,774	(896,689)	60,735,090
Improvements	23,512,851	632,559	(171,731)	23,973,680
Machinery and equipment	42,387,234	3,354,124	(1,817,509)	43,923,848
Infrastructure	244,019,173	4,473,339		248,492,512
Total depreciable assets at historical cost	<u>370,681,264</u>	<u>9,329,796</u>	<u>(2,885,930)</u>	<u>377,125,129</u>
Less accumulated depreciation				
Buildings	(11,962,729)	(1,916,312)	802,785	(13,076,256)
Improvements	(14,760,235)	(1,764,275)	149,853	(16,374,657)
Machinery and equipment	(21,149,733)	(2,703,289)	1,545,841	(22,307,182)
Infrastructure	(128,792,479)	(6,652,103)	-	(135,444,582)
Total accumulated depreciation	<u>(176,665,176)</u>	<u>(13,035,980)</u>	<u>2,498,479</u>	<u>(187,202,677)</u>
Net depreciable assets	<u>194,016,088</u>	<u>(3,706,184)</u>	<u>(387,451)</u>	<u>189,922,453</u>
Governmental activities capital assets, net	<u>\$ 227,800,380</u>	<u>\$ 28,737,786</u>	<u>\$ (3,362,055)</u>	<u>\$ 253,176,111</u>
Business-type activities				
Non-depreciable:				
Land	\$ 2,350,922	\$ -	\$ -	\$ 2,350,922
Construction-in-progress	12,962,684	7,107,543	(9,240,117)	10,830,110
Total non-depreciable assets at historical cost	<u>15,313,606</u>	<u>7,107,543</u>	<u>(9,240,117)</u>	<u>13,181,032</u>
Depreciable:				
Buildings	30,764,003	21,599	-	30,785,602
Improvements	7,718,179	36,919	-	7,755,098
Machinery and equipment	6,449,794	201,193	(51,050)	6,599,937
Intangible water rights	30,954,585	-	-	30,954,585
Utility property	250,974,407	20,013,452	-	270,987,859
Totals depreciable assets at historical cost	<u>326,860,967</u>	<u>20,273,163</u>	<u>(51,050)</u>	<u>347,083,080</u>
Less accumulated depreciation				
Buildings	(5,747,248)	(945,105)	-	(6,692,353)
Improvements	(4,400,527)	(465,177)	-	(4,865,704)
Machinery and equipment	(3,940,714)	(258,539)	33,900	(4,165,353)
Intangible water rights	(14,183,534)	(644,489)	-	(14,828,023)
Utility property	(111,601,031)	(7,773,735)	-	(119,374,766)
Total accumulated depreciation	<u>(139,873,054)</u>	<u>(10,087,045)</u>	<u>33,900</u>	<u>(149,926,199)</u>
Net depreciable assets	<u>186,987,913</u>	<u>10,186,118</u>	<u>(17,150)</u>	<u>197,156,881</u>
Business-type capital assets, net	<u>\$ 202,301,519</u>	<u>\$ 17,293,661</u>	<u>\$ (9,257,267)</u>	<u>\$ 210,337,913</u>

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	Balance at July 1, 2012	Additions	Deductions	Balance at June 30, 2013
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	(87,063)	(3,1595)	-	(118,658)
Totals accumulated depreciation	<u>(87,063)</u>	<u>(3,1595)</u>	<u>-</u>	<u>(118,658)</u>
Capital assets, depreciable net	213,432	(3,1595)	-	181,837
Capital assets, net	<u>\$ 313,882</u>	<u>\$ (3,1595)</u>	<u>-</u>	<u>\$ 282,287</u>
Edmond Economic Development and Redevelopment Authority:				
Depreciable:				
Machinery and equipment	\$ 37,822	\$ 1,951	\$ (1,291)	\$ 38,482
Totals at historical cost	<u>37,822</u>	<u>1,951</u>	<u>(1,291)</u>	<u>38,482</u>
Less accumulated depreciation:				
Machinery and equipment	(29,370)	(4,172)	995	(32,547)
Total accumulated depreciation	<u>(29,370)</u>	<u>(4,172)</u>	<u>995</u>	<u>(32,547)</u>
Capital assets, net	<u>\$ 8,452</u>	<u>\$ (2,221)</u>	<u>\$ (296)</u>	<u>\$ 5,935</u>

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

Depreciation expense charged to governmental activities:

General government	\$ 829,627
Public safety	1,175,741
Streets and highways	6,855,751
Culture and recreation	1,640,207
Health and welfare	254,938

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

Total governmental activities depreciation expense \$ 13,035,980

Depreciation expense charged to business-type activities:

Electric	\$ 2,777,962
Water	5,269,561
Sanitation	8,315
Wastewater	1,622,375
Arcadia Lake	213,563
Drainage	66,375
Golf Course	128,894

Total business-type activities depreciation expense \$ 10,087,045

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, 2013, 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	\$ 299,252
Non-current portion	<u>2,693,260</u>
Total Accrued Compensated Absences	<u><u>\$ 2,992,512</u></u>

Revenue Bonds Payable:

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.	13,035,000
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.	22,515,000
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.	10,970,000
2012 Refunding Series Sales Tax and Utility System Bonds, dated August 16, 2012, issued by the Edmond Public Works Authority, secured by utility revenues and pledged sales tax, interest rates at 2.06%, final maturity July 1, 2023. The bond's debt service is currently paid with the restricted sales tax.	13,030,000
2013 Series Sales Tax and Utility System Bonds, dated May 14, 2013, issued by the Edmond Public Works Authority, secured by utility revenues and pledged sales tax, interest rates at 1.68%, final maturity July 1, 2023. The bond's debt service is currently paid with the restricted sales tax.	<u>13,710,000</u>
Total Revenue Bonds Payable	\$ 73,260,000
Add: Unamortized Bond Premium	1,994,373
Less: Unamortized Loss on Refunding	<u>(696,561)</u>
Total Revenue Bonds Payable (Net)	<u><u>\$ 74,557,812</u></u>

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Current portion, net	\$ 5,855,000
Non-current portion, net	69,399,373
Deferred Outflow	<u>(696,561)</u>
Total Revenues Bonds Payable, net	<u>\$ 74,557,812</u>

Business-type Activities Long-Term Debt

As of June 30, 2013, 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.	\$ 775,000
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.	1,370,000
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.	10,240,000
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>30,015,000</u>
Total Revenues Bonds Payable	42,400,000
Plus: Unamortized Premium	878,658
Unamortized charge on refunding	<u>(1,061,097)</u>
Total Revenues Bonds Payable (Net of unamortized discount)	<u>\$ 42,217,561</u>
Current portion, net	\$ 4,435,000
Non-current portion, net	38,843,658
Deferred Outflow	<u>(1,061,097)</u>
Total Revenues Bonds Payable, net	<u>\$ 42,217,561</u>

Notes Payable:

2005 C Series 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, administrative fee of .5%, final maturity September 15, 2024.	\$ 2,197,670
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	5,506,310
2005 B Series Drinking Water SRF Promissory Note to the Oklahoma Water Resources Board,	

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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	5,342,277
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	2,155,422
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>2,689,703</u>
	<u>\$ 17,891,382</u>
Current portion	\$ 1,155,098
Non-current portion	<u>16,736,284</u>
Total Note Payable	<u>\$ 17,891,382</u>

Accrued Compensated Absences:

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

Current portion	\$ 57,314
Non-current portion	<u>515,904</u>
Total Accrued Compensated Absences	<u>\$573,218</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, 2013, are as follows:

Current portion	\$2,928
Non-current portion	<u>26,354</u>
Total Accrued Compensated Absences	<u>\$29,282</u>

CITY OF EDMOND, OKLAHOMA
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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, 2013:

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013	Amount due in one year
Governmental Activities :					
Revenue Bonds Payable	\$ 62,750,000	26,965,000	\$ 16,455,000	\$ 73,260,000	\$ 5,855,000
Accrued Compensated Absences	2,761,042	2,590,811	2,359,341	2,992,512	299,252
	<u>\$ 65,511,042</u>	<u>\$ 29,555,811</u>	<u>\$ 18,814,341</u>	<u>\$ 76,252,512</u>	<u>\$ 6,154,252</u>
Business-type Activities :					
Note Payable	\$ 19,010,890	\$ -	\$ 1,119,508	\$ 17,891,382	\$ 1,155,098
Revenue Bonds Payable	46,625,000	-	4,225,000	42,400,000	4,435,000
Accrued Compensated Absences	539,267	496,271	462,320	573,218	57,314
	<u>\$ 66,175,157</u>	<u>\$ 496,271</u>	<u>\$ 5,806,828</u>	<u>\$ 60,864,600</u>	<u>\$ 5,647,412</u>
Component Units :					
Accrued Compensated Absences	\$ 24,875	\$ 20,700	\$ 16,293	\$ 29,282	\$ 2,928

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, 2013 are as follows:

Year Ending June 30,	Governmental-Type Activities	
	Revenue Bonds Payable	
	Principal	Interest
2014	\$ 5,855,000	\$ 2,675,793
2015	6,075,000	2,462,553
2016	6,260,000	2,278,620
2017	6,455,000	2,083,578
2018	6,665,000	1,873,836
2019-2023	34,000,000	5,620,389
2024-2026	7,950,000	821,184
Total	<u>\$ 73,260,000</u>	<u>\$ 17,815,953</u>

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

Year Ending June 30,	Notes Payable		Revenue Bonds Payable	
	Principal	Interest	Principal	Interest
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	1,298,619	404,164	4,425,000	1,094,091
2019-2023	7,107,982	1,391,417	13,410,000	3,494,108
2024-2027	4,655,331	279,914	8,025,000	431,524
Total	<u>\$ 17,891,382</u>	<u>\$ 4,066,891</u>	<u>\$ 42,400,000</u>	<u>\$ 11,425,970</u>

Advanced Refunding

On August 16, 2012 the City issued \$13.255 million series 2012 Sales Tax and Utility Revenue Bonds with an interest rate of 2.06 percent to advance refund \$11,960,000 of outstanding 2003 Series Sales Tax and Utility Revenue Bonds with an average interest rate of 4.38 percent. The net proceeds of \$12,477,000 (after payment of \$213,609 of issuance cost and \$1,250,168 to a construction account) plus additional \$685,835 of 2012 Series fund monies were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2003 Series bonds. As a result, the 2003 Series bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$517,058. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2023 using the straight line method. The City completed the advance refunding to reduce its total debt service payments over the next ten years by \$1,272,796 and to obtain an economic gain (the difference between the present value of the old and new debt service payments) of \$1,161,072.

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, 2013</u>
Primary Government:	
Sales Tax and Utility Revenue Bonds, Series 2001	\$11,155,000
Sales Tax and Utility Revenue Bonds, Series 2003	11,960,000
Utility System Revenue Bonds, Series 1977	175,000
Utility System Revenue Bonds, Series 1998	11,200,000
Utility System Revenue Bonds, Series 1999	<u>19,810,000</u>
Total Outstanding Defeased Bonds	<u>\$54,300,000</u>

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

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, 2013:

	<u>Original Issue</u>	<u>Outstanding June 30, 2013</u>
EEDA - Student Housing Revenue Bonds 2001A (UCO Student Housing Foundation)	8,305,000	7,305,000
EEDA - Revenue Note 2000 (UCO Music Lab Project) (UCO Foundation)	<u>1,135,000</u>	<u>733,169</u>
	<u>\$9,440,000</u>	<u>\$8,038,169</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. 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.

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

3.F. INTERFUND BALANCES AND ACTIVITIES

Interfund receivables and payables at June 30, 2013 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	\$ 1,917	To reclassify A/R to correct funds	
Water Fund	Electric Fund	28,790	To reclassify A/R to correct funds	
Drainage Fund	Electric Fund	37,570	To reclassify A/R to correct funds	
Sanitation	Electric Fund	39,099	To reclassify A/R to correct funds	
Ambulatory Services Fund	Electric Fund	13,755	To reclassify A/R to correct funds	
Fire Public Safety	General Fund	909,893	To cover actual revenue transfer	
Police Public Safety	General Fund	1,116,135	To cover actual revenue transfer	
Forward Supply Fund	Hospital Trust Fund	1,000	To correct misposting	
Fleet Fund	Vehicle Maintenance Fund	425	To correct A/P misposting	
Asset Forfeiture Fund	Police Special Revenue Fund	1,044	To correct revenue posted to wrong fund	
Section 125 Fund	Employee Group Insurance Fund	10,046	To correct misposting	
Employee Group Insurance Fund	Section 125 Fund	15,113	To correct misposting	
Employee Group Insurance Fund	Administrative Support	12,380	To correct misposting	
General Fund	CDBG	48,082	To cover negative pooled cash	
Total		<u>\$ 2,235,249</u>		
		<u>Due From Other Funds</u>	<u>Due to Other Funds</u>	<u>Net Internal Balances</u>
Reconciliation to Fund Financial Statements:		<u>\$ 2,098,955</u>	<u>\$ 2,091,267</u>	<u>\$ 7,688</u>
Governmental Funds		108,376	121,131	(12,755)
Proprietary Funds		27,918	22,851	5,067
Internal Service Funds		<u>\$ 2,235,249</u>	<u>\$ 2,235,249</u>	<u>\$ -</u>
Total				
Reconciliation to Statement of Net Position:				
Net Internal Balances		\$ (12,755)		
Internal Service Fund Activity reported in Business-type Activities		6,171,067		
Net Internal Balance		<u>\$ 6,158,312</u>		

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

Interfund transfers for the year ended June 30, 2013 were as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Nature of Interfund Balance</u>
* PWA Electric	* General Fund	\$ 2,761,558	Budgeted annual operating transfer
* PWA Water	* General Fund	134,193	Budgeted annual operating transfer
PWA Sanitation	* General Fund	327,252	Budgeted annual operating transfer
* PWA Wastewater	* General Fund	155,211	Budgeted annual operating transfer
* PWA Water	* General Fund	31,356,757	Return of pledged sales tax
* Police Public Safety Limited Tax	Internal Service Fund	15,900	Capital assets
Asset Forfeiture-State Funds	Internal Service Fund	72,483	Capital assets
Asset Forfeiture-State Funds	Internal Service Fund	42,705	Capital assets
* PWA Electric	Edmond Economic Development Fund	50,000	Budgeted annual funding
* General Fund	Edmond Economic Development Fund	50,000	Budgeted annual funding
* General Fund	* PWA Water	31,356,757	Pledged sales tax- bond indenture
* General Fund	* Fire Public Safety Limited Tax	13,871,264	Dedicated sales tax- ordinance
* General Fund	* Police Public Safety Limited Tax	17,015,417	Dedicated sales tax- ordinance
* General Fund	Capital Improvement Fund	772,292	Budgeted annual funding
* General Fund	Art in Public Places	98,310	Funding for public art
* General Fund	PWA Arcadia Lake	474,616	Debt service payments
* General Fund	EECBG	54,953	Transfer for grant refund
* General Fund	Parks Special Events	3,000	Budgeted annual operating transfer
* 2000 Capital Improvement Fund	Real Property Fund	2,203,494	Funding for the purchase of real estate
Park Sales Tax Fund	* 2000 Capital Improvement Fund	35,000	Budgeted annual funding
Convention and Visitors Bureau	* General Fund	10,802	Payback from prior yr budget shortfall
Park Sales Tax Fund	Kickingbird Golf	100,000	Budgeted annual operating transfer
Park Sales Tax Fund	PWA Arcadia Lake	58,518	Capital assets
Real Property Fund	Hospital Trust Fund	940,000	Reimbursement from prior year transfer
		<u>\$ 101,960,482</u>	

* Denotes major fund

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

Reconciliation to fund financial statements:	Transfer to Other Funds	Transfers from Other Funds
Governmental Funds:		
General Fund	\$ 63,696,609	\$ 34,848,773
Fire Public Safety Limited Tax Fund	-	13,871,264
Police Public Safety Limit Tax Fund	-	17,015,417
Other Governmental Funds	3,289,296	4,104,049
Total Governmental Funds	<u>66,985,905</u>	<u>69,839,503</u>
Proprietary Funds:		
Enterprise Funds:		
Electric	2,811,558	-
Water	31,490,950	31,356,757
Wastewater	155,211	-
Other Enterprise Funds	327,252	574,616
Total Enterprise Funds	<u>34,784,971</u>	<u>31,931,373</u>
Totals	<u>\$ 101,770,876</u>	<u>\$ 101,770,876</u>

Reconciliation to Statement of Activities:	Transfer to Other Funds	Transfer from Other Funds	Transfer of Capital Assets	Net Transfers
Net transfers for governmental activities:				
Governmental Funds	\$ (66,985,905)	\$ 69,839,503	\$ (189,606)	\$ 2,663,992
Internal Service Funds	-	-	131,088	131,088
Total Net transfers for governmental activities	<u>\$ (66,985,905)</u>	<u>\$ 69,839,503</u>	<u>\$ (58,518)</u>	<u>\$ 2,795,080</u>
Net transfers for business-type activities:				
Enterprise Funds	\$ (34,784,971)	\$ 31,931,373	\$ 58,518	\$ (2,795,080)
Total Net transfers for business-type activities	<u>\$ (34,784,971)</u>	<u>\$ 31,931,373</u>	<u>\$ 58,518</u>	<u>\$ (2,795,080)</u>

Transfers between the primary government and component units for the year ended June 30, 2013 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Nature of Transfer</u>
PWA Electric	EEDA	\$ 470,000	Operating subsidy
General Fund	Historic Preservation Trust	30,000	Capital project

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

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:

Fund	Restricted By	Amount
Hospital Trust	Enabling legislation	\$ 8,062,541
Ambulatory Fund	Enabling legislation	290,514
		<u>\$ 8,353,055</u>
Asset Forfeiture	Statutory requirements	\$ 843,495
Cemetery Care Fund	Statutory requirements	102,513
		<u>\$ 946,008</u>
General Fund	External contracts	\$ 2,653,845
Fire Public Safety Limited Tax Fund	External contracts	8,996,218
Police Public Safety Limited Tax Fund	External contracts	5,453,435
2000 Capital Improvement Tax Fund	External contracts	40,613,106
CDBG Entitlement Fund	External contracts	376
Senior Center Fund	External contracts	226,257
Park Sales Tax Fund	External contracts	1,316,163
Art in Public Places Fund	External contracts	66,602
Roadway Improvement Fund	External contracts	10,199
1996 Capital Improvement Fund	External contracts	513,245
2012 Public Safety Center Tax Fund	External contracts	8,269,997
Convention and Visitors Bureau Fund	External contracts	62,453
		<u>\$ 68,181,896</u>

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

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

Fund Balance	Major Governmental Funds					Total
	General Fund	Fire Public Safety Tax	Police Public Safety Tax	2000 Capital Improvement Tax	Other Governmental Fund	
Restricted For:						
Police operations	-	-	5,453,435	-	-	5,453,435
Fire operations	-	8,996,218	-	-	-	8,996,218
Hospitals and trust	-	-	-	-	8,062,541	8,062,541
Ambulance services	-	-	-	-	290,514	290,514
Economic development	-	-	-	-	62,453	62,453
Capital improvements	-	-	-	40,613,106	8,783,242	49,396,348
Street improvements	-	-	-	-	10,199	10,199
Art in public places	-	-	-	-	66,602	66,602
Culture and rec programs	-	-	-	-	1,316,163	1,316,163
Cemetery improvements	-	-	-	-	102,513	102,513
Senior center programs	-	-	-	-	226,257	226,257
Police-drug programs	-	-	-	-	843,495	843,495
CDBG grant programs	-	-	-	-	376	376
Juvenile court programs	719,072	-	-	-	-	719,072
Street and alley operations	1,681,885	-	-	-	-	1,681,885
Transportation	8,690	-	-	-	-	8,690
Roadway widening	234,697	-	-	-	-	234,697
Sub-total restricted	2,644,344	8,996,218	5,453,435	40,613,106	19,764,355	77,471,458
Committed for:						
Senior center programs	-	-	-	-	7,352	7,352
Sub-total committed	-	-	-	-	7,352	7,352
Assigned for:						
Capital improvements	-	-	-	1,726,759	825,954	2,552,713
Culture and rec programs	881	-	-	-	173,613	174,494
Cemetery improvements	-	-	-	-	1,378	1,378
Art in public places	-	-	-	-	1,421	1,421
Street improvements	-	-	-	-	593	593
Police operations	-	-	208,927	-	-	208,927
Fire operations	-	208,994	-	-	-	208,994
Economic development	723,134	-	-	-	418,972	1,142,106
Police-drug programs	-	-	-	-	17,481	17,481
Senior center programs	-	-	-	-	4,503	4,503
Ambulance services	-	-	-	-	5,197	5,197
Supplement of next fiscal years budget	1,098,123	-	-	-	-	1,098,123
Sub-total assigned	1,822,138	208,994	208,927	1,726,759	1,449,112	5,415,930
Unassigned:	6,770,667	-	-	-	-	6,770,667
TOTAL FUND BALANCE	\$ 11,237,149	\$ 9,205,212	\$ 5,662,362	\$ 42,339,865	\$ 21,220,819	\$ 89,665,407

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
NOTES TO BASIC FINANCIAL STATEMENTS
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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, 2013

B. Trend Information

The state made on-behalf payments for the police pension system of \$964,429 and for the fire pension system of \$2,688,076. 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%
2013	\$1,064,437	100%	\$1,164,819	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, 2013, 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	7.97% (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
June 30, 2013

Plan Membership:

Non-vested active members	189
Fully vested active members	<u>256</u>
Total Active members	<u>445</u>
Non-active retired, beneficiaries, disabled and deferred vested participants	154
Total Plan Participants	<u>599</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, 2013, 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 increased slightly for the year ended June 30, 2013, as shown in the schedule below, based on the employer choosing to contribute 7.97% instead of the actuarial contribution percentage of 8.17%. See further explanation in paragraph D below.

Annual Required Contributions (ARC)	\$ 1,846,314
Interest on NPO	10,509
ARC Adjustment	(7,831)
Amortization Factor	<u>-</u>
Annual pension cost for 2013 plan year	1,848,992
Actual contributions made	<u>(1,822,720)</u>
Increase/(decrease) in net pension obligation	26,272
Beginning of year net pension obligation	<u>84,630</u>
End of year net pension obligation	<u><u>\$ 110,902</u></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. Due to the insignificant amount of net pension obligation, the face of the financial report does not reflect this liability.

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

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	10.1.1%	\$ 164,719
2012	\$ 1,800,573	104.6%	\$ 84,630
2013	\$ 1,848,992	98.6%	\$ 110,902

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>
7/1/13	\$56.3	\$59.0	\$2.7	95.4%	\$22.9	12.0%

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
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

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, 2013, approximately 35 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 2013, the City contributed \$188,856 to the plan. Plan members receiving benefits contributed \$408,206, or approximately 68% percent of the value of coverage, through their required contribution of \$457.68 per month for retiree-only Standard option coverage and \$1,096.53 for retiree and spouse medical Standard option coverage. Retirees have the option to upgrade to the Enhanced option through their required contribution of \$534.51 per month for retiree-only Enhanced option and \$1,277.56 for retiree and spouse Enhanced option. Retirees who elected Standard option dental coverage contributed \$39.05 for retiree only and \$86.96 for retiree and spouse coverage per month. Retirees have the option to Buy Up on their dental plan for an additional \$10.50 per month for retiree-only coverage or \$42.00 for retiree and spouse coverage per month. Retirees who elected vision coverage contributed \$7.01 for retiree only coverage and \$14.48 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, 2013:

Annual required contribution	\$	729,381
Interest on net OPEB obligation		17,736
Adjustment to annual required contribution		(150,055)
Annual OPEB cost (expense)		597,062
Contributions made		(188,856)
Increase in net OPEB obligation		408,206
Net OPEB obligation-beginning of year		1,302,641
Net OPEB obligation-end of year	\$	1,710,847

CITY OF EDMOND, OKLAHOMA
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June 30, 2013

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net unfunded OPEB obligation for 2013 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
6/30/2013	\$ 597,062	\$ 188,856	32%	\$ 1,710,847

Funded Status and Funding Progress. As of December 5, 2013, the most recent actuarial valuation date, the plan was 32 percent funded. The actuarial accrued liability for benefits was \$4.8 million, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$4.8 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 15 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.

Actuarial cost method	projected unit credit
Amortization method	level payments, open
Remaining amortization period	26 years
Inflation rate	3.0%
Asset valuation method	4.40%
Investments return	7.00%
Projected salary increases	N/A

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

Cost of living adjustments	N/A
Healthcare cost trend rate	5.00%

4.B. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee'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 \$10,000 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 Cannon Cochran Management Services, Inc.	City retains risk of loss for first \$450,000 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 Aetna and Sunlife.	Claims up to \$125,000 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, 2013, are as follows:

CITY OF EDMOND, OKLAHOMA
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June 30, 2013

	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	\$ 1,264,000	\$ 478,057	\$ 747,000	\$ 2,489,057
Claims and changes in estimates	621,902	7,501,780	109,169	8,232,851
Claims payments	(669,902)	(7,235,319)	(85,169)	(7,990,390)
Claim liability, June 30, 2013	<u>\$ 1,216,000</u>	<u>\$ 744,518</u>	<u>\$ 771,000</u>	<u>\$ 2,731,518</u>
Reconciliation to Statement of Net Assets:				
Current portion				\$ 1,272,389
Noncurrent portion				1,459,129
Total				<u>\$ 2,731,518</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, 2013, the City had awarded construction contracts totaling \$45,105,156 for various City and EPWA projects and of this amount, \$17,621,783 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.

Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27*. GASB No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and pension expenses. GASB No. 68 also details the recognition and disclosure requirements for employers with liabilities to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. Defined benefit pensions are further classified by GASB No. 68 as single employer plans, agent employer plans and cost-sharing plans, and recognition and disclosure requirements are addressed for each classification. GASB No. 68 was issued in June 2013, and the City has not yet determined the impact that implementation of GASB No. 68 will have on its net position. The Statement is effective for fiscal years ended June 30, 2015.

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Operations*. Government Combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The distinction between a government merger and a government acquisition is based upon whether an exchange of significant consideration is present within the combination transaction. This Statement requires measurement of assets acquired and liabilities assumed. The requirements of this Statement are effective for periods beginning after December 15, 2013 and should be applied on a prospective basis.

In April, 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchanges Financial Guarantees*. Some governments extend financial guarantees for obligations of another government, a not-for-profit entity, or a private entity without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). As part of this nonexchange financial guarantee, a government commits to indemnify the holder of the obligation if the entity that issued the obligation does not fulfill its payment requirements. The provisions of this Statement are effective for reporting periods beginning after June 15, 2013.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* (an amendment of GASB No. 68). The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. The provisions of this Statement should be applied simultaneously with the provisions of Statement 68.

4.E. ECONOMIC DEVELOPMENT

The City has entered into an agreement with the Edmond Public Schools (EPS) and the Greater Oklahoma City YMCA for the construction and subsequent operation of a recreation center and competitive swimming pool facility located in Mitch Park in the City of Edmond. The City incurs the initial expenditure and then seeks reimbursement from the other parties up to limits established in the agreement. Upon completion, the YMCA will manage and operate the recreation center, while maintenance of the facility is shared among the parties as defined in the agreement. State law requires ownership of the competitive swimming pool to be with EPS and therefore these costs will not be reflected by the City. Under terms on the agreement, the YMCA will lease the recreation facility from the City for twenty years, with options to renew for two additional ten year periods. Rental

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

payments from the YMCA are made to the City by way of reimbursing the City for the YMCA's share of construction costs which are generally paid to the City as costs are incurred by the City, providing an immediate source of financing for the construction costs of the facility. For financial accounting purposes, the City accounts for the lease as an operating lease. As of June 30, 2013, aggregate costs incurred amounted to \$18,844,256 and reimbursements received or accrued (see Note 3.B.) from the YMCA and EPS totaled \$4,684,595 and \$8,302,649, respectively. At the fund level, these reimbursements have been netted against the capital expenditures in the 2000 Capital Improvement Fund. In the City's Governmental Activities, amounts received or accrued to the City by the YMCA have been capitalized as construction costs and an off-setting deferred liability, which will be amortized into income over the life of the lease upon placing the asset into service.

The City is also party to multiple agreements for the purpose of developing the Interstate 35 corridor within its city limits. In fiscal 2012, the City purchased land along the corridor for \$2.2 million for the development of a hotel and conference center. Subsequently, the City entered into a development agreement and committed to pay \$4.8 million towards the cost of constructing the conference center. The developer is responsible for financing the cost of the related hotel and expenditures for the Conference Center that exceed \$4.8 million. Rental payments to the City for the use of the underlying land are one dollar a year. No City funds are to be used in the construction of the hotel, and it will be privately owned and managed. Based on terms of the contract, the developer may purchase the land and conference center from the City for \$7 million at any time. Alternatively, the City has the right to require the developer to purchase the land and conference center for \$7 million on the fifteenth anniversary date of its opening. Management of the conference center has been contracted to a third party. In return, the City will pay the manager a monthly management fee as defined in the agreement. Necessary infrastructure improvements will be funded by the City up to \$2 million. Any costs in excess of this amount will be agreed to by the City and the developer and funded entirely by the developer. Additionally, the City purchased additional land along the corridor in a separate transaction during the year for \$2 million for the purpose of developing a sports complex. A ground lease agreement was entered into with a tenant, who will construct the facilities. The tenant agrees to pay the City monthly rentals of \$5,000 for the land for thirty years. The tenant has the right to purchase the land for \$2 million at any time. Alternatively, the City has the right to require the tenant to purchase the land for \$2 million on the fifteenth anniversary date of its opening. Both projects have established timelines and benchmarks for completion that must be met by the various parties, subject to extension by the City and the various parties. Management has determined that although the City has the ability to require the various parties to buy the above mentioned facilities under the terms disclosed above, these terms are not within the normal and customary practices of the City, and therefore other than normal credit risks are involved, the City will classify these agreements as operating leases and no additional provisions have been recorded in the accompanying financial statements because of these agreements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EDMOND, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 For the fiscal year ended June 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
TAXES:				
Sales tax	\$ 28,238,214	\$ 30,264,244	\$ 31,310,814	\$ 1,046,570
Use tax	2,806,010	2,806,010	3,092,764	286,754
Franchise	2,258,967	2,258,967	2,157,871	(101,096)
Hotel/motel tax	378,000	378,000	-	(378,000)
Liquor tax	38,144	38,144	41,617	3,473
Total Taxes	\$ 33,719,335	\$ 35,745,365	\$ 36,603,066	\$ 857,701
INTERGOVERNMENTAL:				
Grant revenues	\$ 84,290	\$ 245,383	\$ 679,640	\$ 434,257
Alcoholic beverage	111,736	111,736	124,764	13,028
Cigarette tax	640,051	640,051	750,108	110,057
Vehicle tax	504,502	504,502	593,038	88,536
Gasoline tax	144,770	144,770	152,221	7,451
Total Intergovernmental	\$ 1,485,349	\$ 1,646,442	\$ 2,299,771	\$ 653,329
CHARGES FOR SERVICES:				
Swimming pool fees	\$ 449,522	\$ 449,522	\$ 408,967	\$ (40,555)
Recreational program fees	60,068	60,068	39,746	(20,322)
Right-of-Way Fees	4,870,462	4,870,462	4,870,461	(1)
Cemetery fees	121,607	121,607	158,006	36,399
Curb cut fees	7,724	7,724	11,670	3,946
Animal welfare fees	47,355	47,355	41,428	(5,927)
Filing fees	40,042	40,042	63,894	23,852
911 fees	48,487	48,487	39,704	(8,783)
Transportation fees	191,000	191,000	200,437	9,437
Miscellaneous charges	5,196	5,196	11,401	6,205
Total Charges for Services	\$ 5,841,463	\$ 5,841,463	\$ 5,845,714	\$ 4,251
FINES AND FORFEITURES	\$ 2,178,336	\$ 2,178,336	\$ 2,053,931	\$ (124,405)
LICENSES AND PERMITS	\$ 1,174,787	\$ 1,174,787	\$ 1,389,282	\$ 214,495
INVESTMENT INCOME	\$ 60,000	\$ 60,000	\$ 53,045	\$ (6,955)
MISCELLANEOUS	\$ 230,650	\$ 230,650	\$ 291,656	\$ 61,006
TOTAL REVENUES	\$ 44,689,920	\$ 46,877,043	\$ 48,536,465	\$ 1,659,422
OTHER FINANCING SOURCES:				
Transfers from other funds	\$ 31,634,589	\$ 34,275,139	\$ 34,745,773	\$ 470,634
Total Other Financing Sources	\$ 31,634,589	\$ 34,275,139	\$ 34,745,773	\$ 470,634
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 76,324,509	\$ 81,152,182	\$ 83,282,238	\$ 2,130,056

(Continued)

CITY OF EDMOND, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the fiscal year ended June 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES				
General Government:				
General:				
Other services and charges	\$ 235,000	\$ 554,550	\$ 541,137	\$ 13,413
Capital outlay	-	80,450	49,231	31,219
Total General	<u>\$ 235,000</u>	<u>\$ 635,000</u>	<u>\$ 590,368</u>	<u>\$ 44,632</u>
City Council:				
Personal services	\$ 24,545	\$ 24,545	\$ 24,544	\$ 1
Materials and supplies	6,100	6,100	1,340	4,760
Other services and charges	119,950	119,950	76,431	43,519
Total City Council	<u>\$ 150,595</u>	<u>\$ 150,595</u>	<u>\$ 102,315</u>	<u>\$ 48,280</u>
Municipal Court:				
Personal services	\$ 686,370	\$ 686,370	\$ 662,299	\$ 24,071
Materials and supplies	19,540	19,540	11,954	7,586
Other services and charges	168,103	170,200	111,760	58,440
Capital outlay	-	-	-	-
Total Judicial	<u>\$ 874,013</u>	<u>\$ 876,110</u>	<u>\$ 786,013</u>	<u>\$ 90,097</u>
Edmond-Guthrie Regional Airport:				
Other services and charges	\$ 152,864	\$ 247,674	\$ 73,549	\$ 174,125
Cemetery:				
Personal services	\$ 116,895	\$ 117,695	\$ 117,684	\$ 11
Materials and supplies	11,010	11,010	10,643	367
Other services and charges	42,510	41,710	29,793	11,917
Capital outlay	-	-	-	-
Total Cemetery	<u>\$ 170,415</u>	<u>\$ 170,415</u>	<u>\$ 158,120</u>	<u>\$ 12,295</u>
Planning and Zoning:				
Personal services	\$ 547,877	\$ 547,877	\$ 518,269	\$ 29,608
Materials and supplies	5,905	5,905	4,982	923
Other services and charges	25,931	25,931	17,181	8,750
Capital outlay	-	-	-	-
Total Planning and Zoning	<u>\$ 579,713</u>	<u>\$ 579,713</u>	<u>\$ 540,432</u>	<u>\$ 39,281</u>
Downtown Community Center:				
Personal services	\$ 58,812	\$ 58,812	\$ 54,765	\$ 4,047
Materials and supplies	7,385	7,385	4,285	3,100
Other services and charges	60,175	60,175	24,618	35,557
Capital outlay	-	-	-	-
Total Downtown Community Center	<u>\$ 126,372</u>	<u>\$ 126,372</u>	<u>\$ 83,668</u>	<u>\$ 42,704</u>
TOTAL GENERAL GOVERNMENT	<u>\$ 2,288,972</u>	<u>\$ 2,785,879</u>	<u>\$ 2,334,465</u>	<u>\$ 451,414</u>
ECONOMIC DEVELOPMENT:				
CityLink:				
Personal services	\$ 31,022	\$ 31,022	\$ 21,425	\$ 9,597
Materials and supplies	70,700	126,400	126,378	22
Other services and charges	1,127,344	1,227,197	1,216,949	10,248
Capital outlay	-	-	-	-
Total CityLink	<u>\$ 1,229,066</u>	<u>\$ 1,384,619</u>	<u>\$ 1,364,752</u>	<u>\$ 19,867</u>
Community Image:				
Personal services	\$ 545,606	\$ 545,606	\$ 528,240	\$ 17,366
Materials and supplies	56,236	56,236	49,337	6,899
Other services and charges	140,400	160,300	136,961	23,339
Capital outlay	-	-	-	-
Total Community Image	<u>\$ 742,242</u>	<u>\$ 762,142</u>	<u>\$ 714,538</u>	<u>\$ 47,604</u>
TOTAL ECONOMIC DEVELOPMENT	<u>\$ 1,971,308</u>	<u>\$ 2,146,761</u>	<u>\$ 2,079,290</u>	<u>\$ 67,471</u>

(Continued)

CITY OF EDMOND, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 For the fiscal year ended June 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
PUBLIC SAFETY:				
Emergency Management:				
Personal services	\$ 185,232	\$ 185,232	\$ 184,099	\$ 1,133
Materials and supplies	25,747	31,287	11,115	20,172
Other services and charges	107,450	107,450	32,271	75,179
Capital outlay	-	-	-	-
Total Emergency Management	\$ 318,429	\$ 323,969	\$ 227,485	\$ 96,484
Building Department:				
Personal services	\$ 994,587.0	\$ 994,587.0	\$ 945,725.0	\$ 48,862.0
Materials and supplies	38,815	38,815	31,198	7,617
Other services and charges	54,690	54,690	47,664	7,026
Capital outlay	-	-	-	-
Total Building Department	\$ 1,088,092	\$ 1,088,092	\$ 1,024,587	\$ 63,505
TOTAL PUBLIC SAFETY	\$ 1,406,521	\$ 1,412,061	\$ 1,252,072	\$ 159,989
STREETS AND HIGHWAYS:				
Materials and supplies	\$ -	\$ -	\$ -	\$ -
Other services and charges	-	-	-	-
Capital outlay	649,272	885,272	350,018	535,254
TOTAL STREETS AND HIGHWAYS	\$ 649,272	\$ 885,272	\$ 350,018	\$ 535,254
OUTSIDE AGENCIES:				
Materials and supplies	\$ -	\$ -	\$ -	\$ -
Other services and charges	557,500	557,500	544,244	13,256
TOTAL OUTSIDE AGENCIES	\$ 557,500	\$ 557,500	\$ 544,244	\$ 13,256
PARKS AND RECREATION:				
Parks and Recreation:				
Personal services	\$ 1,248,893	\$ 1,248,893	\$ 1,137,201	\$ 111,692
Material and supplies	260,450	245,950	216,453	29,497
Other services and charges	732,865	777,365	623,806	153,559
Capital outlay	-	14,500	-	14,500
Total Parks and Recreation	\$ 2,242,208	\$ 2,286,708	\$ 1,977,460	\$ 309,248
Senior Center:				
Personal services	\$ 286,584	\$ 286,584	\$ 281,551	\$ 5,033
Materials and supplies	15,350	15,350	12,325	3,025
Other services and charges	63,700	63,700	37,970	25,730
Capital outlay	-	-	-	-
Total Senior Citizens	\$ 365,634	\$ 365,634	\$ 331,846	\$ 33,788
Festival Marketplace:				
Personal services	\$ 6,352	\$ 3,857	\$ 3,857	\$ -
Materials and supplies	2,220	1,870	217	1,653
Other services and charges	21,875	24,720	24,717	3
Capital outlay	-	-	-	-
Total Festival Marketplace	\$ 30,447	\$ 30,447	\$ 28,791	\$ 1,656
Historical Society:				
Personal services	\$ -	\$ -	\$ -	\$ -
Materials and supplies	1,000	1,000	582	418
Other services and charges	255,000	255,000	249,615	5,385
Capital outlay	-	-	-	-
Total Historical Society	\$ 256,000	\$ 256,000	\$ 250,197	\$ 5,803
TOTAL PARKS AND RECREATION	\$ 2,894,289	\$ 2,924,289	\$ 2,588,294	\$ 335,995
TOTAL EXPENDITURES	\$ 9,767,862	\$ 10,711,762	\$ 9,148,383	\$ 1,563,379
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	\$ (67,681,158)	\$ (72,703,330)	\$ (72,657,994)	\$ 45,336
Total Other Financing Uses	\$ (67,681,158)	\$ (72,703,330)	\$ (72,657,994)	\$ 45,336
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 77,449,020	\$ 83,415,092	\$ 81,806,380	\$ 1,608,712
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES				
	\$ (1,124,511)	\$ (2,262,910)	\$ 1,475,858	\$ 3,738,768

CITY OF EDMOND, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 MAJOR SPECIAL REVENUE FUNDS
 FIRE PUBLIC SAFETY LIMITED TAX FUND
 For the fiscal year ended June 30, 2013

FIRE PUBLIC SAFETY LIMITED TAX FUND				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 3,521,655	\$ 3,521,655	\$ 3,913,851	\$ 392,196
Intergovernmental	-	40,000	41,510	1,510
Charges for services	6,000	6,000	6,000	-
Investment income	50,000	50,000	25,533	(24,467)
Miscellaneous	25,941	25,941	27,557	1,616
Total Revenues	3,603,596	3,643,596	4,014,451	370,855
EXPENDITURES:				
Public Safety:				
Personal services	13,185,881	13,139,131	12,424,507	714,624
Materials and supplies	772,750	780,135	780,114	21
Other services and charges	600,250	622,520	420,253	202,267
Capital outlay	407,000	472,750	171,340	301,410
Total Public Safety	14,965,881	15,014,536	13,796,214	1,218,322
Total Expenditures	14,965,881	15,014,536	13,796,214	1,218,322
Revenues over (under) expenditures	(11,362,285)	(11,370,940)	(9,781,763)	1,589,177
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	12,961,371	12,961,371	13,871,264	909,893
Transfers to other funds	(2,542,487)	(2,582,487)	(2,579,895)	2,592
Total other financing sources (uses)	10,418,884	10,378,884	11,291,369	912,485
Revenues and other sources over (under) expenditures and other uses	\$ (943,401)	\$ (992,056)	\$ 1,509,606	\$ 2,501,662

CITY OF EDMOND, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 MAJOR SPECIAL REVENUE FUNDS
 POLICE PUBLIC SAFETY LIMITED TAX FUND
 For the fiscal year ended June 30, 2013

POLICE PUBLIC SAFETY LIMITED TAX FUND				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 1,760,329	\$ 1,760,329	\$ 1,956,926	\$ 196,597
Intergovernmental	-	74,215	150,655	76,440
Charges for services	1,144	1,144	2,000	856
Investment income	25,000	25,000	15,683	(9,317)
Miscellaneous	30,736	30,736	81,958	51,222
Total Revenues	1,817,209	1,891,424	2,207,222	315,798
EXPENDITURES:				
Public Safety:				
Personal services	13,783,677	13,824,677	13,477,849	346,828
Materials and supplies	781,375	804,178	656,486	147,692
Other services and charges	513,625	529,206	318,914	210,292
Capital outlay	-	922,768	581,537	341,231
Total Public Safety	15,078,677	16,080,829	15,034,786	1,046,043
Total Expenditures	15,078,677	16,080,829	15,034,786	1,046,043
Revenues over (under) expenditures	(13,261,468)	(14,189,405)	(12,827,564)	1,361,841
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	15,899,282	15,899,282	17,015,417	1,116,135
Transfers to other funds	(3,927,467)	(3,927,467)	(3,883,278)	44,189
Total other financing sources (uses)	11,971,815	11,971,815	13,132,139	1,160,324
Revenues and other sources over (under) expenditures and other uses	\$ (1,289,653)	\$ (2,217,590)	\$ 304,575	\$ 2,522,165

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, 2013

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	\$ 48,547,708	\$ -	\$ -	\$ (11,243)	\$ 48,536,465
Transfers In	34,848,773	-	-	(103,000)	34,745,773
Total Revenues and Other Financing Sources	<u>83,396,481</u>	<u>-</u>	<u>-</u>	<u>(114,243)</u>	<u>83,282,238</u>
Total Expenditures	18,117,879	(8,961,385)	-	(8,108)	9,148,386
Transfers Out	63,696,609	8,961,385	-	-	72,657,994
Total Expenditures and Other Financing Uses	<u>81,814,488</u>	<u>-</u>	<u>-</u>	<u>(8,108)</u>	<u>81,806,380</u>
Net Changes in Fund Balance	<u>\$ 1,581,993</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (106,135)</u>	<u>\$ 1,475,858</u>
Fire Public Safety Limited Tax Fund:					
Total Revenues	\$ 6,702,527	\$ -	\$ (2,688,076)	\$ -	\$ 4,014,451
Transfers In	13,871,264	-	-	-	13,871,264
Total Revenues and Other Financing Sources	<u>20,573,791</u>	<u>-</u>	<u>(2,688,076)</u>	<u>-</u>	<u>17,885,715</u>
Total Expenditures	19,064,185	(2,579,895)	(2,688,076)	-	13,796,214
Transfers Out	-	2,579,895	-	-	2,579,895
Total Expenditures and Other Financing Uses	<u>19,064,185</u>	<u>-</u>	<u>(2,688,076)</u>	<u>-</u>	<u>16,376,109</u>
Net Change in Fund Balance	<u>\$ 1,509,606</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,509,606</u>
Police Public Safety Limited Tax Fund:					
Total Revenues	\$ 3,171,651	\$ -	\$ (964,429)	\$ -	\$ 2,207,222
Transfers In	17,015,417	-	-	-	17,015,417
Total Revenues and Other Financing Sources	<u>20,187,068</u>	<u>-</u>	<u>(964,429)</u>	<u>-</u>	<u>19,222,639</u>
Total Expenditures	19,882,493	(3,883,278)	(964,429)	-	15,034,786
Transfers Out	-	3,883,278	-	-	3,883,278
Total Expenditures and Other Financing Uses	<u>19,882,493</u>	<u>-</u>	<u>(964,429)</u>	<u>-</u>	<u>18,918,064</u>
Net Change in Fund Balance	<u>\$ 304,575</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 304,575</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, 2013

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%
7/1/13	\$56.3	\$59.0	\$2.7	95.4%	\$22.9	12.0%

II. Schedule of Employer Contributions

Fiscal Year	Annual Required Contribution	Percentage Contributed
2003	\$718,263	100%
2004	\$928,405	100%
2005	\$1,132,233	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	\$1,800,573	104.6%
2013	\$1,848,992	98.6%

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, 2013 is \$56,730,704.
- (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, 2010	July 1, 2011	July 1, 2012	July 1, 2013
Actuarial accrued liability - AAL (a)	\$ 3,770,440	\$ 4,239,856	\$ 4,800,000	\$ 4,854,278
Actuarial value of plan assets (b)	0	0	0	0
Unfunded actuarial accrued liability- UAAL (funding excess) (a)-(b)	3,770,440	4,239,856	4,800,000	4,854,278
Funded ratio (b)/(a)	0%	0%	0%	0%
Covered payroll (c)	\$ 33,132,000	\$ 31,860,000	\$ 31,800,000	\$32,300,000
UAAL (funding excess) as a % of covered payroll [UAAL/(c)]	11%	13%	15%	15%

OTHER SUPPLEMENTARY INFORMATION

CITY OF EDMOND, OKLAHOMA
NONMAJOR GOVERNMENTAL FUNDS

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, 2013

	<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	\$ 1,166,929	\$ 113,862	\$ 139	\$ 1,280,930
Investments	6,352,487	607,702	740	6,960,929
Due from other funds	58,128	-	-	58,128
Due from other governments	5,507,081	-	-	5,507,081
Accrued interest receivable	19,810	1,895	2	21,707
Other receivables	1,033,984	-	-	1,033,984
Total assets	<u>14,138,419</u>	<u>723,459</u>	<u>881</u>	<u>14,862,759</u>
LIABILITIES				
Accounts payable	336,142	-	-	336,142
Due to other funds	2,041,141	-	-	2,041,141
Deferred revenue	229,179	-	-	229,179
Amounts held in escrow	606,277	-	-	606,277
Total liabilities	<u>3,212,739</u>	<u>-</u>	<u>-</u>	<u>3,212,739</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	412,546	325	-	412,871
Total deferred inflows of resources	<u>412,546</u>	<u>325</u>	<u>-</u>	<u>412,871</u>
FUND BALANCES				
Restricted	2,644,344	-	-	2,644,344
Assigned	1,099,004	723,134	-	1,822,138
Unassigned	6,769,786	-	881	6,770,667
Total fund balances	<u>10,513,134</u>	<u>723,134</u>	<u>881</u>	<u>11,237,149</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,138,419</u>	<u>\$ 723,459</u>	<u>\$ 881</u>	<u>\$ 14,862,759</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 Ending June 30, 2013

	General Fund	Edmond Electric Economic Development	Park Special Events	Total General Fund
REVENUES				
Sales and use taxes	\$ 34,403,578	\$ -	\$ -	\$ 34,403,578
Franchise and public service taxes	2,199,488	-	-	2,199,488
Hotel/motel taxes	-	-	-	-
Intergovernmental	2,299,771	-	-	2,299,771
Charges for services	5,845,714	-	4,877	5,850,591
Fines and forfeitures	2,053,931	-	-	2,053,931
Licenses and permits	1,389,282	-	-	1,389,282
Investment income	53,045	1,877	1	54,923
Miscellaneous	291,656	-	4,488	296,144
Total revenues	<u>48,536,465</u>	<u>1,877</u>	<u>9,366</u>	<u>48,547,708</u>
EXPENDITURES				
Current:				
General government	5,002,061	96	-	5,002,157
Public safety	2,340,481	-	-	2,340,481
Health and welfare	1,889,896	-	-	1,889,896
Culture, parks and recreation	4,127,364	-	8,012	4,135,376
Streets and highways	4,350,720	-	-	4,350,720
Capital outlay	399,249	-	-	399,249
Total expenditures	<u>18,109,771</u>	<u>96</u>	<u>8,012</u>	<u>18,117,879</u>
Excess (deficiency) of revenues over expenditures	<u>30,426,694</u>	<u>1,781</u>	<u>1,354</u>	<u>30,429,829</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	34,745,773	100,000	3,000	34,848,773
Transfers out	<u>(63,696,609)</u>	<u>-</u>	<u>-</u>	<u>(63,696,609)</u>
Total other financing sources and uses	<u>(28,950,836)</u>	<u>100,000</u>	<u>3,000</u>	<u>(28,847,836)</u>
Net change in fund balances	1,475,858	101,781	4,354	1,581,993
Fund balances at beginning of year	<u>9,037,276</u>	<u>621,353</u>	<u>(3,473)</u>	<u>9,655,156</u>
Fund balances at end of year	<u>\$ 10,513,134</u>	<u>\$ 723,134</u>	<u>\$ 881</u>	<u>\$ 11,237,149</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, 2013

	EDMOND ELECTRIC ECONOMIC DEVELOPMENT			PARKS SPECIAL EVENTS FUND		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	6,050	4,877	(1,173)
Investment income	4,000	1,877	(2,123)	-	1	1
Miscellaneous	-	-	-	12,000	4,488	(7,512)
Total Revenues	4,000	1,877	(2,123)	18,050	9,366	(8,684)
Expenditures:						
General Government:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	300	96	204	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total General Government	300	96	204	-	-	-
Public Safety:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Parks and Recreation:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	8,550	1,387	7,163
Other service and charges	-	-	-	9,500	6,625	2,875
Capital outlay	-	-	-	-	-	-
Total Parks and Recreation	\$ -	\$ -	\$ -	\$ 18,050	\$ 8,012	\$ 10,038
Street:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Street	-	-	-	-	-	-
Total Expenditures	300	96	204	18,050	8,012	10,038
Revenues over (under) expenditures	\$ 3,700	\$ 1,781	\$ (1,919)	\$ -	\$ 1,354	\$ 1,354
Other financing sources (uses):						
Proceeds from revenue bonds	-	-	-	-	-	-
Premium on revenue bonds	-	-	-	-	-	-
Transfers from other funds	100,000	100,000	-	3,000	3,000	-
Transfers to other funds	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	103,700	101,781	(1,919)	3,000	4,354	1,354
Fund Balance-beginning of year	621,353	621,353	-	3,473	(3,473)	(6,946)
Fund Balance -end of year	\$ 725,053	\$ 723,134	\$ (1,919)	\$ 6,473	\$ 881	\$ (5,592)

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.

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 revenues that the City collects. 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.

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.

(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.

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.

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.

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 31st, 2017.

City of Edmond, Oklahoma
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

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	\$ -	\$ 63,335	\$ 144,868	\$ 38,014	\$ -	\$ 6,064	\$ 804,677	\$ 37,042
Investments	-	338,037	773,188	202,887	-	32,361	7,220,153	197,703
Due from other funds	-	-	1,044	-	-	-	-	13,755
Due from other governments	79,198	-	-	-	-	101	39,123	-
Accrued interest receivable	-	1,054	2,411	633	-	49,811	-	617
Other receivable	-	-	-	-	-	88,337	-	46,700
Total assets	79,198	402,426	921,511	241,534	-	88,337	8,063,953	295,817
LIABILITIES								
Accounts payable	30,740	-	60,121	3,313	-	9,140	-	-
Due to other funds	48,082	-	-	-	-	-	1,000	-
Deferred revenue	-	-	-	-	-	-	-	-
Total liabilities	78,822	-	60,121	3,313	-	9,140	1,000	-
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	-	181	414	109	-	17	412	106
Total deferred inflows of resources	-	181	414	109	-	17	412	106
FUND BALANCES								
Restricted	376	-	843,495	226,257	-	62,453	8,062,541	290,514
Committed	-	-	-	7,352	-	-	-	-
Assigned	-	402,245	17,481	4,503	-	16,727	-	5,197
Total fund balances	376	402,245	860,976	238,112	-	79,180	8,062,541	295,711
Total liabilities, deferred inflows of resources, and fund balances	\$ 79,198	\$ 402,426	\$ 921,511	\$ 241,534	\$ -	\$ 88,337	\$ 8,063,953	\$ 295,817

City of Edmond, Oklahoma
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

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	\$ 16,359	\$ 190,319	\$ 11,660	\$ 120,557	\$ 1,699	\$ 97,646	\$ 1,122,835	\$ 2,655,075
Investments	87,307	1,015,770	62,232	643,442	9,070	521,161	5,992,811	17,096,122
Due from other funds	-	-	-	-	-	-	-	14,799
Due from other governments	-	291,545	-	-	-	-	1,166,181	1,536,924
Accrued interest receivable	272	3,168	194	2,007	28	1,625	18,688	69,921
Other receivable	-	-	-	-	-	-	-	96,511
Total assets	<u>103,938</u>	<u>1,500,802</u>	<u>74,086</u>	<u>766,006</u>	<u>10,797</u>	<u>620,432</u>	<u>8,300,515</u>	<u>21,469,352</u>
LIABILITIES								
Accounts payable	-	10,483	6,030	-	-	68,928	5,000	193,755
Due to other funds	-	-	-	-	-	-	-	49,082
Deferred revenue	-	-	-	-	-	-	-	-
Total liabilities	-	<u>10,483</u>	<u>6,030</u>	-	-	<u>68,928</u>	<u>5,000</u>	<u>242,837</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	47	543	33	344	5	279	3,206	5,696
Total deferred inflows of resources	<u>47</u>	<u>543</u>	<u>33</u>	<u>344</u>	<u>5</u>	<u>279</u>	<u>3,206</u>	<u>5,696</u>
FUND BALANCES								
Restricted	102,513	1,316,163	66,602	-	10,199	513,245	8,269,997	19,764,355
Committed	-	-	-	-	-	-	-	7,352
Assigned	1,378	173,613	1,421	765,662	593	37,980	22,312	1,449,112
Total fund balances	<u>103,891</u>	<u>1,489,776</u>	<u>68,023</u>	<u>765,662</u>	<u>10,792</u>	<u>551,225</u>	<u>8,292,309</u>	<u>21,220,819</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 103,938</u>	<u>\$ 1,500,802</u>	<u>\$ 74,086</u>	<u>\$ 766,006</u>	<u>\$ 10,797</u>	<u>\$ 620,432</u>	<u>\$ 8,300,515</u>	<u>\$ 21,469,352</u>

City of Edmond, Oklahoma
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2013

	SPECIAL REVENUE FUNDS									
	CDBG Entitlement Fund	Real Property Fund	Asset Forfeiture Fund	Senior Center Fund	EECBG Grant	Convention and Visitor's Bureau Fund	Hospital Sale Trust Fund	Ambulatory Service Fund		
REVENUES										
Sales and use taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel/motel taxes	-	-	-	-	-	421,979	-	-	-	-
Intergovernmental	423,232	-	-	-	20,410	-	-	-	-	-
Charges for services	-	-	-	1,537	-	-	-	-	935,525	-
Investment earnings	-	3,799	2,496	648	-	204	26,197	-	587	-
Miscellaneous	-	-	187,508	54,000	-	19,338	-	-	-	-
Total revenues	423,232	3,799	190,004	56,185	20,410	441,521	26,197	-	936,112	-
EXPENDITURES										
Current:										
General government	423,231	43	-	-	54,307	362,195	2,000	-	-	-
Public safety	-	-	66,665	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	1,019,382	-
Culture, parks and recreation	-	-	-	52,657	-	-	-	-	-	-
Capital outlay	-	869,326	213,405	-	40,848	-	-	-	-	-
Total expenditures	423,231	869,369	280,070	52,657	95,155	362,195	2,000	-	1,019,382	-
Excess (deficiency) of revenues over expenditures	1	(865,570)	(90,066)	3,528	(74,745)	79,326	24,197	-	(83,270)	-
OTHER FINANCING SOURCES (USES)										
Transfers in	-	2,203,494	-	-	54,953	-	940,000	-	-	-
Transfers out	-	(940,000)	-	-	-	(10,802)	-	-	-	-
Total other financing sources and uses	-	1,263,494	-	-	54,953	(10,802)	940,000	-	-	-
Net change in fund balances	1	397,924	(90,066)	3,528	(19,792)	68,524	964,197	-	(83,270)	-
Fund balances - beginning	375	4,321	951,042	234,584	19,792	10,656	7,098,344	-	378,981	-
Fund balances - ending	376	402,245	860,976	238,112	-	79,180	8,062,541	-	295,711	-

City of Edmond, Oklahoma
 Combining Statement of Revenues, Expenditures and Change in Fund Balance
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2013

	CAPITAL PROJECT FUNDS							Total Governmental 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	
REVENUES								
Sales and use taxes	\$ -	\$ 1,956,926	\$ -	\$ -	\$ -	\$ -	\$ 7,827,702	\$ 9,784,628
Hotel/motel taxes	-	-	-	-	-	-	-	421,979
Intergovernmental	-	-	-	-	-	-	-	443,642
Charges for services	20,694	-	-	-	-	-	-	957,756
Investment earnings	258	4,333	149	1,487	29	5,097	19,390	64,674
Miscellaneous	-	-	80,821	-	-	-	-	341,667
Total revenues	20,952	1,961,259	80,970	1,487	29	5,097	7,847,092	12,014,346
EXPENDITURES								
Current:								
General government	3,014	-	-	96	1	127	51,091	896,105
Public safety	-	-	-	-	-	-	-	66,665
Health and welfare	-	-	-	-	-	-	-	1,019,382
Culture, parks and recreation	-	664,932	5,052	-	-	-	-	722,641
Capital outlay	-	349,521	199,065	-	-	-	-	4,897,638
Total expenditures	3,014	1,014,453	204,117	303,046	1	1,432,789	1,489,638	7,602,431
Excess (deficiency) of revenues over expenditures	17,938	946,806	(123,147)	(301,655)	28	(1,427,819)	6,306,363	4,411,915
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	98,310	772,292	-	-	-	4,069,049
Transfers out	-	(135,000)	-	-	-	-	-	(1,085,802)
Total other financing sources and uses	-	(135,000)	98,310	772,292	-	-	-	2,983,247
Net change in fund balances	17,938	811,806	(24,837)	470,637	28	(1,427,819)	6,306,363	7,395,162
Fund balances - beginning	85,953	677,970	92,860	295,025	10,764	1,979,044	1,985,946	13,825,657
Fund balances - ending	\$ 103,891	\$ 1,489,776	\$ 68,023	\$ 765,662	\$ 10,792	\$ 551,225	\$ 8,292,309	\$ 21,220,819

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, 2013

	SPECIAL REVENUE FUNDS					
	CDBG ENTITLEMENT			REAL PROPERTY FUND		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	578,907	423,232	(155,675)	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	6,600	3,799	(2,801)
Miscellaneous	-	-	-	-	-	-
Total Revenues	578,907	423,232	(155,675)	6,600	3,799	(2,801)
Expenditures:						
General Government:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	200	43	157
Capital outlay	-	-	-	869,330	869,326	4
Debt service	-	-	-	-	-	-
Total General Government	-	-	-	869,530	869,369	161
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	46,591	45,462	1,129	-	-	-
Materials and supplies	600	40	560	-	-	-
Other services and charges	561,254	358,558	202,696	-	-	-
Capital outlay	-	-	-	-	-	-
Total Economic Development & Opp	608,445	404,060	204,385	-	-	-
Street:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Street	-	-	-	-	-	-
Total Expenditures	608,445	404,060	204,385	869,530	869,369	161
Revenues over (under) expenditures	\$ (29,538)	\$ 19,172	\$ 48,710	\$ (862,930)	\$ (865,570)	\$ (2,640)
Other financing sources (uses):						
Transfers from other funds	-	-	-	4,403,494	2,203,494	(2,200,000)
Transfers to other funds	(35,434)	(19,171)	16,263	(940,000)	(940,000)	-
Revenues and other sources over (under) expenditures and other uses	(64,972)	1	64,973	2,600,564	397,924	(2,202,640)
Fund Balance-beginning of year	374	375	1	4,321	4,321	-
Fund Balance -end of year	\$ (64,598)	\$ 376	\$ 64,974	\$ 2,604,885	\$ 402,245	\$ (2,202,640)

(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, 2013

	SPECIAL REVENUE FUNDS					
	ASSET FORFEITURE FUND			SENIOR CITIZENS FUND		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	4,311	1,537	(2,774)
Investment income	3,000	2,496	(504)	2,000	648	(1,352)
Miscellaneous	39,910	187,508	147,598	64,208	54,000	(10,208)
Total Revenues	42,910	190,004	147,094	70,519	56,185	(14,334)
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	79,218	59,390	19,828	-	-	-
Other services and charges	45,000	7,275	37,725	-	-	-
Capital outlay	456,500	213,405	243,095	-	-	-
Total Public Safety	580,718	280,070	300,648	-	-	-
Parks and Recreation:						
Personal services	-	-	-	-	-	-
Material and supplies	-	-	-	8,150	4,113	4,037
Other services and charges	-	-	-	56,950	48,544	8,406
Capital outlay	-	-	-	-	-	-
Total Parks and Recreation	-	-	-	65,100	52,657	12,443
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	-	-	-	-	-	-
Total Street	-	-	-	-	-	-
Total Expenditures	580,718	280,070	300,648	65,100	52,657	12,443
Revenues over (under) expenditures	\$ (537,808)	\$ (90,066)	\$ 447,742	\$ 5,419	\$ 3,528	\$ (1,891)
Other financing sources (uses):						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	(537,808)	(90,066)	447,742	5,419	3,528	(1,891)
Fund Balance-beginning of year	951,042	951,042	-	234,584	234,584	-
Fund Balance -end of year	\$ 413,234	\$ 860,976	\$ 447,742	\$ 240,003	\$ 238,112	\$ (1,891)

(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, 2013

	SPECIAL REVENUE FUNDS					
	EECBG PROGRAM FUND			CONVENTION AND VISITOR'S BUREAU FUND		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 421,979	\$ 421,979
Intergovernmental	174,779	20,410	(154,369)	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	500	204	(296)
Miscellaneous	-	-	-	18,000	19,338	1,338
Total Revenues	174,779	20,410	(154,369)	18,500	441,521	423,021
Expenditures:						
General Government:						
Personal services	612	-	612	178,328	173,844	4,484
Materials and supplies	-	-	-	9,810	9,805	5
Other services and charges	111,132	54,307	56,825	131,059	131,056	3
Capital outlay	92,035	40,848	51,187	-	-	-
Debt service	-	-	-	-	-	-
Total General Government	203,779	95,155	108,624	319,197	314,705	4,492
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	-	-	-	-	-	-
Total Street	-	-	-	-	-	-
Total Expenditures	203,779	95,155	108,624	319,197	314,705	4,492
Revenues over (under) expenditures	\$ (29,000)	\$ (74,745)	\$ (45,745)	\$ (300,697)	\$ 126,816	\$ 427,513
Other financing sources (uses):						
Transfers from other funds	55,000	54,953	(47)	378,000	-	(378,000)
Transfers to other funds	-	-	-	(58,292)	(58,292)	-
Revenues and other sources over (under) expenditures and other uses	26,000	(19,792)	(45,792)	19,011	68,524	49,513
Fund Balance-beginning of year	19,791	19,792	1	10,655	10,656	1
Fund Balance -end of year	\$ 45,791	\$ -	\$ (45,791)	\$ 29,666	\$ 79,180	\$ 49,514

(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, 2013

	SPECIAL REVENUE FUNDS					
	HOSPITAL SALE TRUST			AMBULATORY SERVICES FUND		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	950,000	935,525	(14,475)
Investment income	15,000	26,196	11,196	2,000	587	(1,413)
Miscellaneous	-	-	-	-	-	-
Total Revenues	<u>15,000</u>	<u>26,196</u>	<u>11,196</u>	<u>952,000</u>	<u>936,112</u>	<u>(15,888)</u>
Expenditures:						
General Government:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	2,000	2,000	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total General Government	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Public Safety:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Public Safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Parks and Recreation:						
Personal services	-	-	-	-	-	-
Material and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Parks and Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Health & Welfare:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	10,000	7,187	2,813
Other services and charges	-	-	-	1,012,200	1,012,195	5
Capital outlay	-	-	-	-	-	-
Total Health & Welfare	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,022,200</u>	<u>1,019,382</u>	<u>2,818</u>
Economic Development & Opp.						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Economic Development & Opp	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Street:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Street	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>1,022,200</u>	<u>1,019,382</u>	<u>2,818</u>
Revenues over (under) expenditures	<u>\$ 13,000</u>	<u>\$ 24,196</u>	<u>\$ 11,196</u>	<u>\$ (70,200)</u>	<u>\$ (83,270)</u>	<u>\$ (13,070)</u>
Other financing sources (uses):						
Transfers from other funds	940,000	940,000	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	<u>953,000</u>	<u>964,196</u>	<u>11,196</u>	<u>(70,200)</u>	<u>(83,270)</u>	<u>(13,070)</u>
Fund Balance-beginning of year	<u>7,098,344</u>	<u>7,098,344</u>	<u>-</u>	<u>378,981</u>	<u>378,981</u>	<u>-</u>
Fund Balance -end of year	<u>\$ 8,051,344</u>	<u>\$ 8,062,540</u>	<u>\$ 11,196</u>	<u>\$ 308,781</u>	<u>\$ 295,711</u>	<u>\$ (13,070)</u>

(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, 2013

	CAPITAL PROJECT FUNDS					
	CEMETARY CARE			PARKS SALES TAX FUND		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ 1,760,329	\$ 1,956,926	\$ 196,597
Intergovernmental	-	-	-	-	-	-
Charges for services	17,514	20,694	3,180	-	-	-
Investment income	500	258	(242)	13,000	4,333	(8,667)
Miscellaneous	-	-	-	8,725	-	(8,725)
Total Revenues	18,014	20,952	2,938	1,782,054	1,961,259	179,205
Expenditures:						
General Government:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	3,525	3,014	511	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total General Government	3,525	3,014	511	-	-	-
Public Safety:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Parks and Recreation:						
Personal services	-	-	-	343,550	319,922	23,628
Material and supplies	-	-	-	50,220	38,202	12,018
Other services and charges	-	-	-	464,134	270,265	193,869
Capital outlay	-	-	-	1,278,567	349,521	929,046
Total Parks and Recreation	-	-	-	2,136,471	977,910	1,158,561
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	-	-	-	-	-	-
Total Street	-	-	-	-	-	-
Total Expenditures	3,525	3,014	511	2,136,471	977,910	1,158,561
Revenues over (under) expenditures	\$ 14,489	\$ 17,938	\$ 3,449	\$ (354,417)	\$ 983,349	\$ 1,337,766
Other financing sources (uses):						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	(178,213)	(171,543)	6,670
Revenues and other sources over (under) expenditures and other uses	14,489	17,938	3,449	(532,630)	811,806	1,344,436
Fund Balance-beginning of year	85,953	85,953	-	677,970	677,970	-
Fund Balance -end of year	\$ 100,442	\$ 103,891	\$ 3,449	\$ 145,340	\$ 1,489,776	\$ 1,344,436

(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, 2013

	CAPITAL PROJECT FUNDS					
	ART IN PUBLIC PLACES FUND			CAPITAL IMPROVEMENT FUND		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	600	149	(451)	3,000	1,487	(1,513)
Miscellaneous	103,000	80,821	(22,179)	-	-	-
Total Revenues	103,600	80,970	(22,630)	3,000	1,487	(1,513)
Expenditures:						
General Government:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	100	96	4
Capital outlay	-	-	-	175,000	13,325	161,675
Debt service	-	-	-	-	-	-
Total General Government	-	-	-	175,100	13,421	161,679
Public Safety:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Parks and Recreation:						
Personal services	-	-	-	-	-	-
Material and supplies	400	-	400	-	-	-
Other services and charges	10,000	1,488	8,512	-	-	-
Capital outlay	235,285	199,065	36,220	200,000	-	200,000
Total Parks and Recreation	245,685	200,553	45,132	200,000	-	200,000
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	-	-	-	530,489	289,721	240,768
Total Street	-	-	-	530,489	289,721	240,768
Total Expenditures	245,685	200,553	45,132	905,589	303,142	602,447
Revenues over (under) expenditures	\$ (142,085)	\$ (119,583)	\$ 22,502	\$ (902,589)	\$ (301,655)	\$ 600,934
Other financing sources (uses):						
Transfers from other funds	141,500	98,310	(43,190)	772,292	772,292	-
Transfers to other funds	(4,394)	(3,564)	830	-	-	-
Revenues and other sources over (under) expenditures and other uses	(4,979)	(24,837)	(19,858)	(130,297)	470,637	600,934
Fund Balance-beginning of year	92,860	92,860	-	295,025	295,025	-
Fund Balance -end of year	\$ 87,881	\$ 68,023	\$ (19,858)	\$ 164,728	\$ 765,662	\$ 600,934

(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, 2013

	CAPITAL PROJECTS FUND					
	ROADWAY IMPROVEMENT			1996 CAPITAL IMPROVEMENT TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	-	29	29	-	5,097	5,097
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	29	29	-	5,097	5,097
Expenditures:						
General Government:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	1	(1)	500	127	373
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total General Government	-	1	(1)	500	127	373
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	4,123	-	4,123	1,682,850	1,432,789	250,061
Total Street	4,123	-	4,123	1,682,850	1,432,789	250,061
Total Expenditures	4,123	1	4,122	1,683,350	1,432,916	250,434
Revenues over (under) expenditures	\$ (4,123)	\$ 28	\$ 4,151	\$ (1,683,350)	\$ (1,427,819)	\$ 255,531
Other financing sources (uses):						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	(4,123)	28	4,151	(1,683,350)	(1,427,819)	255,531
Fund Balance-beginning of year	10,764	10,764	-	1,979,044	1,979,044	-
Fund Balance -end of year	\$ 6,641	\$ 10,792	\$ 4,151	\$ 295,694	\$ 551,225	\$ 255,531

(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, 2013

CAPITAL PROECTS FUNDS			
2012 PUBLIC SAFETY CENTER TAX FUND			
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 7,059,554	\$ 7,827,702	\$ 768,148
Intergovernmental	-	-	-
Charges for services	-	-	-
Investment income	1,500	19,390	17,890
Miscellaneous	-	-	-
Total Revenues	<u>7,061,054</u>	<u>7,847,092</u>	<u>786,038</u>
Expenditures:			
General Government:			
Personal services	-	-	-
Materials and supplies	10,000	24	9,976
Other services and charges	25,000	15,401	9,599
Capital outlay	-	-	-
Debt service	-	-	-
Total General Government	<u>35,000</u>	<u>15,425</u>	<u>19,575</u>
Public Safety:			
Personal services	-	-	-
Materials and supplies	-	-	-
Other services and charges	-	-	-
Capital outlay	14,082,226	1,489,638	12,592,588
Total Public Safety	<u>14,082,226</u>	<u>1,489,638</u>	<u>12,592,588</u>
Parks and Recreation:			
Personal services	-	-	-
Material and supplies	-	-	-
Other services and charges	-	-	-
Capital outlay	-	-	-
Total Parks and Recreation	<u>-</u>	<u>-</u>	<u>-</u>
Health & Welfare:			
Personal services	-	-	-
Materials and supplies	-	-	-
Other services and charges	-	-	-
Capital outlay	-	-	-
Total Health & Welfare	<u>-</u>	<u>-</u>	<u>-</u>
Economic Development & Opp.			
Personal services	-	-	-
Materials and supplies	-	-	-
Other services and charges	-	-	-
Capital outlay	-	-	-
Total Economic Development & Opp	<u>-</u>	<u>-</u>	<u>-</u>
Street:			
Personal services	-	-	-
Materials and supplies	-	-	-
Other services and charges	-	-	-
Capital outlay	-	-	-
Total Street	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>14,117,226</u>	<u>1,505,063</u>	<u>12,612,163</u>
Revenues over (under) expenditures	<u>\$ (7,056,172)</u>	<u>\$ 6,342,029</u>	<u>\$ 13,398,201</u>
Other financing sources (uses):			
Transfers from other funds	-	-	-
Transfers to other funds	(35,666)	(35,666)	-
Revenues and other sources over (under) expenditures and other uses	<u>(7,091,838)</u>	<u>6,306,363</u>	<u>13,398,201</u>
Fund Balance-beginning of year	<u>1,985,946</u>	<u>1,985,946</u>	<u>-</u>
Fund Balance -end of year	<u>\$ (5,105,892)</u>	<u>\$ 8,292,309</u>	<u>\$ 13,398,201</u>

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, 2013

	2000 CAPITAL IMPROVEMENT TAX FUND		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	10,620,512	11,741,553	1,121,041
Intergovernmental	-	7,498,634	7,498,634
Licenses and permits	-	-	-
Investment income	550,000	515,018	(34,982)
Contributed capital	11,000,000	12,987,245	1,987,245
Total Revenues	\$ 22,170,512	\$ 32,742,450	\$ 10,571,938
Expenditures:			
General Government:			
Materials and supplies	50	38	12
Other services and charges	568,800	391,447	177,353
Capital outlay	(622)	-	(622)
Debt service	6,967,031	6,953,647	13,384
Total General Government	\$ 7,535,259	\$ 7,345,132	\$ 190,127
Parks and Recreation:			
Capital outlay	28,349,023	21,348,495	7,000,528
Total Parks and Recreation	\$ 28,349,023	\$ 21,348,495	\$ 7,000,528
Economic Development & Opp:			
Capital outlay	8,808,398	2,701,056	6,107,342
Total Economic Development & Opp	\$ 8,808,398	\$ 2,701,056	\$ 6,107,342
Street:			
Capital outlay	15,906,247	10,964,492	4,941,755
Total Street	\$ 15,906,247	\$ 10,964,492	\$ 4,941,755
Total Expenditures	\$ 60,598,927	\$ 42,359,175	\$ 18,239,752
Revenues over (under) expenditures	\$ (38,428,415)	\$ (9,616,725)	\$ 28,811,690
Other financing sources (uses):			
Proceeds from revenue bonds	26,965,000	26,965,000	-
Premium on revenue bonds	1,325,250	1,325,224	(26)
Transfer to escrow agent	(12,477,060)	(12,477,058)	2
Transfers from other funds	35,000	35,000	-
Transfers to other funds	(4,489,313)	(2,253,313)	2,236,000
Total of other financing resources	11,358,877	13,594,853	2,235,976
Revenues and other sources over (under) expenditures and other uses	(27,069,538)	3,978,128	31,047,666
Fund Balance-beginning of year	38,361,737	38,361,737	-
Fund Balance -end of year	11,292,199	42,339,865	31,047,666

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, 2013

	Edmond Public Works Authority (EPWA)					
	Sanitation Fund	Arcadia Lake Fund	Drainage Fund	Kickingbird Golf Course Fund	Youngvoshop Fund	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 177,235	\$ 46,169	\$ 1,014,120	\$ 100,144	\$ 29,133	\$ 1,366,801
Investments	1,773,863	232,605	5,232,668	530,753	155,493	7,925,382
Restricted assets:						
Cash and equivalents	-	417,013	-	127,743	-	544,756
Investments	206,270	33,914	179,910	10,083	-	430,177
Receivables:						
Accrued interest receivable	6,279	2,404	16,879	2,192	485	28,239
Utility billing, net of allowance for uncollectible accounts	850,293	-	76,676	-	-	926,969
Other receivables	4,500	-	-	-	26,284	30,784
Due from other funds	39,221	-	37,570	-	-	76,791
Inventories	-	-	-	69,575	-	69,575
Total current assets	3,057,661	732,105	6,557,823	840,490	211,395	11,399,474
Non-current assets:						
Restricted assets:						
Cash and cash equivalents	107,697	470,604	-	150,808	-	729,109
Capital assets:						
Non-depreciable	-	495,278	479,347	541,171	-	1,515,796
Depreciable, net of accumulated depreciation	283,091	4,313,264	3,084,669	1,560,377	-	9,241,401
Unamortized bond insurance costs	734	14,878	-	4,768	-	20,380
Total non-current assets	391,522	5,294,024	3,564,016	2,257,124	-	11,506,686
Total assets	3,449,183	6,026,129	10,121,839	3,097,614	211,395	22,906,160
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	2,834	119,981	-	38,449	-	161,264
LIABILITIES						
Current liabilities:						
Accounts payable	367,777	9,516	8,268	61,401	16,660	463,622
Accrued wages payable	24,596	13,853	6,459	19,707	547	65,162
Accrued interest payable	6,745	81,850	-	26,229	-	114,824
Unearned revenue	902	-	-	-	-	902
Compensated absences	7,424	3,238	3,009	3,925	302	17,898
Meter deposit liability	220,777	1,000	179,910	-	-	401,687
Revenue bonds payable	32,934	357,594	-	114,593	-	505,121
Total current liabilities	661,155	467,051	197,646	225,855	17,509	1,569,216
Non-current liabilities:						
Compensated absences	66,818	29,139	27,080	35,323	2,805	161,165
Unfunded OPEB obligation	69,796	15,160	14,487	38,250	1,416	139,109
Revenue bonds payable, net	283,593	3,166,643	-	1,014,772	-	4,465,008
Total non-current liabilities	420,207	3,210,942	41,567	1,088,345	4,221	4,765,282
Total liabilities	1,081,362	3,677,993	239,213	1,314,200	21,730	6,334,498
NET POSITION						
Invested in capital assets, net of related debt	(31,768)	1,389,833	3,564,016	1,006,000	-	5,928,081
Restricted for debt service	-	838,681	-	262,405	-	1,101,086
Restricted for scholarships	-	-	-	1,656	-	1,656
Unrestricted	2,402,423	239,603	6,318,610	551,802	189,665	9,702,103
Total net position	\$ 2,370,655	\$ 2,468,117	\$ 9,882,626	\$ 1,821,863	\$ 189,665	\$ 16,732,926

City of Edmond, Oklahoma
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 Other Enterprise Funds
 For the Year Ended June 30, 2013

	Edmond Public Works Authority (EPWA)					
	Sanitation Fund	Arcadia Lake Fund	Drainage Fund	Kickingbird Golf Course Fund	Youngvoshop Fund	Total
REVENUES						
Charges for services	\$ 7,813,513	\$ 801,605	\$ 1,684,899	\$ 1,693,941	\$ -	\$ 11,993,958
Miscellaneous	-	44,938	-	318,114	82,326	445,378
Total operating revenues	<u>7,813,513</u>	<u>846,543</u>	<u>1,684,899</u>	<u>2,012,055</u>	<u>82,326</u>	<u>12,439,336</u>
OPERATING EXPENSES						
Personal services	1,327,477	495,229	354,706	882,501	28,304	3,088,217
Materials and supplies	525,254	87,102	9,017	445,531	28	1,066,932
Maintenance, operations and contractual services	5,307,476	328,362	457,545	418,408	34,512	6,546,303
Amortization	42,352	-	-	-	-	42,352
Depreciation	8,315	213,563	66,375	128,894	-	417,147
Total operating expenses	<u>7,210,874</u>	<u>1,124,256</u>	<u>887,643</u>	<u>1,875,334</u>	<u>62,844</u>	<u>11,160,951</u>
Operating income (loss)	<u>602,639</u>	<u>(277,713)</u>	<u>797,256</u>	<u>136,721</u>	<u>19,482</u>	<u>1,278,385</u>
NON-OPERATING REVENUES (EXPENSES)						
Interest and investment revenue	5,491	32,320	10,231	10,924	153	59,119
Miscellaneous revenue	-	-	4,262	-	-	4,262
Interest expense	(17,599)	(165,154)	-	(52,925)	-	(235,678)
Total non-operating revenues (expenses)	<u>(12,108)</u>	<u>(132,834)</u>	<u>14,493</u>	<u>(42,001)</u>	<u>153</u>	<u>(172,297)</u>
Income (loss) before contributions and transfers	590,531	(410,547)	811,749	94,720	19,635	1,106,088
Capital contributions	-	58,518	-	-	-	58,518
Transfers in	-	474,616	-	100,000	-	574,616
Transfers out	(327,252)	-	-	-	-	(327,252)
Change in net position	263,279	122,587	811,749	194,720	19,635	1,411,970
Total net position--beginning	2,107,376	2,345,530	9,070,877	1,627,143	170,030	15,320,956
Total net position--ending	<u>\$ 2,370,655</u>	<u>\$ 2,468,117</u>	<u>\$ 9,882,626</u>	<u>\$ 1,821,863</u>	<u>\$ 189,665</u>	<u>\$ 16,732,926</u>

CITY OF EDMOND, OKLAHOMA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2013

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	\$ 7,753,240	\$ 848,143	\$ 1,674,302	\$ 2,012,055	\$ 98,864	\$ 12,386,604
Payments to suppliers	(5,752,377)	(413,317)	(460,106)	(1,000,641)	(37,280)	(7,663,721)
Payments to employees	(1,304,032)	(487,769)	(341,544)	(887,944)	(27,825)	(3,049,114)
Receipts of customer meter deposits	37,579	-	30,623	-	-	68,202
Payment of customer meter deposits	(67,626)	-	(42,955)	-	-	(110,581)
Interfund payments	-	-	-	-	-	-
Interfund receipts	35,117	-	31,816	-	-	66,933
Net cash provided (used) by operating activities	\$ 701,901	\$ (52,943)	\$ 892,136	\$ 123,470	\$ 33,759	\$ 1,698,323
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	-	474,616	-	100,000	-	574,616
Transfers to other funds	(327,252)	-	-	-	-	(327,252)
Net cash provided (used) by noncapital financing	\$ (327,252)	\$ 474,616	\$ -	\$ 100,000	\$ -	\$ 247,364
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	-	-	(133,557)	(86,928)	-	(220,485)
Proceeds from sale of capital assets	(106,495)	(313,794)	-	16,061	-	(16,061)
Principal paid on capital debt	(56,965)	(140,928)	-	(100,557)	-	(520,846)
Interest paid on capital debt	-	-	-	(45,162)	-	(243,055)
Net cash provided (used) by capital and related financing activities	\$ (163,460)	\$ (454,722)	\$ (133,557)	\$ (216,586)	\$ -	\$ (968,325)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of investments	(373,067)	-	(1,007,573)	(22,908)	(37,592)	(1,441,140)
Sale of investments	10,551	82,892	28,294	13,073	65	82,832
Interest and dividends	(362,516)	33,901	(979,279)	(9,835)	(37,527)	(85,884)
Net cash provided (used) by investing activities	\$ (151,327)	\$ 83,684	\$ (220,700)	\$ (2,951)	\$ (3,768)	\$ (295,062)
Net increase (decrease) in cash and cash equivalents	\$ 436,259	\$ 850,102	\$ 1,234,820	\$ 381,646	\$ 32,901	\$ 2,935,728
Balances-beginning of year	\$ 284,932	\$ 933,786	\$ 1,014,120	\$ 378,685	\$ 29,133	\$ 2,640,666
Balances-end of year	\$ 721,191	\$ 1,783,888	\$ 2,248,940	\$ 760,331	\$ 62,034	\$ 5,576,394
Reconciliation to Combining Statement of Net Position:						
Cash, including time deposits	\$ 177,235	\$ 46,169	\$ 1,014,120	\$ 100,144	\$ 29,133	\$ 1,366,801
Restricted cash, including time deposits-current	-	417,013	-	127,743	-	544,756
Restricted cash, including time deposits-noncurrent	107,697	470,804	-	150,808	-	729,109
Total cash and cash equivalents, end of year	\$ 284,932	\$ 933,786	\$ 1,014,120	\$ 378,685	\$ 29,133	\$ 2,640,666
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:						
Operating income (loss)	\$ 602,639	\$ (277,713)	\$ 797,256	\$ 136,721	\$ 19,482	\$ 1,278,365
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization expense	50,667	213,563	66,375	128,894	-	459,499
Miscellaneous revenue	-	-	4,262	-	-	4,262
Change in assets and liabilities:						
Receivables, net	(60,273)	1,600	(14,859)	-	16,538	(56,994)
Inventories	-	-	-	(4,641)	-	(4,641)
Due from other funds	35,117	-	31,816	-	-	66,933
Accounts and other payables	81,534	2,599	6,528	(133,208)	(2,710)	(45,257)
Due to other funds	-	-	-	-	-	-
Customer meter deposits payable	(30,047)	-	(12,332)	-	-	(42,379)
Pension benefit obligation	-	-	-	(5,068)	-	(5,068)
OPEB obligation	15,500	3,772	3,107	8,171	358	(30,908)
Accrued compensated absences	6,764	3,236	9,983	(7,399)	91	12,675
Net cash provided by operating activities	\$ 701,901	\$ (52,943)	\$ 892,136	\$ 123,470	\$ 33,759	\$ 1,698,323
Non-cash Activities:						
Capital assets donated	-	58,518	-	-	-	58,518
Capital assets transferred to other funds	-	-	-	-	-	-
Total Non-cash Activities	\$ -	\$ 58,518	\$ -	\$ -	\$ -	\$ 58,518

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, 2013

	Employee 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	\$ 984,891	\$ 59,304	\$ 775,120	\$ 895,217	\$ 193,244	\$ 717,791	\$ 3,625,567
Investments	5,256,577	316,519	3,603,262	4,777,960	1,031,384	3,706,378	18,692,080
Due from other funds	27,493	425	-	-	-	-	27,918
Receivables:							
Accrued interest	16,392	987	11,236	14,900	3,216	11,558	58,289
Receivables from other governments	-	-	-	-	149,131	-	149,131
Other receivables	-	121,863	-	-	-	167,034	288,897
Inventories	-	165,407	-	-	687,193	53,099	905,699
Total current assets	6,285,353	664,505	4,389,618	5,688,077	2,064,168	4,655,860	23,747,581
Non-current assets:							
Capital Assets:							
Nondepreciable	-	-	-	-	-	871,093	871,093
Depreciable, net of accumulated depreciation	-	-	-	13,949,970	-	2,887,903	16,837,873
Total non-current assets	-	-	-	13,949,970	-	3,758,996	17,708,966
Total assets	6,285,353	664,505	4,389,618	19,638,047	2,064,168	8,414,856	41,456,547
LIABILITIES							
Current Liabilities:							
Accounts payable	75,690	66,733	74,142	178,720	148,205	155,051	698,541
Salaries payable	-	15,620	4,700	1,125	75,791	210,121	307,357
Due to other funds	10,046	-	-	425	-	12,380	22,851
Compensated absences	-	4,382	816	150	18,080	60,984	84,412
Claims and judgments	558,389	-	714,000	-	-	-	1,272,389
Total current liabilities	644,125	86,735	793,658	180,420	242,076	438,536	2,385,550
Non-current liabilities:							
Compensated absences	-	39,434	7,341	1,350	162,722	548,855	759,702
Capital lease obligation	-	-	-	-	-	-	-
Claims and judgments	186,129	-	1,273,000	-	162,722	-	1,459,129
Total non-current liabilities	186,129	39,434	1,280,341	1,350	162,722	548,855	2,218,831
Total liabilities	830,254	126,169	2,073,999	181,770	404,798	987,391	4,604,381
NET POSITION							
Invested in capital assets, net of related debt	-	-	-	13,949,970	-	4,206,522	18,156,492
Unrestricted	5,455,099	538,336	2,315,619	5,506,307	1,659,370	3,220,943	18,695,674
Total Net Position	\$ 5,455,099	\$ 538,336	\$ 2,315,619	\$ 19,456,277	\$ 1,659,370	\$ 7,427,465	\$ 36,852,166

City of Edmond, Oklahoma
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 Internal Service Funds
 For the Year Ended June 30, 2013

	Employee 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	\$ 9,172,159	\$ 3,221,127	\$ 2,454,032	\$ 3,314,472	\$ 8,903,253	\$ 15,965,683	\$ 43,030,726
Operating grants and contributions	-	-	-	-	233,027	-	233,027
Miscellaneous	-	-	288,889	-	-	-	288,889
Total operating revenues	9,172,159	3,221,127	2,742,921	3,314,472	9,136,280	15,965,683	43,552,642
OPERATING EXPENSES							
Personal services	-	671,360	220,167	63,804	3,863,458	10,810,054	15,628,843
Materials and supplies	555	1,983,473	24,830	5,148	904,695	832,687	3,751,388
Other services and charges	1,055,840	466,483	264,353	157,012	3,851,878	4,065,967	9,861,533
Insurance premium expense	512,712	-	649,686	-	-	-	1,162,398
Claims expense	6,674,148	-	856,382	-	-	-	7,530,530
Depreciation	-	-	-	1,804,583	-	475,132	2,279,715
Total operating expenses	8,243,255	3,121,316	2,015,418	2,030,547	8,620,031	16,183,840	40,214,407
Operating income (loss)	928,904	99,811	727,503	1,283,925	516,249	(218,157)	3,338,235
NON-OPERATING REVENUES (EXPENSES)							
Interest and investment revenue	8,826	166	5,844	9,042	2,526	10,215	36,619
Miscellaneous revenue	-	16	101,311	60,272	-	119,074	280,673
Gain (loss) on sale of capital assets	-	-	-	(28,683)	-	(115,815)	(144,498)
Total non-operating revenues (expenses)	8,826	182	107,155	40,631	2,526	13,474	172,794
Income (loss) before contributions and transfers	937,730	99,993	834,658	1,324,556	518,775	(204,683)	3,511,029
Capital contributions	-	-	-	131,088	-	-	131,088
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Change in net position	937,730	99,993	834,658	1,455,644	518,775	(204,683)	3,642,117
Total net position - beginning	4,517,369	438,343	1,480,961	18,000,633	1,140,595	7,632,148	33,210,049
Total net position - ending	\$ 5,455,099	\$ 538,336	\$ 2,315,619	\$ 19,456,277	\$ 1,659,370	\$ 7,427,465	\$ 36,852,166

**CITY OF EDMOND, OKLAHOMA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2013**

	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	\$ 9,172,159	\$ 3,107,040	\$ 2,844,232	\$ 3,374,744	\$ 8,987,149	\$ 16,028,481	\$ 43,513,805
Payments to suppliers	(1,617,888)	(2,499,402)	(879,872)	(179,008)	(4,796,603)	(4,909,786)	(14,862,589)
Payments to employees	-	(686,548)	(218,894)	(64,214)	(3,843,912)	(10,752,394)	(15,545,982)
Claims and judgments paid	(6,407,887)	-	(800,382)	-	-	-	(7,288,089)
Interfund payments	(34,584)	(425)	-	425	-	29,966	(8,618)
Net cash provided by (used in) operating activities	1,111,990	(99,335)	865,084	3,131,947	346,634	392,267	5,788,587
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Sale of capital assets	-	-	-	-	-	-	-
Purchase of capital assets	-	-	-	(2,640,491)	-	(296,074)	(2,936,565)
Net cash provided by (used in) capital and related financing activities	-	-	-	(2,640,491)	-	(296,074)	(2,936,565)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of investments	(1,268,519)	-	(915,561)	(750,494)	(350,096)	(351,758)	(3,636,388)
Sale of investments	23,608	22,280	17,060	25,447	5,446	23,703	22,280
Interest and dividends	(1,244,911)	1,491	(898,501)	(725,047)	(344,590)	(328,055)	(3,517,333)
Net cash provided by (used in) investing activities	(132,821)	(35,564)	(33,417)	(233,591)	2,044	(231,862)	(665,311)
Net increase (decrease) in cash and cash equivalents							
Balances-beginning of year	1,117,812	94,868	808,537	1,128,808	191,200	949,653	4,290,878
Balances-end of year	984,991	59,304	775,120	895,217	193,244	717,791	3,625,567
Reconciliation of Operating Income to Net Cash Provided by Operating Activities							
Operating income (Loss)	\$ 928,904	\$ 99,811	\$ 727,503	\$ 1,283,925	\$ 516,249	\$ (218,157)	\$ 3,338,235
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation expense	-	-	-	1,804,583	-	475,132	2,279,715
Miscellaneous nonoperating revenue (expense)	-	16	101,311	60,272	-	119,074	280,673
Change in assets and liabilities:							
Receivables, net	-	(114,103)	-	-	(149,131)	-	(263,234)
Other receivable	-	-	-	-	-	(56,276)	(56,276)
Inventory	-	4,921	-	-	(137,544)	(999)	(133,622)
Prepaid expenses	-	-	-	-	-	-	-
Due from other funds	(27,493)	(425)	35,321	(17,082)	-	13,586	(14,332)
Accounts and other payables	217,670	(50,695)	-	425	102,287	(3,049)	284,492
Due to other funds	(7,091)	-	-	-	-	12,380	5,714
Deferred revenue	-	-	-	-	-	-	-
Accrued compensated absences	-	1,100	949	(176)	14,773	50,576	67,222
Net cash provided by operating activities	\$ 1,111,990	\$ (99,335)	\$ 865,084	\$ 3,131,947	\$ 346,634	\$ 392,267	\$ 5,788,587

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, 2013

<u>ASSETS</u>	<u>SIDEWALK AND DRIVEWAY ESCROW FUND</u>	<u>C.L.E.E.T. PENALTY ASSESSMENT FUND</u>	<u>TOTALS</u>
Cash and cash equivalents	\$ 38,744	\$ 25,475	\$ 64,219
Investments	344,030		\$ 344,030
Other Receivables	<u>-</u>	<u>845</u>	<u>845</u>
Total assets	<u>\$ 382,774</u>	<u>\$ 26,320</u>	<u>\$ 409,094</u>
<u>LIABILITIES</u>			
Accounts payable	\$ -	\$ 19,080	\$ 19,080
Due to other governments	-	7,240	7,240
Refundable deposits	<u>382,774</u>	<u>-</u>	<u>382,774</u>
Total liabilities	<u>\$ 382,774</u>	<u>\$ 26,320</u>	<u>\$ 409,094</u>

CITY OF EDMOND, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND

For the fiscal year ended June 30, 2013

	BALANCE JUNE 30, 2012	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2013
SIDEWALK AND DRIVEWAY ESCROW				
Assets:				
Cash and cash equivalents	\$ 309,428	1,357,136	1,283,790	\$ 382,774
Total assets	\$ 309,428	1,357,136	1,283,790	\$ 382,774
Liabilities:				
Refundable deposits	\$ 309,428	\$ 1,283,790	\$ 1,357,136	\$ 382,774
Total liabilities	\$ 309,428	\$ 1,283,790	\$ 1,357,136	\$ 382,774
CLEET FUND				
Assets:				
Cash and investments	\$ 23,066	\$ 205,045	\$ 202,636	\$ 25,475
Other receivables	-	\$ 845	-	\$ 845
Total Assets	\$ 23,066	\$ 205,890	\$ 202,636	\$ 26,320
Liabilities:				
Due to other governments	\$ 23,066	\$ 404,171	\$ 407,426	\$ 26,320
Total Liabilities	\$ 23,066	\$ 404,171	\$ 407,426	\$ 26,320
TOTALS-ALL AGENCY FUNDS				
Assets:				
Cash and investments	\$ 332,494	\$ 1,562,181	\$ 1,486,426	\$ 408,249
Other receivables	-	\$ 845	-	\$ 845
Total Assets	\$ 332,494	\$ 1,563,026	\$ 1,486,426	\$ 409,094
Liabilities:				
Due to other governments	\$ 23,066	\$ 404,171	\$ 407,426	\$ 26,320
Refundable deposits	309,428	1,283,790	1,357,136	382,774
Total Liabilities	\$ 332,494	\$ 1,687,961	\$ 1,764,562	\$ 409,094

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, 2013

	OWRB Notes Payable Series 2005 and 2006	Sales Tax and Utility Revenue Bonds Series 2004, 2005, 2010 and 2012	Utility Revenue Bonds Series 2003, 2004, and 2005
GROSS REVENUES OF THE SYSTEM:			
Charges for services	\$ 111,200,897	\$ 111,200,897	\$ 111,200,897
Intergovernmental	921,297	921,297	921,297
Investment income	427,655	427,655	427,655
Miscellaneous income	172,110	172,110	172,110
Total Gross Revenues of the System	112,721,959	112,721,959	112,721,959
OPERATION AND MAINTENANCE EXPENSES:			
Personal services	7,640,165	7,640,165	7,640,165
Materials and supplies	2,787,887	2,787,887	2,787,887
Maintenance, operations and contractual services	80,368,206	80,368,206	80,368,206
Debt service on prior lien utility system revenue bonds	-	19,088,810	-
Total Operation and Maintenance Expenses	90,796,258	109,885,068	90,796,258
Total Gross Revenues of the System in Excess of Total Operation and Maintenance Expenses	21,925,701	2,836,891	21,925,701
Add: Pledged sales tax revenue	31,356,757	11,741,553	31,356,757
Net Revenues of the System plus pledged sales tax revenue	\$ 53,282,458	\$ 14,578,444	\$ 53,282,458
Maximum Debt Service Requirements on Liabilities	\$ 8,399,737	\$ 8,552,264	\$ 8,399,737
Computed Coverage	634%	170%	634%
Coverage Requirement	125%	100%	130%

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 2004, 2005, 2010 and 2012 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, 2013**

	<u>REQUIRED RESERVES</u>	<u>RESERVE BALANCE JUNE 30, 2013</u>	<u>EXCESS BALANCE OVER REQUIRED RESERVES</u>
Required Balance:			
Series 2003 Utility Revenue Bonds	\$ 824,775	\$ 824,509	\$ (266)
Series 2004 Utility Revenue Bonds	1,115,395	1,140,235	24,840
Series 2005 Utility Revenue Bonds	4,043,500	4,131,730	88,230
Series 2004 Sales Tax and Utility Revenue Bonds	1,523,170	1,557,211	34,041
Series 2005 Sales Tax and Utility Revenue Bonds	2,356,006	2,407,070	51,064
Series 2010 Sales Tax and Utility Revenue Bonds	1,390,000	1,421,421	31,421
Series 2012 Sales Tax and Utility Revenue Bonds	1,325,500	1,355,334	29,834
Series 2013 Sales Tax and Utility Revenue Bonds	1,434,939	1,435,020	81

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, 2013**

	HISTORIC PRESERVATION TRUST
ASSETS	
Cash and cash equivalents	\$ 96,760
Total assets	<u>\$ 96,760</u>
LIABILITIES AND FUND BALANCES	
Fund Balances:	
Unreserved	\$ 96,760
Total liabilities and fund balances	<u>\$ 96,760</u>
Reconciliation to Statement of Net Position:	
Fund balance	\$ 96,760
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>282,287</u>
Net position of component unit	<u>\$ 379,047</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, 2013

	HISTORIC PRESERVATION TRUST
Revenues:	
Investment income	\$ 311
Miscellaneous	1,210
Total Revenues	1,521
Expenditures:	
Current:	
Culture, parks and recreation	16,091
Total Expenditures	16,091
Revenues over (under) expenditures	(14,570)
Other financing sources:	
Payment from the City of Edmond	30,000
Net change in fund balance	15,430
Fund balances - beginning	81,330
Fund balances - ending	\$ 96,760
Reconciliation to Statement of Activities:	
Net Change in fund balance	\$ 15,430
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	\$ (16,165)

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 ASSETS BY COMPONENT
Last Ten Fiscal Years
TABLE 1

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Invested in capital assets, net of related debt	\$ 55,201,553	\$ 82,123,621	\$ 79,410,940	\$ 123,811,001	\$ 135,777,034	\$ 170,168,033	\$ 186,474,825	\$ 152,755,649	\$ 165,301,769	\$ 179,081,790
Restricted	72,500,268	56,495,369	79,102,301	60,256,055	63,676,420	66,653,990	66,138,688	66,787,140	65,438,617	77,480,959
Unrestricted	19,337,449	18,020,922	20,871,764	22,342,098	22,118,829	4,246,686	(2,196,769)	16,285,449	17,858,558	17,186,870
Total governmental activities net assets	\$ 147,039,270	\$ 156,639,912	\$ 179,385,005	\$ 206,411,154	\$ 221,572,283	\$ 241,068,709	\$ 250,416,745	\$ 235,828,238	\$ 248,598,944	\$ 273,749,619
Business-type activities										
Invested in capital assets, net of related debt	\$ 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	\$ 152,656,891
Restricted	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	13,161,823
Unrestricted	34,427,729	36,272,522	35,419,923	51,072,155	55,106,883	61,950,616	63,999,452	61,237,819	62,538,338	63,641,836
Total business-type activities net assets	\$ 111,416,349	\$ 122,979,033	\$ 139,959,209	\$ 173,244,715	\$ 184,814,329	\$ 201,953,367	\$ 209,344,724	\$ 202,648,441	\$ 214,648,289	\$ 229,460,550
Primary government										
Invested in capital assets, net of related debt	\$ 123,362,993	\$ 159,312,854	\$ 174,810,710	\$ 235,802,044	\$ 254,921,065	\$ 299,271,338	\$ 320,388,936	\$ 283,063,318	\$ 304,573,859	\$ 331,738,681
Restricted	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	90,642,782
Unrestricted	53,765,178	54,293,444	56,291,087	73,414,253	77,225,712	66,197,302	61,802,694	77,523,269	80,496,896	80,828,706
Total primary government net assets	\$ 256,455,619	\$ 279,618,945	\$ 319,344,214	\$ 379,655,869	\$ 406,386,612	\$ 443,022,076	\$ 459,761,469	\$ 438,476,679	\$ 463,247,233	\$ 503,210,169

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Government activities:										
General government	\$ 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	\$ 7,931,878
Public safety	22,034,130	24,035,130	26,728,378	33,046,990	36,253,944	36,973,162	37,861,256	39,468,587	38,482,564	41,599,381
Streets and highways	8,421,250	9,281,426	7,774,914	6,621,593	7,758,419	9,037,694	10,628,715	10,186,548	10,413,380	10,787,542
Cultural, parks and recreation	2,764,522	3,643,976	4,120,945	4,394,149	4,875,502	5,108,657	5,460,930	5,419,709	5,163,602	4,742,925
Health and welfare	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	3,173,294
Economic development	487,873	520,058	666,266	846,548	-	-	-	-	107,884	72,066
Interest on long-term debt	1,696,226	2,468,989	3,132,985	3,696,158	3,575,609	3,446,624	3,303,605	3,060,764	2,828,422	2,478,720
Total governmental activities expenses	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	70,785,806
Business-type activities:										
Electric operations	43,043,748	45,129,392	58,990,386	57,623,476	55,694,109	58,763,582	60,634,285	65,755,607	68,889,486	72,308,154
Water operations	10,621,394	11,494,331	13,719,664	13,081,626	14,909,423	15,248,010	15,676,576	16,360,888	16,769,702	16,804,561
Wastewater operations	3,556,723	3,594,586	4,268,955	4,649,588	5,654,642	5,744,638	5,614,980	5,351,923	5,719,033	6,495,234
Sanitation operations	4,894,956	4,828,661	5,255,315	5,311,871	6,100,704	5,999,807	6,279,124	6,673,527	6,953,312	6,797,466
Lake operations	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	1,289,412
Drainage operations	473,978	436,084	556,395	626,863	814,071	822,836	934,104	963,466	1,020,667	887,642
Golf course operations	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	1,928,258
Cooperative purchasing services	26,327	43,042	68,587	67,999	63,194	58,693	41,299	64,215	64,757	62,844
Economic development (payment to EEDA)	382,050	382,050	393,511	405,305	417,459	430,000	442,900	412,000	440,000	470,000
Total business-type activities expenses	65,809,609	68,731,535	86,213,211	84,607,450	86,534,411	90,250,625	92,560,846	98,740,869	103,036,029	107,043,571
Total primary government expenses	\$ 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	\$ 177,829,377
Program Revenues										
Government activities:										
Charges for services:										
General government	\$ 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	\$ 7,421,872
Public safety	1,994,636	1,233,048	1,289,125	1,310,158	1,184,312	821,340	831,720	946,789	1,220,778	1,246,610
Streets and highways	100,304	99,960	107,304	9,030	7,550	104,770	228,097	7,200	84,870	11,670
Cultural, parks and recreation	326,024	284,633	404,770	419,224	538,322	538,937	514,150	719,757	528,606	536,743
Health and welfare	-	-	-	-	-	-	689,333	1,167,687	1,140,753	1,135,962
Operating grants and contributions	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	5,682,716
Capital grants and contributions	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	10,668,747
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	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	26,704,320

(Continued)

CITY OF EDMOND, OKLAHOMA
TABLE 2
(Continued)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Charges for services:										
Electric operations	\$ 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	\$ 70,744,562
Water operations	12,644,704	12,061,865	17,111,308	16,065,410	15,876,990	16,132,935	15,309,866	20,660,467	22,701,466	22,891,181
Wastewater operations	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	9,923,751
Sanitation operations	5,248,703	5,458,330	5,783,171	6,089,940	6,221,070	7,005,326	7,246,382	7,409,205	7,577,025	7,813,513
Lake operations	594,541	643,897	719,833	694,523	640,316	770,288	764,675	888,456	880,719	846,471
Drainage operations	757,760	793,311	813,767	841,717	1,571,298	1,579,935	1,630,168	1,625,597	1,758,988	1,684,899
Golf course operations	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	2,012,055
Cooperative purchasing service	87,824	39,083	84,184	111,752	70,085	63,693	53,641	49,240	80,190	82,326
Operating grants and contributions	210,066	-	-	-	107,870	82,117	2,717	225,488	72,975	921,297
Capital grants and contributions	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	6,989,454
Total business-type activities program revenues	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	123,909,509
Total primary government program revenues	\$ 92,705,469	\$ 95,707,320	\$ 126,338,906	\$ 135,972,543	\$ 116,313,518	\$ 137,356,119	\$ 130,186,131	\$ 129,863,659	\$ 138,260,781	\$ 150,613,829
Net (Expense)/Revenue										
Government activities	\$ (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)	\$ (44,081,486)
Business-type activities	13,013,790	12,689,875	17,707,405	20,971,057	9,869,644	16,853,071	7,000,819	9,953,148	14,188,291	16,865,938
Total primary government net expense	\$ (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)	\$ (27,215,548)
General Revenues and Other Changes in Net Assets										
Government activities:										
Taxes:										
Sales and use taxes - General government	\$ 20,580,628	\$ 22,357,983	\$ 24,744,109	\$ 26,208,998	\$ 27,558,790	\$ 29,572,916	\$ 27,484,883	\$ 28,917,747	\$ 31,299,351	\$ 34,403,578
Sales and use taxes - Public safety	3,644,362	3,920,670	4,261,107	4,627,512	4,742,710	5,014,947	4,748,676	4,914,564	5,366,325	5,870,777
Sales and use taxes - Park and recreation	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	1,956,926
Sales and use taxes - Capital improvements	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	19,569,255
Ad valorem property taxes	-	-	110,200	106,031	91,149	-	-	-	-	-
Franchise and public service taxes	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	2,157,871
Hotel/motel taxes	288,756	282,807	293,962	336,159	417,905	364,232	345,208	344,968	391,664	421,979
Liquor taxes	35,900	30,550	31,350	37,650	-	-	-	-	-	-
Payment from City of Edmond	-	-	-	-	-	-	-	-	-	-
Intergovernmental revenue not restricted to specific	195,768	305,830	673,351	749,106	761,720	694,662	675,890	981,492	894,306	1,101,004
Investment income	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	608,693
Miscellaneous	146,661	189,943	225,107	228,030	284,237	216,763	252,382	242,196	293,668	346,998
Gain (loss) on sale of capital assets	-	-	-	-	-	(1,696,494)	-	-	-	-
Transfers-internal activity	(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	2,795,080
Total governmental activities	33,947,591	41,961,275	47,871,237	51,179,268	52,623,262	52,079,522	49,519,998	51,538,909	59,236,867	69,232,161
Business-type activities:										
Investment earnings	752,797	1,483,073	2,439,172	2,603,501	2,829,720	1,925,301	1,113,106	991,181	780,709	481,283
Miscellaneous	164,181	56,066	6,990	9,771	180,998	158,658	1,029,229	176,357	506,071	260,120
Special item - gain on asset impairment	-	-	-	1,130,316	294,193	(64,102)	-	-	-	-
Extraordinary item - release of obligation to federal go	-	-	(3,148,383)	10,409,927	(1,839,066)	(1,733,927)	(1,751,799)	(1,066,444)	(3,475,226)	(2,795,080)
Transfers - Internal activity	4,566,945	(2,646,330)	(702,221)	12,314,449	1,699,969	2,855,930	390,536	101,094	(2,188,446)	(2,053,677)
Total business-type activities	2,483,923	(1,107,191)	(702,221)	12,314,449	1,699,969	2,855,930	390,536	101,094	(2,188,446)	(2,053,677)
Total primary government	\$ 36,431,514	\$ 40,854,084	\$ 47,169,016	\$ 63,493,717	\$ 54,323,231	\$ 52,965,452	\$ 49,910,534	\$ 51,640,003	\$ 57,048,421	\$ 67,178,484
Change in Net Assets										
Government activities	\$ 6,301,833	\$ 9,600,642	\$ 22,093,585	\$ 27,026,149	\$ 15,161,126	\$ 19,496,428	\$ 9,348,038	\$ 6,661,245	\$ 12,770,676	\$ 25,150,675
Business-type activities	15,497,713	11,562,684	17,005,184	33,285,506	11,569,613	17,139,001	7,391,355	10,054,247	11,999,845	14,812,261
Total primary government	\$ 21,799,546	\$ 21,163,326	\$ 39,098,769	\$ 60,311,655	\$ 26,730,739	\$ 36,635,429	\$ 16,739,393	\$ 16,715,492	\$ 24,770,521	\$ 39,962,936

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**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 2,102,098	\$ 2,644,316	\$ 3,149,184	\$ 3,929,627	\$ 3,771,989	\$ 3,573,228	\$ 1,770,558	\$ -	\$ -	\$ -
Unreserved	7,082,953	6,201,103	5,289,270	4,192,773	2,841,745	2,005,534	4,985,485	1,637,707	2,107,217	2,644,344
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	2,702,404	1,643,231	1,822,138
Unassigned	-	-	-	-	-	-	-	5,150,248	5,904,708	6,770,667
Total general fund	<u>\$ 9,185,051</u>	<u>\$ 8,845,419</u>	<u>\$ 8,438,454</u>	<u>\$ 8,122,400</u>	<u>\$ 6,613,734</u>	<u>\$ 5,578,762</u>	<u>\$ 6,756,043</u>	<u>\$ 9,490,359</u>	<u>\$ 9,655,156</u>	<u>\$ 11,237,149</u>
All Other Governmental Funds										
Reserved	\$ 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	74,827,114
Committed	-	-	-	-	-	-	-	2,879	3,613	7,352
Assigned	-	-	-	-	-	-	-	1,617,875	1,905,771	3,593,792
Unassigned	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Designated	18,599,780	7,703,977	22,627,713	23,989,752	24,031,157	22,314,064	32,566,108	-	-	-
Undesignated	37,658,494	31,751,472	46,432,370	41,902,706	35,566,974	35,121,329	-	-	-	-
Special revenue fund	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	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	<u>\$ 73,947,610</u>	<u>\$ 58,182,671</u>	<u>\$ 82,265,817</u>	<u>\$ 80,214,586</u>	<u>\$ 74,614,730</u>	<u>\$ 70,587,786</u>	<u>\$ 68,867,835</u>	<u>\$ 66,699,669</u>	<u>\$ 65,240,784</u>	<u>\$ 78,428,258</u>
GRAND TOTAL	<u>\$ 83,132,661</u>	<u>\$ 67,028,090</u>	<u>\$ 90,704,271</u>	<u>\$ 88,336,986</u>	<u>\$ 81,228,464</u>	<u>\$ 76,166,548</u>	<u>\$ 75,623,878</u>	<u>\$ 76,190,028</u>	<u>\$ 74,895,940</u>	<u>\$ 89,665,407</u>

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**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Revenues											
Sales and use taxes	\$ 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	\$ 61,800,536	
Franchise and public service taxes	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	2,189,488	
Ad valorem taxes	-	-	106,121	107,529	93,730	-	-	-	-	-	-
Hotel/motel taxes	288,756	282,807	293,962	336,159	417,905	364,232	345,208	344,968	391,664	421,979	
Intergovernmental	1,932,653	2,230,231	2,939,662	13,106,317	8,251,646	7,292,287	9,707,740	6,776,753	10,805,328	14,086,717	
Charges for services	3,414,444	3,636,375	3,824,794	4,532,811	5,121,590	4,980,864	6,209,535	6,750,908	6,833,164	6,816,347	
Fines and forfeitures	2,041,466	1,896,419	2,061,344	2,368,946	2,424,600	2,375,687	2,097,881	2,436,202	2,068,170	2,053,931	
Licenses and permits	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	1,389,282	
Investment income	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	675,831	
Payment from EEDA component unit	-	-	-	-	-	-	-	-	-	-	
Miscellaneous	419,807	1,271,934	496,869	617,040	401,775	581,882	462,860	1,416,558	593,336	747,326	
Total Revenues	\$ 44,675,308	\$ 49,357,884	\$ 59,640,780	\$ 70,136,420	\$ 67,666,787	\$ 67,346,527	\$ 66,746,811	\$ 67,719,759	\$ 76,199,179	\$ 90,191,437	
Expenditures:											
General government	\$ 4,500,913	\$ 5,177,011	\$ 5,691,211	\$ 6,227,383	\$ 5,927,876	\$ 5,380,418	\$ 4,839,694	\$ 5,382,504	\$ 5,239,393	\$ 6,339,565	
Public safety	21,341,415	23,169,172	25,775,741	32,337,739	35,466,386	35,183,104	36,047,474	37,953,732	37,732,090	40,600,947	
Streets and highways	2,830,510	3,235,334	3,069,250	3,963,803	4,421,445	3,333,924	3,098,018	2,897,088	2,899,278	2,899,278	
Cultural, Parks and Recreation	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	4,858,017	
Health and welfare	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	4,350,720	
Economic development	488,154	509,311	665,182	841,541	1,369,320	-	-	-	296,685	-	
Capital Outlay	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	28,076,563	
Debt service:											
Principal	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	4,495,000	
Interest and fiscal charges	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	2,488,647	
Total Expenditures	\$ 52,700,989	\$ 67,499,211	\$ 69,064,260	\$ 74,566,808	\$ 76,567,011	\$ 74,480,408	\$ 69,441,282	\$ 70,022,707	\$ 80,884,047	\$ 94,088,737	
Excess of revenues over(under) expenditures	\$ (8,025,681)	\$ (18,141,327)	\$ (9,423,480)	\$ (4,430,388)	\$ (8,900,224)	\$ (7,133,881)	\$ (2,694,471)	\$ (2,302,948)	\$ (4,684,868)	\$ (3,897,300)	
Other financing sources(uses)											
Transfers in	\$ 43,569,875	\$ 46,068,921	\$ 51,117,118	\$ 52,520,218	\$ 54,816,508	\$ 60,118,792	\$ 54,742,916	\$ 57,700,798	\$ 62,738,138	\$ 69,839,503	
Transfers out	(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)	(66,985,905)	
Proceeds from sale of judgment	-	258,610	-	-	-	-	-	-	-	-	
Transfer to escrow agent	-	-	-	-	-	-	-	-	(13,667,116)	(12,477,058)	
Bond issuance costs	-	-	(411,519)	-	-	-	-	-	-	-	
Bond discount	(118,468)	-	-	-	-	-	-	-	-	-	
Bond premium	200,007	-	984,477	-	-	-	-	-	-	1,325,224	
Bond proceeds	20,000,000	-	30,000,000	-	-	-	-	13,900,000	-	26,985,000	
Total other financing sources(uses)	\$ 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	\$ 18,666,764	
Net change in fund balances	\$ 9,632,246	\$ (16,115,000)	\$ 23,686,352	\$ (2,367,285)	\$ (7,108,523)	\$ (5,061,913)	\$ (542,672)	\$ 566,351	\$ (1,294,086)	\$ 14,769,464	
Debt service as a percentage of noncapital expenditures	7.2%	9.2%	12.8%	13.8%	12.3%	12.2%	13.7%	12.0%	10.7%	11.3%	

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
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
2013	-	58,707,772	3,092,764	2,116,254	41,617	421,979	64,380,386

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

	2006	2007	2008	2009	2010	2011	2012	2013
Residential	\$ 37,995,276	\$ 35,982,503	\$ 34,186,769	\$ 38,174,103	\$ 37,654,681	\$ 39,450,423	\$ 44,917,923	\$ 42,678,657
Commercial	15,538,466	16,082,452	17,187,660	18,854,931	17,716,150	17,706,025	20,110,914	19,814,031
Large Commercial & Industrial	2,571,921	1,788,194	974,507	963,824	859,249	846,672	879,907	855,677
Other	6,201,955	5,768,011	5,288,332	5,710,357	5,364,308	5,664,118	6,029,794	5,806,358
Totals	\$ 62,307,618	\$ 59,621,160	\$ 57,637,268	\$ 63,703,216	\$ 61,594,388	\$ 63,667,237	\$ 71,938,538	\$ 69,154,723

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 EIGHT YEARS
TABLE 7

Taxpayer	2006			2007			2008			2009			2010			2011			2012			2013			
	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%	1	\$ 1,993,673	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%	2	\$ 1,847,810	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%	3	\$ 1,719,861	2.5%	
Walmart	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%	4	\$ 779,485	1.1%	
Integrus Health Edmond		\$ -	0.0%		\$ -	0.0%		\$ -	0.0%		\$ -	0.0%		\$ -	0.0%		\$ -	0.0%	8	\$ 349,842	0.5%	5	\$ 479,408	0.7%	
OU Medical Center	5	\$ 389,020	0.6%	6	\$ 348,727	0.6%	6	\$ 334,020	0.6%	6	\$ 426,035	0.7%	7	\$ 395,136	0.6%	7	\$ 315,069	0.5%	6	\$ 373,020	0.5%	6	\$ 360,258	0.5%	
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%	7	\$ 359,406	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		6	\$ 330,251	0.5%	7	\$ 363,185	0.5%	8	\$ 342,866	0.5%	
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%	9	\$ 306,271	0.4%	9	\$ 292,138	0.4%	
Oak Tree Partners LLC													9	\$ 272,404	0.4%	10	\$ 255,308	0.4%	10	\$ 278,929	0.4%	10	\$ 276,202	0.4%	
Henderson Hill Baptist Church																9	\$ 255,308	0.4%							
Target	8	\$ 280,945	0.5%	9	\$ 268,601	0.4%	9	\$ 237,446	0.4%	10	\$ 299,360	0.5%	10	\$ 271,484	0.4%										
OSBI										9	\$ 315,726	0.5%													
Home Depot	10	\$ 195,826	0.3%																						
UPC Acquisition Corp.				8	\$ 284,745	0.5%	8	\$ 257,523	0.4%																
Totals		<u>\$ 6,808,472</u>	10.9%		<u>\$ 7,646,350</u>	12.9%		<u>\$ 7,492,789</u>	13.0%		<u>\$ 9,909,893</u>	15.6%		<u>\$ 9,262,267</u>	15.0%		<u>\$ 8,033,768</u>	12.6%		<u>\$ 8,721,511</u>	12.1%		<u>\$ 8,451,107</u>	12.2%	
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>			<u>\$ 69,154,723</u>		

Source: City of Edmond Utility Customer Service Department

CITY OF EDMOND, OKLAHOMA
TOP TEN ELECTRIC CUSTOMERS
LAST EIGHT YEARS
TABLE 8

Rate Code	Rate Schedule	Units	Edm Elec. 1/1/2006	Edm Elec 01/01/2007 - 01/01/2009	Edm Elec 1/1/2010	Edm Elec 1/1/2011	Edm Elec 1/1/2012	Edm Elec 1/1/2013
13	<u>R-1 Residential</u> Customer Charge Emergency Charge <i>Shoulder - Max</i> First 600 kWh Add'l kWh over 600 <i>Summer (Jan-Sep)</i> First 1,400 kWh Add'l kWh over 1,400 <i>Shoulder - Oct</i> First 600 kWh Add'l kWh over 600 <i>Winter (Nov-Apr)</i> First 600 kWh Add'l kWh over 600	\$/mo	6.04	6.05	12.48	12.48	12.48	12.48
		\$/kWh	0.0067	0.0792	0.0806	0.0806	0.0806	0.0806
		\$/kWh	0.0035	0.0569	0.0806	0.0806	0.0806	0.0806
		\$/kWh	0.0795	0.0795	0.0806	0.0806	0.0806	0.0806
		\$/kWh	0.0070	0.0807	0.0833	0.0833	0.0833	0.0833
		\$/kWh	0.0067	0.0792	0.0806	0.0806	0.0806	0.0806
		\$/kWh	0.0035	0.0569	0.0806	0.0806	0.0806	0.0806
		\$/kWh	0.0067	0.0792	0.0806	0.0806	0.0806	0.0806
		\$/kWh	0.0021	0.0444	0.0452	0.0452	0.0452	0.0452
		\$/mo	created 1/1/2007	6.05	12.48	12.48	12.48	12.48
		\$/kWh	created 1/1/2007	0.0792	0.0806	0.0806	0.0806	0.0806
		\$/kWh	created 1/1/2007	0.0382	0.0452	0.0452	0.0452	0.0452
		\$/kWh	same as R-1	same as R-1	same as R-1	same as R-2	same as R-2	same as R-2
14	<u>LH/EAP-1 Low Income Home Energy Assistance Program Rider</u> Customer Charge <i>(Oct-May)</i> <i>Summer (Jan-Sep)</i> Emergency Charge <i>Winter (Nov-Apr)</i> First 600 kWh Add'l kWh over 600 <i>Summer & Shoulder (May-Oct)</i>	\$/mo	133.92	11.16	23.04	23.04	23.04	23.04
		\$/kWh	0.0106	0.0993	0.1003	0.1003	0.1003	0.1003
		\$/kWh	0.0087	0.0897	0.0864	0.0864	0.0864	0.0864
		\$/kWh	0.0031	0.054	0.048	0.048	0.048	0.048
		\$/mo	133.92	11.16	23.04	23.04	23.04	23.04
		\$/kWh	0.0106	0.0993	0.1003	0.1003	0.1003	0.1003
		\$/kWh	0.0087	0.0897	0.0864	0.0864	0.0864	0.0864
		\$/kWh	0.0031	0.054	0.048	0.048	0.048	0.048
		\$/mo	133.92	11.16	23.04	23.04	23.04	23.04
		\$/kWh	0.0106	0.0993	0.1003	0.1003	0.1003	0.1003
		\$/kWh	0.0087	0.0897	0.0864	0.0864	0.0864	0.0864
		\$/kWh	0.0031	0.054	0.048	0.048	0.048	0.048
		\$/mo	133.92	11.16	23.04	23.04	23.04	23.04
05	<u>GS-TOU General Service Time-of-Use</u> Customer Charge TOU Meter Charge (Jan-Oct) Emergency Charge <i>Summer On-Peak Hours (7p-8p)</i> <i>Summer Off-Peak Hours</i> <i>Winter</i> First 1000 kWh Add'l kWh over 1000	\$/mo	113.53	10.23	0	0	0	0
		\$/kWh	0.0904	0.2899	0.2880	0.2880	0.2880	0.2880
		\$/kWh	0.0031	0.054	0.048	0.048	0.048	0.048
		\$/kWh	0.0087	0.0897	0.0864	0.0864	0.0864	0.0864
		\$/kWh	0.0031	0.0540	0.0480	0.0480	0.0480	0.0480
		\$/mo	113.53	10.23	0	0	0	0
		\$/kWh	0.0904	0.2899	0.2880	0.2880	0.2880	0.2880
		\$/kWh	0.0031	0.054	0.048	0.048	0.048	0.048
		\$/kWh	0.0087	0.0897	0.0864	0.0864	0.0864	0.0864
		\$/kWh	0.0031	0.0540	0.0480	0.0480	0.0480	0.0480
		\$/mo	113.53	10.23	0	0	0	0
		\$/kWh	0.0904	0.2899	0.2880	0.2880	0.2880	0.2880
		\$/kWh	0.0031	0.054	0.048	0.048	0.048	0.048
\$/kWh	0.0087	0.0897	0.0864	0.0864	0.0864	0.0864		
\$/kWh	0.0031	0.0540	0.0480	0.0480	0.0480	0.0480		
39	<u>PL-1 Power & Light</u> Customer Charge Capacity Charge (new 25% ratcheted) <i>Summer (Jan-Oct)</i> <i>Winter (Nov-May)</i>	\$/mo	5,062.55	69.35	72	72	72	72
		\$/kW	135.40	11.34	11.76	11.76	11.76	11.76
		\$/kW	31.06	5.43	6.10	6.10	6.10	6.10
		\$/mo	5,062.55	69.35	72	72	72	72
		\$/kW	135.40	11.34	11.76	11.76	11.76	11.76
		\$/kW	31.06	5.43	6.10	6.10	6.10	6.10
		\$/mo	5,062.55	69.35	72	72	72	72
		\$/kW	135.40	11.34	11.76	11.76	11.76	11.76
		\$/kW	31.06	5.43	6.10	6.10	6.10	6.10
		\$/mo	5,062.55	69.35	72	72	72	72
		\$/kW	135.40	11.34	11.76	11.76	11.76	11.76
		\$/kW	31.06	5.43	6.10	6.10	6.10	6.10
		\$/mo	5,062.55	69.35	72	72	72	72
\$/kW	135.40	11.34	11.76	11.76	11.76	11.76		
\$/kW	31.06	5.43	6.10	6.10	6.10	6.10		

CITY OF EDMOND, OKLAHOMA
TOP TEN ELECTRIC CUSTOMERS
LAST EIGHT YEARS
TABLE 8

Rate Code	Rate Schedule	Units	Edm Elec - 1/1/2006	Edm Elec - 01/01/2007 - 01/01/2009	Edm Elec - 1/1/2010	Edm Elec - 1/1/2011	Edm Elec - 1/1/2012	Edm Elec - 1/1/2013
36	<u>PL-TOL Power & Light Time-of-Day</u> Customer Charge First 1,000,000 kWh All Add'l kWh TOU Meter Charge (Summer) Capacity Charge <i>Summer</i> Max Billing Demand On-Peak Hrs Demand <i>Winter</i> Max Billing Demand Energy Charge First 1,000,000 kWh All Add'l kWh	\$/kWh	0.0016	0.0395	0.0403	0.0403	0.0403	0.0403
		\$/kWh	0.0014	0.0365	0.0403	0.0403	0.0403	0.0403
		\$/mo	5,062.55	69.35	72.00	72.00	72.00	72.00
		\$/mo	0.00	0	0	0	0	0
		\$/kW	1.39	1.15	1.21	1.21	1.21	1.21
		\$/kW	109.34	10.19	10.71	10.71	10.71	10.71
		\$/kW	31.06	5.43	5.70	5.70	5.70	5.70
		\$/kWh	0.0016	0.0395	0.0415	0.0415	0.0415	0.0415
		\$/kWh	0.0014	0.0365	0.0383	0.0383	0.0383	0.0383
		35	<u>PL-TOL Large Power & Light Time-of-Day</u> Customer Charge Capacity Charge (new 25% ratchet) Summer (Jan-Oct) mo. Max. Demand On-Peak 2p-8p (except Sun. *) <i>Winter</i> (Nov-May) Energy Charge First 2,000,000 kWh/month All Additional kWh/month * for O&GE summer On-Peak, all weekends and 3 holidays are exempt. On Peak kWh/mo (June 1-Sept 30, 2-7:00 pm) Off-Peak kWh/mo <i>Winter</i> Season: All kWh	\$/mo	22,344.98	147.98	73.50	73.50
\$/kW	0.18			0.42	5.21	5.21	5.21	5.21
\$/kW	62.25			7.81	0	0	0	0
\$/kW	19.76			4.40	5.21	5.21	5.21	5.21
\$/kWh	0.0016			0.0402	0	0	0	0
\$/kWh	0.0014			0.0365	0	0	0	0
\$/kWh	0.1150			0.1150	0.1150	0.1150	0.1150	0.1150
\$/kWh	0.0343			0.0343	0.0343	0.0343	0.0343	0.0343
\$/kWh	0.0343			0.0343	0.0343	0.0343	0.0343	0.0343
\$/kWh	0.0343			0.0343	0.0343	0.0343	0.0343	0.0343
51	<u>PS-MD-1 Public Schools Non Demand</u> Customer Charge Energy Charge <i>Summer (Jan-Oct)</i> All kWh <i>Winter (Nov-May)</i> First 1000 kWh Add'l kWh over 1000	\$/mo	created 1/1/2007	11.90	12.29	12.29	12.29	12.29
		\$/kWh	created 1/1/2007	0.0990	0.1003	0.1003	0.1003	0.1003
		\$/kWh	created 1/1/2007	0.0897	0.0874	0.0874	0.0874	0.0874
		\$/kWh	created 1/1/2007	0.0537	0.0518	0.0518	0.0518	0.0518
		\$/kWh	0.018	0.0009	0.0027	0.0027	0.0027	0.0027
		(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	
		(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	
		(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	
		(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	
		(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	

CITY OF EDMOND, OKLAHOMA
TOP TEN ELECTRIC CUSTOMERS
LAST EIGHT YEARS
TABLE 8

Rate Code	Rate Schedule	Units	Edm Elec - 1/1/2006	Edm Elec - 01/01/2009 - 1/1/2009	Edm Elec - 1/1/2010	Edm Elec - 1/1/2011	Edm Elec - 1/1/2012	Edm Elec - 1/1/2013		
44	<i>OSL-1 Outdoor Security Lighting</i> Base Charge	Existing Wood Pole		Monthly KWH	Monthly KWH	Monthly KWH	Monthly KWH	Monthly KWH		
		7,000 Mercury Vapor* *	7.49	71	71	71	71	71		
		9,500 High Pressure Sodium	5.86	41	41	41	41	41		
		14,000 Metal Halide - Directional	12.91	71	71	71	71	71		
		15,500 High Pressure Sodium	8.06	71	71	71	71	71		
		25,000 High Pressure Sodium	11.62	107	107	107	107	107		
		*Not available for new installations								
		Additional Charges								
		Extension of Secondary Circuit and Wood Pole								
		30 foot pole	4.37							
35 foot pole	6.24									
40 foot pole	7.01									
45 foot pole	7.97									
50 foot pole	8.93									
*with wiring requirement of 150 feet or less										
*Underground wiring additional										
*If pole has to be hand set additional charge										
		354.00								
Ornamental Lighting Fixtures										
Base Charge										
9,500 High Pressure Sodium on										
24 foot fiberglass pole										
		18.84	created 1/1/2007	41	41	41	41	41		
26	<i>PMU Municipal Water Pumping</i> Customer Charge	\$/mo	10.23	10.23	23.04	23.04	23.04	23.04		
		Energy Charge	\$/KW	0.04445	0.0565	0.0634	0.0634	0.0634		
		Summer (Jun-Oct)	\$/KW	0.0433	0.0552	0.0480	0.0480	0.0480		
		Winter (Nov-May)	\$/KW							
99	<i>LED-1 Traffic Signal Lights</i> Customer Charge	\$/mo	created 1/1/2007	10.2	10.2	10.2	10.2	10.2		
		Energy Charge		Monthly KWH	250	250	250	250		
		Per Intersection	19.98	created 1/1/2007						

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>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>	<u>2013</u>
City	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.75%	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%	8.25%							

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013*
Agril, forestry, fishing hunting	32,508	94,900	136,158	(112,697)	55,375	98,379	42,304	31,739	56,292	20,050
Mining, oil and gas extraction	17,507	33,313	41,275	62,285	29,076	64,906	1,736	46,492	66,585	5,204
Utilities	2,241,881	2,283,891	2,668,243	2,854,686	2,787,641	2,962,614	2,904,097	2,807,077	2,869,951	2,185,463
Construction	12,219	10,517	26,862	39,045	28,500	36,612	36,107	32,830	69,507	50,217
Mfg foods, textile, tobacco										110,738
Mfg-building, books, glass, brick, concrete	214,887	210,650	266,428	286,862	395,719	318,134	213,983	211,016	303,993	1,075,374
Mfg-iron,steel,sign,construction equipment, hardware										759,798
Wholesale trade-Automobiles, tires										62,456
Wholesale trade-Furniture, home furnishings										49,323
Wholesale trade-Lumber, brick, roofing, siding										215,771
Wholesale trade-Office & medical equipment, hardware, electrical appliances										631,941
Wholesale trade-Heat & Air, plumbing, farm, garden, transportation, industrial equipment	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	1,918,186
Wholesale trade-Sporting goods, office supplies, drugs, apparel										224,288
Wholesale trade-Grocery, meat, fish, fruit, dairy										119,956
Wholesale trade-Chemical, plastics, paint, books, florists, farm supplies										179,414
Retail trade-cars, boats, tire, parts	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	1,180,533
Retail trade-furn, household, computer, cameras	3,994,425	4,468,778	5,042,389	4,738,770	4,844,080	5,048,412	4,676,327	4,417,446	4,867,601	3,667,288
Retail trade-hardware, building materials, paint, nursery	3,360,758	3,249,189	2,876,881	2,865,971	2,956,101	3,217,337	3,391,516	3,801,497	4,475,165	7,274,378
Retail trade-grocery	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	5,730,617
Retail trade-health, pharmacies	2,989,918	3,344,484	3,617,962	4,086,836	4,186,902	4,408,032	4,515,923	4,687,973	5,197,419	1,447,946
Retail trade-gasoline with conv. stores	628,692	671,188	691,239	736,280	806,783	796,361	852,484	997,628	1,085,614	316,627
Retail trade-clothing, shoes, jewelry	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	1,751,700
Retail trade-sporting goods, hobby, sewing, musical										11,359,340
Retail trade-dept stores, gen merchandise	6,199,356	6,503,736	7,045,225	7,616,216	8,165,460	8,430,100	8,427,080	8,509,668	8,974,710	1,975,995
Retail trade-florist, office supplies, pet, art, vending, used merch.										168,612
Transportation and warehousing-towing, freight, trucking	10,434	14,016	17,726	14,693	18,522	33,001	59,514	69,007	62,873	19,378
Information-newspaper, cable, wireless	1,837,584	1,831,506	1,874,056	1,948,510	2,024,068	2,115,513	2,107,808	2,063,197	2,116,694	2,267,040
Finance and insurance	12,397	17,297	9,898	15,648	15,702	12,369	9,858	7,492	11,467	51,315
Real estate and rental and leasing	361,230	385,185	413,022	407,089	480,483	533,356	493,928	489,984	633,883	960,089
Professional, scientific, and technical services	14,460	16,324	20,810	16,400	17,679	23,696	22,068	25,167	25,149	440,391
Adm. & support and waste management and remediation services										39,309
Educational services										42,272
Health care and social assistance-doctors, chiropractors, eye, family services	199,595	212,786	255,982	260,538	248,418	259,991	248,369	255,986	272,925	23,351
Arts, Entertainment, and Recreation-golf, fitness, bowling, museums	142,765	138,121	131,631	137,286	163,301	163,467	155,084	148,431	117,575	448,675
Accommodation and Food Services-Hotels	242,713	233,032	278,657	282,723	352,794	308,276	285,609	304,701	358,175	476,835
Accommodation and Food Services-Restaurants, Bars	812,772	825,734	860,724	1,014,966	948,539	891,543	786,322	804,873	929,140	771,817
Other Services (Auto, Electronic repairs, Salons, funeral	336,298	335,411	367,984	400,294	376,616	392,206	401,687	459,313	472,940	692,889
Public Administration-Regulation of Transportation Programs										(13)
Unclassified	97,846	103,186	201,097	177,054	256,191	192,498	323,703	530,895	677,950	(20,517)
	\$ 31,659,833	\$ 34,210,749	\$ 37,091,732	\$ 39,605,879	\$ 41,369,153	\$ 43,938,901	\$ 41,463,130	\$ 42,987,561	\$ 47,925,677	\$ 58,761,128

(1) The source for taxable sales by category is the Oklahoma Tax Commission. This amount is the gross amount before the State retains portion for revoking fund. Note: In FY 2013, the Oklahoma Tax Commission changed their SIC codes and now use NAICS codes. These new codes have more categories than in previous years. We matched previous years as best that we could to match to the new codes descriptions.

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			
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
2013	73,260,000	-	42,400,000	17,891,382	0	133,551,382	3.97%	\$ 1,582

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
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%	-
2013	84,404 (7)	854,180,987	-	-	-	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 Amercian 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, 2013
TABLE 13**

<u>Jurisdiction</u>	<u>Net (1) Debt Outstanding</u>	<u>Percentage (2) Applicable to City of Edmond</u>	<u>Amount Applicable to City of Edmond</u>
Direct - City of Edmond	\$ -	100.00%	\$0
Overlapping: Edmond School District	\$ 123,685,000	55.15%	68,214,387
Oklahoma County	55,640,571	13.73%	7,636,786
Total	<u>\$179,325,571</u>		<u>\$75,851,173</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**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 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	\$ 85,418,099
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 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	\$ 85,418,099
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 2013

Net assessed valuation	\$ 854,180,987
Debt limit (10% of total assess value)	\$ 85,418,099
Debt applicable to limit:	
General obligation bonds	\$ -
Less: Street bonds outstanding	-
Total net debt applicable to limit	-
Legal debt margin	\$ 85,418,099

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 Expenses</u> ¹	<u>Net Revenue Available for Debt Service</u>	<u>Maximum Annual Debt Service</u>	<u>Revenue Bond Coverage</u>	
2004	Sales Tax and Utility Revenue Bonds Series 2001, 2003, 2004 Utility Revenue Bonds Series 1998, 1999, 2003, 2004	80,646,937 92,626,281	59,706,592 54,866,300	20,940,345 37,759,981	4,660,277 7,608,482	4.49 4.96
2005	Sales Tax and Utility Revenue Bonds Series 2001, 2003, 2004 Utility Revenue Bonds Series 1998, 1999, 2003, 2004	81,738,628 94,690,783	62,742,821 56,999,841	18,995,807 37,690,942	4,600,458 8,288,621	4.13 4.55
2006	Sales Tax and Utility Revenue Bonds Series 2001, 2003, 2004, 2005 Utility Revenue Bonds Series 1998, 1999, 2003, 2004, 2005 OWRB Series 2005, 2006	101,549,692 115,530,508 115,530,508	78,472,004 72,572,103 72,572,103	23,077,958 42,958,405 42,958,405	6,822,961 8,443,233 8,443,233	3.38 5.09 5.09
2007	Sales Tax and Utility Revenue Bonds Series 2001, 2003, 2004, 2005 Utility Revenue Bonds Series 1998, 1999, 2003, 2004, 2005 OWRB Series 2005, 2006	99,735,661 114,845,407 114,845,407	79,826,395 72,731,962 72,731,962	19,909,266 42,113,445 42,113,445	6,822,981 8,443,233 8,443,233	2.92 4.99 4.99
2008	Sales Tax and Utility Revenue Bonds Series 2001, 2003, 2004, 2005 Utility Revenue Bonds Series 1998, 1999, 2003, 2004, 2005 OWRB Series 2005, 2006	98,908,461 114,558,163 114,558,163	79,729,807 72,725,121 72,725,121	19,178,654 41,833,042 41,833,042	6,882,981 8,443,233 8,443,233	2.79 4.95 4.95
2009	Sales Tax and Utility Revenue Bonds Series 2001, 2003, 2004, 2005 Utility Revenue Bonds Series 1998, 1999, 2003, 2004, 2005 OWRB Series 2005, 2006	106,361,912 123,109,588 123,109,588	81,058,262 74,052,201 74,052,201	25,303,650 49,057,387 49,057,387	6,822,981 8,443,233 8,443,233	3.71 5.81 5.81
2010	Sales Tax and Utility Revenue Bonds Series 2001, 2003, 2004, 2005 Utility Revenue Bonds Series 1998, 1999, 2003, 2004, 2005 OWRB Series 2005, 2006	102,344,442 118,119,652 118,119,652	81,867,810 74,845,596 74,845,596	20,476,632 43,274,056 43,274,056	6,822,981 8,682,517 8,682,517	3.00 4.98 4.98
2011	Sales Tax and Utility Revenue Bonds Series 2001, 2003, 2004, 2005 Utility Revenue Bonds Series 1998, 1999, 2003, 2004, 2005 OWRB Series 2005, 2006	111,304,738 127,646,147 127,646,147	91,610,054 83,031,312 83,031,312	19,694,684 44,614,835 44,614,835	6,990,269 8,443,233 8,443,233	2.82 5.28 5.28
2012	Sales Tax and Utility Revenue Bonds Series 2001, 2003, 2004, 2005, 2010 Utility Revenue Bonds Series 1998, 1999, 2003, 2004, 2005 OWRB Series 2005, 2006	111,304,738 127,646,147 127,646,147	91,610,054 83,031,312 83,031,312	19,694,684 44,614,835 44,614,835	6,990,269 8,443,233 8,443,233	2.82 5.28 5.28
2013	Sales Tax and Utility Revenue Bonds Series 2004, 2005, 2010, 2012, 2013 Utility Revenue Bonds Series 2003, 2004, 2005 OWRB Series 2005, 2006	124,463,512 144,078,716 144,078,716	109,885,068 90,796,258 90,795,258	14,578,444 53,282,458 53,282,458	8,552,264 8,443,233 8,443,233	1.70 6.34 6.34

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)
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%
2012	84,404	3,360,292,048	39,812	35.2	46.6	23,089	4.4%

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 Seven Years Ago
TABLE 17**

<u>Employer</u>	<u>Product/Business</u>	<u>2006</u>			<u>2013</u>		
		<u>Rank</u>	<u>Employees</u>	<u>% of Total</u>	<u>Rank</u>	<u>Employees</u>	<u>% of Total</u>
Edmond Public Schools	Public Education	1	2,191	39.4%	1	2,629	39.1%
University of Central Oklahoma	Higher Education	2	1,009	18.1%	2	1,255	18.7%
City of Edmond	Local Municipality	3	642	11.5%	3	665	9.9%
Adtrech	Quality Control for Mortgage Industry	7	250	4.5%	4	622	9.3%
OU Medical Center ¹	Hospital	5	350	6.3%	5	448	6.7%
Petra Industries	Electronic Distribution	8	189	3.4%	6	300	4.5%
INTEGRIS Health Edmond	Hospital				7	295	4.4%
Remy International ²	Auto Parts Manufacturing	4	430	7.7%	8	290	4.3%
Pelco Products	Traffic, Decorative, & Utility Hardware	10	107	1.9%	9	133	2.0%
Innovative Healthcare Systems	Health Care Billing				10	85	1.3%
Cox Communications	Communication Services	9	147	2.6%			
Ben E. Keith ³	Food Distribution	6	250 *	4.5%			
Totals			<u>5,565</u>	<u>100%</u>		<u>6,722</u>	<u>100%</u>

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 limit

CITY OF EDMOND, OKLAHOMA
FULL-TIME EQUIVALENT BUDGETED CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 Last Eight 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>	<u>Fiscal Year 2013</u>
General Government:								
Management Services	5	6	5	5	5	4	5	5
City Clerk/Governmental Relations	7	4	4	4	4	4	4	4
Finance	7	7	8	8	8	8	8	8
Treasurer	2	2	2	2	2	2	2	2
Human Resources	6	6	7	7	7	7	7	7
IT	15	16	16	16	16	16	16	16
Legal	7	7	8	8	8	8	8	8
Other	19	22	22	24	26	26	26	30
Engineering	14	14	14	14	14	14	14	14
Planning	6	6	6	6	6	6	6	7
CDBG	1	1	1	1	1	1	1	1
Building	15	15	15	15	15	15	15	15
Community Image	8	7	7	7	5	5	5	6
Convention & Visitors Bureau	2	2	2	2	2	2	2	2
Downtown Community Center	2	2	2	2	2	2	2	1
Total General Government	116	117	119	121	121	120	121	126
Public Safety and Judiciary:								
Police:								
Officers	105	111	114	114	114	114	114	114
Civilians	17	20	22	22	22	22	22	23
Animal Welfare	9	10	10	10	10	10	10	9
Fire:								
Firefighters & Officers	113	111	114	114	115	115	115	115
Civilians	3	5	6	7	7	7	7	7
Emergency Management	3	2	2	2	2	2	2	2
Central Communications/EM	20	21	24	24	24	24	24	24
Municipal court	8	8	8	8	8	8	8	8
Total Public Safety and Judiciary	278	288	300	301	302	302	302	302
Transportation:								
Streets	28	25	25	25	25	25	25	25
Traffic	5	5	5	5	5	5	5	5
Public Works Administration	6	12	14	14	14	12	12	13
	39	42	44	44	44	42	42	43
Cultural, Parks and Recreation:								
Parks and Recreations	41	44	40	41	41	42	42	42
Total Cultural, Parks and Recreation	41	44	40	41	41	42	42	42
Utilities:								
Electric	44	47	48	48	48	48	49	49
Water	43	42	43	42	42	42	42	42
Solid Waste	21	21	21	21	21	21	20	20
Wastewater	20	19	21	21	21	22	22	22
Drainage	5	5	5	5	5	5	5	5
Utility Customer Service	36	36	38	38	38	38	38	39
Central Warehousing	0	0	0	3	3	3	3	3
Total Public Works	169	170	176	178	178	179	179	180
Total Full-Time Budgeted Employees by Function/Program	643	661	679	685	686	685	686	693

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 Eight Fiscal Years
TABLE 19

Function/Program	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Police:								
Stations	1	1	1	1	1	1	1	1
Patrol units	115	124	126	138	139	144	147	147
Fire :								
Stations	5	5	5	5	5	5	5	5
Engines	7	6	6	6	5	5	5	5
Quint	1	1	1	1	2	2	2	2
Vehicles	22	25	26	29	29	29	29	29
Refuse Collection:								
Collection trucks	23	23	23	23	22	22	25	24
Streets:								
Street miles ¹	601	610	618	625	627	627	487	487
Streetlights	4,042	4,162	4,458	4,463	4,954	5,421	5,542	5,652
Traffic signals	84	82	91	95	96	99	99	99
Parks and Recreation:								
Acreage	4,821	4,821	4,821	4,949	4,960	4,960	4,960	4,960
Playgrounds	22	22	22	23	23	23	23	23
Baseball/softball diamonds	24	24	24	24	24	24	24	24
Soccer/football fields	13	13	13	13	16	16	16	16
Community Center	1	1	1	1	1	1	1	1
Pool	1	1	1	1	1	1	1	1
Golf course	1	1	1	1	1	1	1	1
Disc Golf courses	3	3	3	3	3	3	3	3
Public Transportation:²								
Buses	3	3	3	3	8	8	12	12
Trolley	3	3	3	3	0	0	0	0
Cemetery:								
Plots Maintained ³	15,165	15,165	15,165	15,165	15,165	15,165	15,599	15,599
Vehicles & Machinery	3	3	4	4	4	4	4	4
Water:								
Water mains (miles)	432	463	474	480	484	493	500	502
Fire hydrants	3,626	3,882	3,982	4,092	4,129	4,315	4,392	4,388
Storage capacity (thousands of gallons)								
Clearwells and Tower	20,000	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	11,000
Wastewater:								
Sanitary sewers (miles) Force Main	24	22	22	22	22	22	22	22
Sanitary sewers (miles) Gravity Main	385	399	407	413	416	416	423	424
Storm sewers (miles)	87	95	100	105	107	111	115	118
Treatment capacity (thousands of gallons)	9,000	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

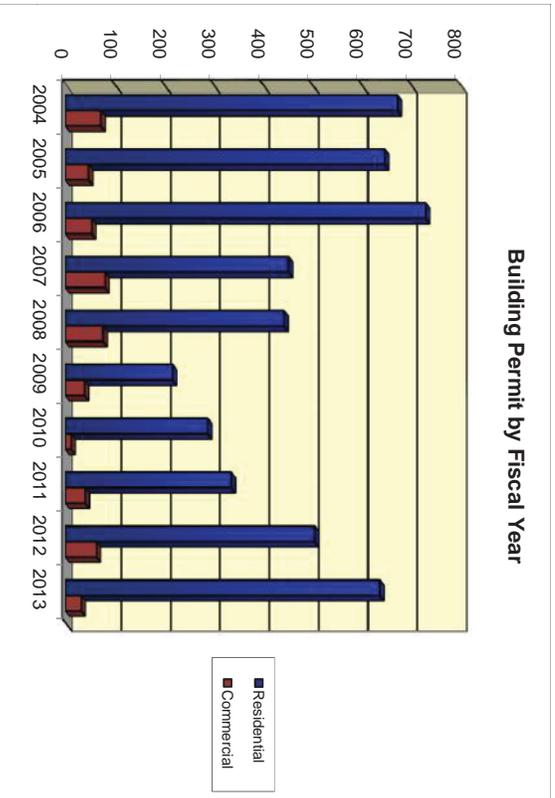
**CITY OF EDMOND, OKLAHOMA
Operating Indicators by Function/Program
Last Eight Fiscal Years
TABLE 20**

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013
Police								
Physical Arrests	2,953	2,683	2,364	2,071	2,543	2,658	2,728	2,931
Parking Violations	2,419	1,533	1,086	1,643	1,462	1,547	1,230	984
Traffic Violations	17,062	19,965	19,815	18,821	17,409	17,490	14,196	14,151
Fire								
Emergency Responses	4,052	4,518	5,020	5,692	5,745	5,890	6,793	5,984
Fires Extinguished	266	330	210	260	238	214	304	223
Inspections	988	1,080	883	1,191	1,057	937	1,096	904
Solid Waste Collection								
Solid Waste Collected (Tons Per Day)	244	238	258	259	255	262	242	218
Recyclables Collected (Tons Per Day)	11	11	12	11	11	10	8	8
Other Public Works								
Potholes Repaired:								
Asphalt Patching (Tons)	532	309	261	345	255	218	385	214
Concrete Patching (Cubic Yards)	126	1,533	91	106	160	117	140	128
Asphalt Repairs (Tons)	2,878	1,728	4,741	2,364	2,793	2,183	446	1,105
Concrete Repairs (Cubic Yards)	220	303	477	433	554	510	203	298
Parks & Recreation								
Athletic Field-Agreements								
EASI (# of Fields Used)	20	20	20	20	20	20	20	20
Edmond Soccer Club (# of Fields Used)	13	13	13	13	16	16	16	16
Miracle League of Edmond (# of Fields Used)	1	1	1	1	1	1	1	1
YMCA (# of Fields Used)	2	7	7	7	7	7	7	7
Edmond Round Up Arena	1	1	1	1	1	1	1	1
Edmond Rugby Club (# of Fields Used)			2	2	2	2	2	2
Edmond Lacrosse Club (# of Fields Used)			5	5	5	5	4	4
B & B Tennis (# of Courts Used)	14	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	4,332
(MAC-Special Event Participants) ¹	n/a	n/a	10,381	5,419	6,500	4,086	3,338	4,034
(MAC-Multi-Use Activity Center)								
Senior Center-Program Participants	50,927	48,369	69,361	68,034	60,181	38,772	42,240	42,753
-St. Center Lunch Program	21,247	22,471	19,726	17,080	11,266	9,486	9,669	9,541
Water								
New Connections	606	942	412	264	283	330	491	598
Water Main Breaks	73	97	60	44	57	73	45	58
Average Daily Produced (Thousands of Gallons)	11,000	10,230	10,130	10,340	9,440	10,709	11,409	10,712
Peak Daily Produced (Thousands of Gallons)	20,100	21,950	19,950	21,910	22,078	21,177	21,906	22,097
Wastewater								
Average Daily Sewage Treatment (Millions of Gallons)	7,000	7,000	7,300	6,850	7,180	6,900	7,400	7,000
Transit								
CityLink Bus Service-Revenue Mileage	0	0	0	0	228,920	220,219	279,388	283,188
Total Route Miles-Trolleys and Broncho ²	269,074	261,033	268,739	269,059	-	-	-	-
Passengers ³	64,587	69,622	61,089	66,033	109,000	179,220	235,005	265,000

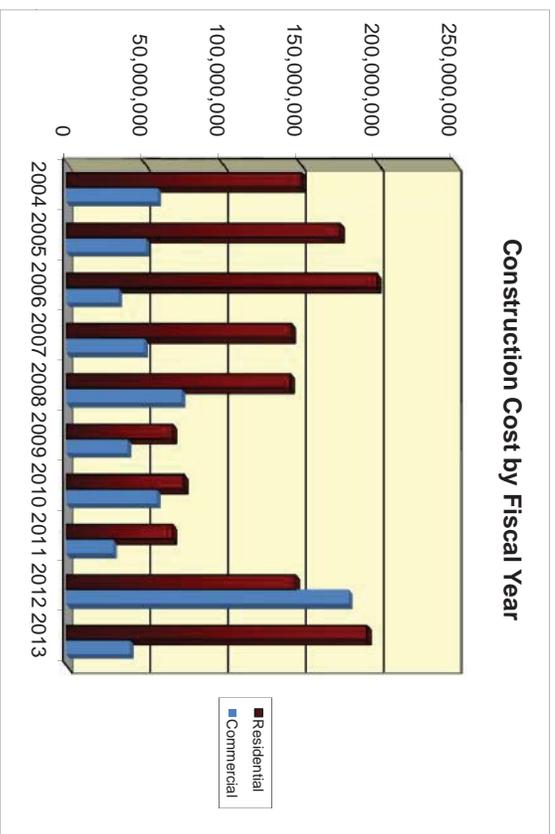
¹ 2008, tracking of Programs and Special Events are being tracked separately
Source: Various City Departments
² Transit information provided by Metro Transit 2006-2009
³ Transit information provided by McDonald Transit & Associates 2010. Edmond's Transit began July 1, 2009

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

Number of Permits



Construction Costs



Residential Construction

Fiscal year	Number of Permits	Construction Cost
2013	638	193,540,218
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

Commercial Construction

Fiscal year	Number of Permits	Construction Cost
2013	33	41,123,830
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

CITY OF EDMOND, OKLAHOMA
SINGLE AUDIT REPORTS
AND SUPPLEMENTARY SCHEDULES

June 30, 2013

CITY OF EDMOND, OKLAHOMA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Edmond, Oklahoma (the "City"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 27, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Arledge & Associates, P.C.

December 27, 2013

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited the City of Edmond, Oklahoma's (the "City") compliance with the types of compliance requirements described in the *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, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 of 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 27, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Orledge & Associates, P.C.

December 27, 2013

CITY OF EDMOND, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

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 BC-11-MC-40-0009 BC-12-MC-40-0009 BC-13-MC-40-0009	\$ 441,340 \$ 369,727 \$ 365,820 \$ 384,483	\$ 22,218 \$ 340,593 \$ 9,386 \$ -
Community Development Block Grant : Entitlement - ARRA	14.253	B-09-MY-0009	108,599	50,567
Total U.S. Dept. of Housing and Urban Development			1,669,969	422,764
U.S. Dept. of Justice:				
Passed through the Oklahoma District Attorney's Council: Local Law Enforcement Block Grant	16.582	N/A	17,202	13,253
Passed through the Oklahoma State Bureau of Investigation: Internet Crimes Against Children	16.543	OJJD-OSBI	2,560	2,560
Passed through the City of Oklahoma City: 2010 Byrne Justice Assistance Grant Program	16.751	2010-H2044-OK-RE	9,761	9,761
Total U.S. Dept. of Justice			29,524	25,574
U.S. Dept. of Agriculture:				
Passed through Oklahoma Department of Agriculture: Tree Planting Program	10.675	SAFETEALU-11-05	25,000	33,333
Tree Inventory Audit	10.675	U&CF-10-02	10,000	20,103
Total U.S. Dept. of Agriculture			35,000	53,436
U.S. Dept. of Transportation:				
Passed through Central Oklahoma Transportation and Parking Authority: New Freedom	20.521	SAFETEA-LU	162,281	162,281
Jobs Access and Reverse Commute Program	20.516	SAFETEA-LU	73,423 235,704	73,423 235,704
Passed through Oklahoma Department of Transportation: Paratransit Revolving Fund			91,770	91,770
Subtotal CFDA			91,770	91,770
Passed through the Oklahoma Highway Safety Office: State and Community Highway Safety	20.600	SE-12-03-02-14	30,000	7,378
State and Community Highway Safety	20.600	K8-12-03-14-14	30,000	8,440
State and Community Highway Safety	20.600	CE-12-03-11-14	3,000	984
State and Community Highway Safety	20.600	K6-12-03-02-06	118,221	11,775
State and Community Highway Safety	20.600	SE-13-03-04-15	40,000	23,171
State and Community Highway Safety	20.600	K8-13-03-10-15	33,500	14,814
State and Community Highway Safety	20.600	CE-13-03-12-15	3,000	1,748
State and Community Highway Safety	20.600	STMC-13-02-01-15	35,000	24,005
State and Community Highway Safety	20.600	K6-13-02-03-15	15,000	4,965
Subtotal CFDA 20.600			307,721	97,280
Total U.S. Dept. of Transportation			635,195	424,754
US Dept. of Energy:				
Energy Efficiency and Conservation Block Grant - ARRA	81.128	DE-SC0001632	726,700	40,848
Passed through Oklahoma Department of Commerce: State Energy Efficiency and Conservation Block Grant - ARRA	81.128	13961-SEECBG 09	250,000	54,307
Total U.S. Dept. of Energy			976,700	95,155
U. S. Department of Homeland Security				
Passed through Oklahoma Department of Public Safety:				
Assistance to Firefighters Grant	97.044	2010-CO-UASI	40,000	40,000
Passed through Oklahoma Department of Civil Emergency Management:				
Disaster Relief and Emergency Public Assistance	97.036	FEMA OK-#1926	1,359,076	814,138
	97.036	FEMA OK #4117		165,294
Passed through Oklahoma Office of Homeland Security:				
Emergency Management Performance Grants	97.042	PL 85-606	10,000	10,000
2009 Homeland Security Citizen Corp Grants Program	97.053	FY2009 CCP	6,472	5,540
Total U.S. Department of Homeland Security			1,415,549	1,034,973
Total Federal Awards			\$ 4,761,936	\$ 2,056,655

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, 2013

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? _____ yes X 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>
14.218	Community Development Block Grant
97.036	Disaster Grants - 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, 2013

SECTION II – FINANCIAL STATEMENT FINDINGS

Compliance Findings

None

Internal Control Findings

None

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Compliance Findings

None

Internal Control Findings

None

CITY OF EDMOND, OKLAHOMA

SUMMARY SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS
For Prior 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. 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: For fiscal 2013 the City reconciled the general ledger to the supporting subsidiary ledgers monthly and therefore this comment has been resolved.

CORRECTIVE ACTION PLAN

December 27, 2013

U.S. Department of Housing and Urban Development

The City of Edmond, Oklahoma respectfully submits the following summary schedule of audit findings and corrective action plan for the year ended June 30, 2013.

Name and address of independent public accounting firm: Arledge & Associates, P.C., 309 N. Bryant, Edmond, OK 73034.

Audit period: July 1, 2012 to June 30, 2013.

The schedule of findings does not contain any findings and no matters are required to be addressed.