

WATER WORKS AND ELECTRIC LIGHT PLANT, EDMOND, OKLA.

CELEBRATING

125

YEARS

TURNING THE PAGE OF PROSPERITY

TWO THOUSAND FOURTEEN
COMPREHENSIVE ANNUAL
FINANCIAL REPORT



EAGLE HILLS

CITY OF EDMOND, OKLAHOMA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014

Prepared by:
Financial Services Department

Ross VanderHamm
Finance Director

**CITY OF EDMOND, OKLAHOMA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORT
For the fiscal year ended June 30, 2014**

TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTION SECTION:</u>	
Letter of Transmittal	1-8
List of Principal Officials	9
City Governmental Organization Chart	10
Certificate of Achievement for Excellence in Financial Reporting	11
<u>FINANCIAL SECTION:</u>	
INDEPENDENT AUDITOR'S REPORT	12-13
MANAGEMENT DISCUSSION AND ANALYSIS	14-28
BASIC FINANCIAL STATEMENTS:	
Statement of Net Position	29
Statement of Activities	30
Balance Sheet – Governmental Funds	31-32
Statement of Revenues, Expenditures and Changes In Fund Balance – Governmental Funds	33-34
Statement of Net Position – Proprietary Funds	35
Statement of Revenues, Expenses and Changes In Fund Net Position– Proprietary Funds	36
Statement of Cash Flows – Proprietary Funds	37-38
Statement of Fiduciary Net Position – Fiduciary Funds	39
Statement of Changes in Fiduciary Net Position – Pension Trust Fund	40
Notes to Basic Financial Statements	41-85

**CITY OF EDMOND, OKLAHOMA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORT
 For the fiscal year ended June 30, 2014**

TABLE OF CONTENTS

	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule –(Non-GAAP Budgetary Basis) - General Fund	86-88
Budgetary Comparison Schedule- (Non-GAAP Budgetary Basis) – Major Special Revenue Funds	89-90
Notes to Budgetary Comparison Schedules	91-92
Single-Employer Defined Benefit Pension Plan Schedules	93
Single-Employer Defined Benefit Schedule of Changes in Net Pension Liability	94
Pension Fund Schedule of City’s Contributions-Last Ten Years	95-96
Pension Fund Schedule of Investment Returns	97
OPEB Plan Funding Schedule	98
 OTHER SUPPLEMENTARY INFORMATION:	
GENERAL FUND COMBINING SCHEDULES:	
General Fund Account Descriptions	99
Combining Balance Sheet – General Fund Accounts	100
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund Accounts	101
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) – General Fund Accounts	102
 NONMAJOR GOVERNMENTAL FUNDS:	
Fund Descriptions	103-104
Combining Balance Sheet – Nonmajor Governmental Funds	105-106
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds	107-108
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Governmental Funds	109-116

**CITY OF EDMOND, OKLAHOMA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORT
 For the fiscal year ended June 30, 2014**

TABLE OF CONTENTS

	<u>Page</u>
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) - Major Governmental Capital Project Fund	117
NONMAJOR ENTERPRISE FUNDS:	
Fund Descriptions	118
Combining Statement of Net Position – Nonmajor Enterprise Funds	119
Combining Statement of Revenues, Expenses and Changes In Fund Net Position – Nonmajor Enterprise Funds	120
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	121
INTERNAL SERVICE FUNDS:	
Fund Descriptions	122
Combining Statement of Net Position - Internal Service Funds	123
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds	124
Combining Statement of Cash Flows – Internal Service Funds	125
AGENCY FUNDS:	
Fund Descriptions	126
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds	127
Combining Statement of Changes in Assets and Liabilities - Agency Funds	128
REVENUE BOND/NOTE COVENANT SCHEDULES:	
Schedule Descriptions	129
Schedule of Revenue Bond/Note Debt Service Coverage	130
Schedule of Reserve Account Balances	131
DISCRETELY PRESENTED COMPONENT UNIT:	
Fund Description	132
Balance Sheet – Discretely Presented Component Unit	133
Statement of Revenues, Expenditures, and Changes in Fund Balance	134

**CITY OF EDMOND, OKLAHOMA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORT
 For the fiscal year ended June 30, 2014**

TABLE OF CONTENTS

<u>STATISTICAL SECTION:</u>	<u>Table</u>	<u>Page</u>
Statistical Section Narrative		135
Net Position by Component - Last Ten Fiscal Years	1	136
Changes in Net Position - Last Ten Fiscal Years	2	137-138
Fund Balances, Governmental Funds – Last Ten Fiscal Years	3	139
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	4	140
Governmental Activities Tax Revenues by Source – Last Ten Fiscal Years	5	141
Electricity Revenue by Customer Type - Last Nine Fiscal Years	6	142
Top Ten Electric Customers – Last Nine Years	7	143
Electricity Revenue Rate Structure – Last Nine Fiscal Years	8	144-148
Sales Tax Rates of Direct and Overlapping Governments – Last Ten Fiscal Years	9	149
Taxable Sales by Category - Last Ten Fiscal Years	10	150
Ratio for Outstanding Debt by Type – Last Ten Fiscal Years	11	151
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita – Last Ten Fiscal Years	12	152
Computation of Direct and Overlapping Debt	13	153
Legal Debt Margin Information – Last Ten Fiscal Years	14	154
The Edmond Public Works Authority Utility Systems Division Pledged Revenue Coverage – Last Ten Fiscal Years	15	155
Demographic and Economic Statistics – Last Ten Calendar Years	16	156
Principal Employers – Current and Eight Years Ago	17	157
Full-Time Equivalent City Government Employees by Function/Program – Last Nine Fiscal Years	18	158
Capital Asset Statistics by Function/Program – Last Nine Fiscal Years	19	159
Operating Indicators by Function/Program – Last Nine Fiscal Years	20	160
Construction Permits – Last Ten Fiscal Years	21	161



December 31, 2014

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, 2014, 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, 2014. 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 US Census' 2013 report, the estimated population is 87,004. 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, 46.5% 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 2014 Metro Monitor measured the severity of the Great Recession for 100 of the largest U.S. metropolitan areas. Specifically - how strongly they have rebounded? The Oklahoma City metro area, which includes Edmond, ranked 39th overall (18th in Employment; 7th in GDP Output; 54th in House Prices and 93rd 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 7.7% of the safest reporting cities in the U.S. with a population above 75,000 for 2013, 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. Electric rates were increased by an average of 2.5% in FY13-14, and in FY09-10, water rates rose 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

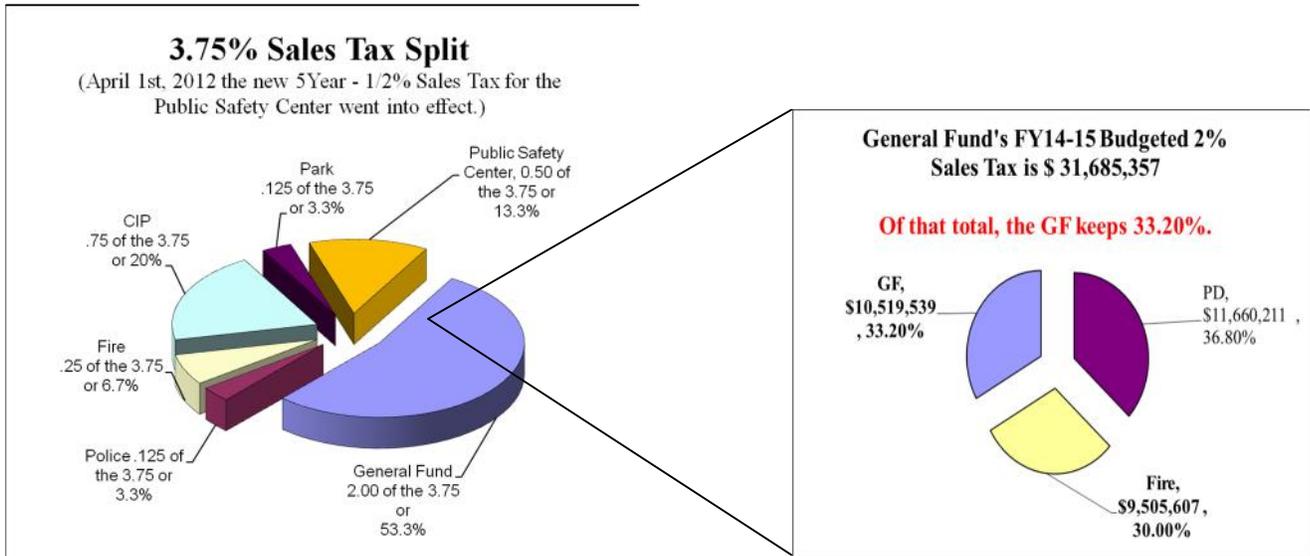
categories of a department or fund and budget supplements must be approved by the City Council. Supplemental appropriations must also be filed with the Office of the State Auditor and Inspector.

Sales Tax and Our Local Economy

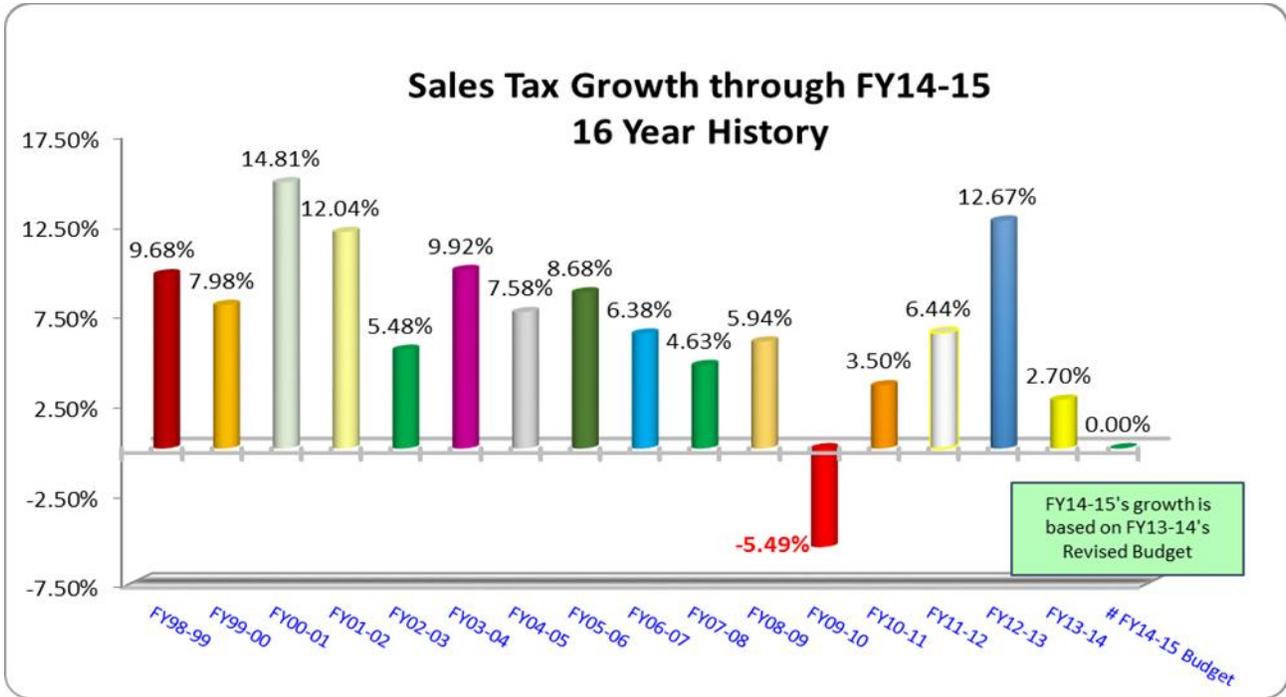
Edmond continues to show strong growth since the national recession. In FY13-14, sales tax collections grew 2.70% on top of the 12.6% the prior year.

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.

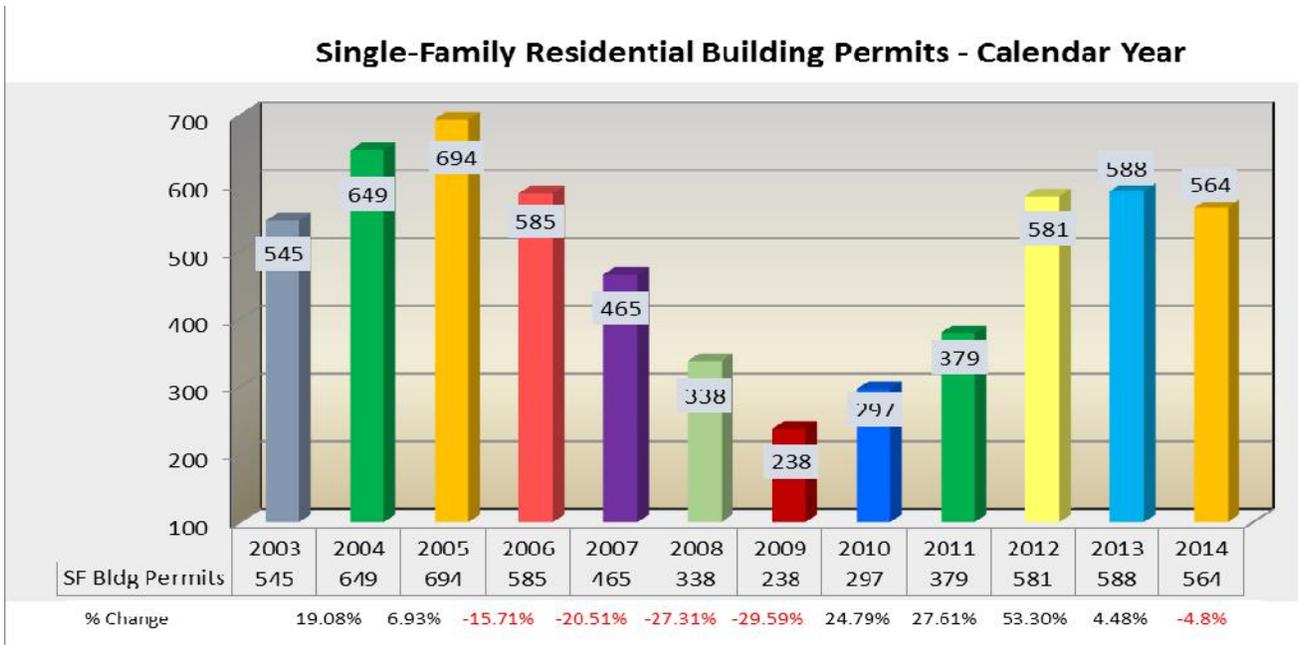
After years of public discussion and debate, Edmond voters overwhelmingly approved a half-cent sales tax increase to build a \$25.5 million Public Safety Center. Over 73 percent or 3,339 voters approved Proposition No. 1, which would enact the five-year half-cent sales tax. Even with this increase, Edmond’s 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 16 years and proposed new FY is noted in the chart below. Because of continued unexpected annual growth, the FY14-15 Budget was held at the same level as the revised FY13-14 estimates – but results in a Budget-to-Budget growth of 7.4%.



Edmond continues to experience a growing and vibrant economy. Housing, for example, remains strong since its low 6 years ago. With the close of 2014, the market has maintained the consistent level of new single family residential permits compared to 2013. New single family residential permits for calendar year 2014 are expected to reach 564, while 2013 residential permits were 588. Commercial building permits have also remained positive. In 2013, there were 31 commercial permits issued, but 2014 is expected to finish with 50 new permits. The value of the 50 commercial permits totaled \$64,992,267 compared to \$78,669,035 for the 31 permits in 2013. Overall, through November 2014, the new Single-Family residential construction value equaled \$187,518,196 compared to a value for all of 2013 of \$200,419,161. This brings the total new construction value to \$252,510,463. There were a total of 25,310 inspections made in 2013. It is estimated there will be approximately 27,523 inspections in calendar 2014.

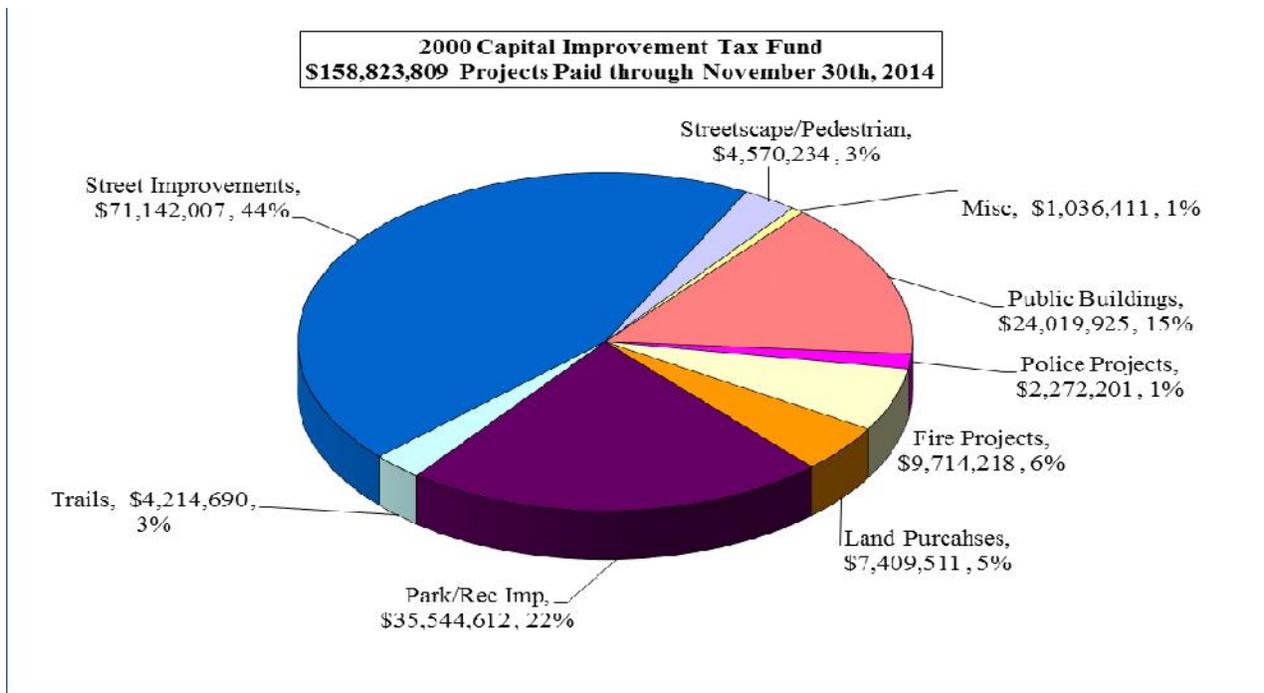


Capital Improvements

The 2000 Capital Improvement Tax Fund finances many projects and during this fiscal year, many of the fund resources were used to complete or substantially complete many larger capital projects. On the recreation side, construction was completed on the new aquatic/recreation building in partnership with the YMCA and Edmond Public Schools. This new facility opened in early 2014. The other recreation project involved the substantial completion of the initial development of our fourth community park, Edmond 66 Park, with the construction of a four field softball complex.

Street improvements are always a significant expenditure from this funding source to provide roadway improvements to meet the needs of our expanding population base. Kelly Street from Covell to Coffee Creek was substantially completed during this fiscal year. This project received substantial grant support for its construction. Additionally, \$2 million is annually set aside for street rehabilitation, resurfacing and reconstruction.

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. Our first phase of the project is currently under construction with grant support for the project.



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. In previous budget years, the City purchased the land for both facilities. A portion of the project infrastructure involving water and sewer extensions were installed during this fiscal year with the remaining work to be completed in the next fiscal year. In early 2015, construction will be initiated for both the Conference Center/Hotel and indoor youth sports complex. Completion of both facilities will occur in 2016. The total city-cost for the development of these two new facilities at I-35 & Covell is \$11 million of which there are future commitments of repayment of \$9 million to the City.

The City also worked with a nonprofit organization on the development of a residential subdivision to provide affordable housing units in Edmond. The City's commitment was for \$500,000 to be applied to water, sewer, streets and storm sewer improvements in the subdivision plan. Work on this project was initiated in this fiscal year and will be completed in the following fiscal year.

Voters approved a half-cent sales tax increase for the construction of new a public safety center and support facility. The projects are well under construction and will be completed in 2015. The new center will combine the Edmond Police Department with Central Communications and Emergency Management into a new 75,000-square-foot building. A support facility for property storage and laboratory is also part of the total project and will also be completed in 2015.

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, 2014 the CIP has funded \$158,823,809 in major capital improvements.

Investments

The total portfolio, including the trust accounts, at the end of the fiscal year were invested in approximately 27% Certificate of Deposit Account Registry Service (CDARS®), 40% U.S. government agency bonds, 31% cash and cash equivalents, and 2% treasury notes.

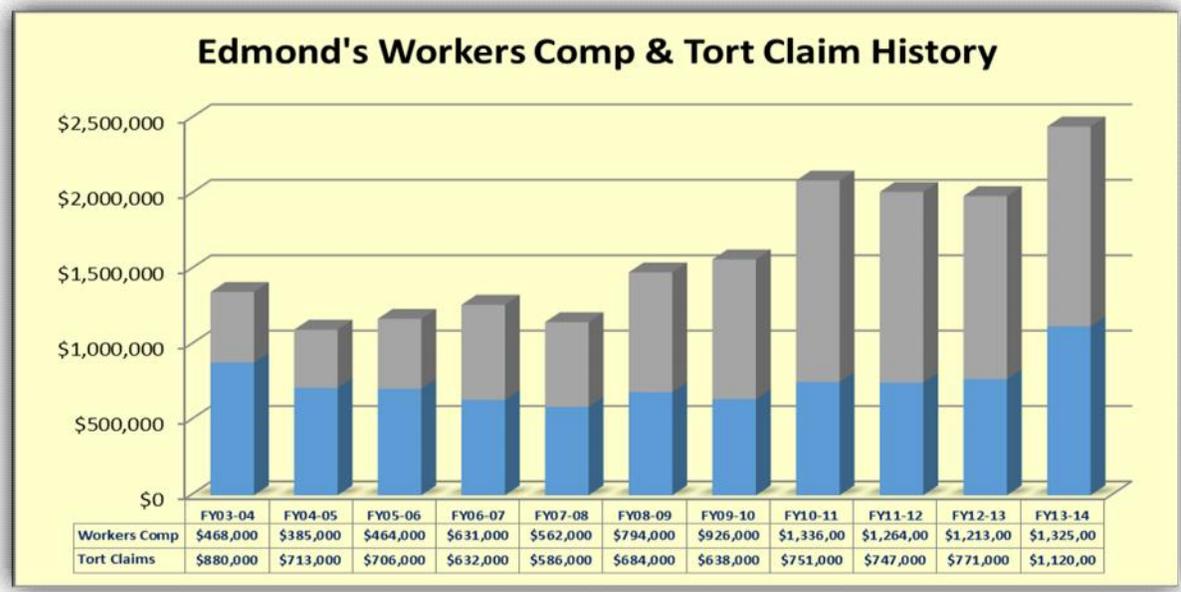
The pooled investment portfolio as of June 30, 2014 had a weighted yield of .44% up from .42% last year. The City's average investment returns remained better than treasury benchmarks. The pooled portfolio consisted of 37% of investments maturing in under 6 months, 20% maturing in 6 to 12 months, 24% maturing in 1 to 2 years, and 19% in 3-5 years. An investment strategy of simple step 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 non-callable government agencies. The agency portfolio contained 17% callable securities at the end of the fiscal year, down from 45% last year, which reflected a strategy to decrease turnover and market volatility risk.

Risk Management Program

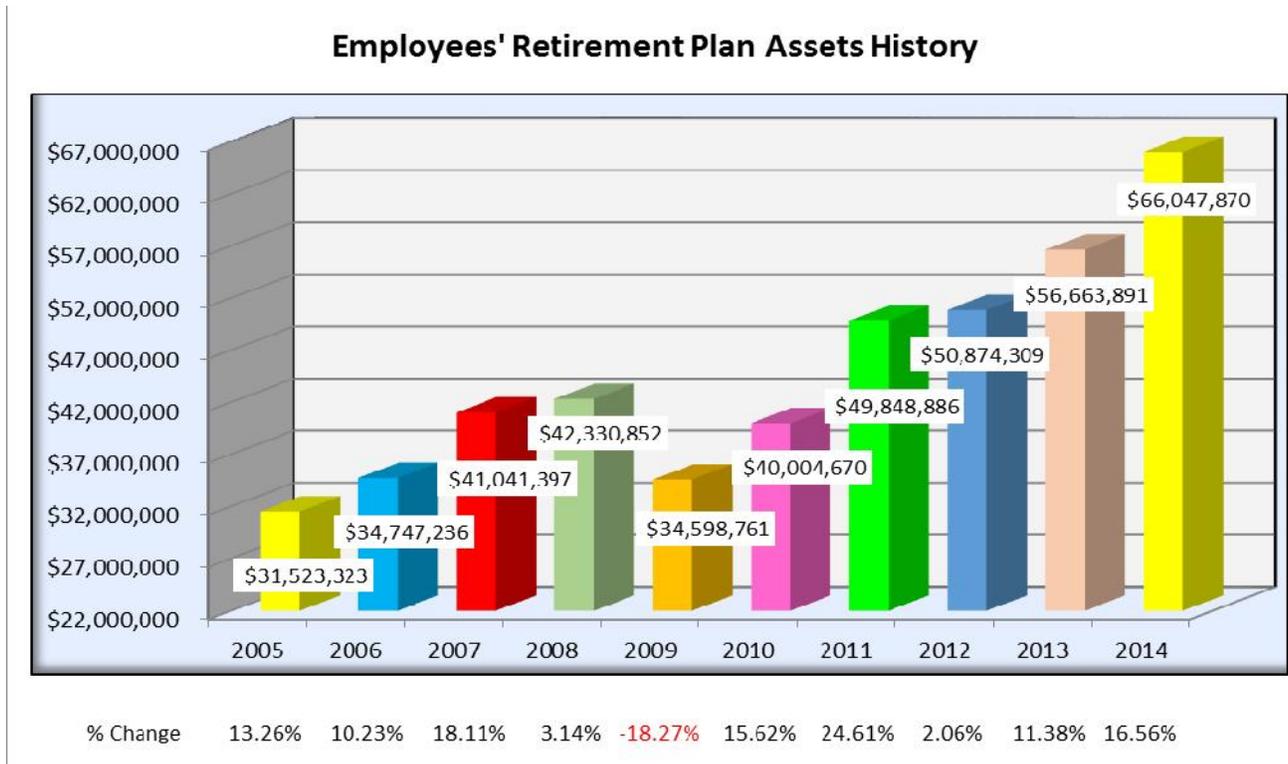
Safety and accountability are the responsibility of each department and overseen by the Risk Manager. The City is currently contracting with a third party administrator, CCMSI to process the City's workers' compensation claims. Princeton Excess & Surplus Lines Insurance Company provides general liability insurance coverage and the City now has a third party administrator, CCMSI, 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, 2014 for workers' compensation and tort claims are \$1,325,000 and \$1,120,000 respectively. This reflects a increase in exposure of worker's comp claims by 9% and an increase in general liability of 45%.



Employee Retirement Plan

As of June 30, 2014, the assets of the Employees' Defined Benefit Pension Plan for non-uniformed employees posted an unrealized gain of \$9,748,818 for an ending market value of \$66,047,870. The investment returns for the calendar year of 2013 were 10.94%, compared to the benchmark of 10.69%. The year-to-date investment return as of June 30, 2014 was 6.11% compared to the benchmark of 7.20%. Compared to the previous fiscal year the employee and employer contributions to the Plan increased \$206,972 or 7%, the contributions and interest paid to terminated employees increased by approximately \$83,129 or 15%, while benefit payments to retirees increased by approximately \$46,738 or 3%.



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. Asset smoothing was changed from the method

with 20% smoothing factor to a straight-line 5 year amortization of gains and losses relative to the actuarial rate of return. Also, the actuarial cost method was changed from Projected Unit Credit (PUC) to Entry Age Normal (EAN). Both of these changes are recommended to be consistent with the methods required under GASB Statement 68. As of July 1, 2014, the funded percentage based on market value and the PUC actuarial liability is 101%, compared with 96% one year earlier, and 93% two years ago. The funded percentage using market value assets and the EAN actuarial liability is 92%. The funded ratio using actuarial (smoothed) assets is 87%, compared with 95% the past 2 years. Note that the prior year's ratios use the PUC cost method. As of the valuation on July 1, 2014, the required employer contribution rate per the actuarial valuation report is 8.61% of wages paid compared to 8.32% 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, 32 of the City's 234 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 sixth year to recognize the impact this has on the City's finances, our unfunded liability has increased 24% from \$1,710,847 last year to \$2,122,215. 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, 2013. 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-eight consecutive years ending June 30, 1986-2013. 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, 2014

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

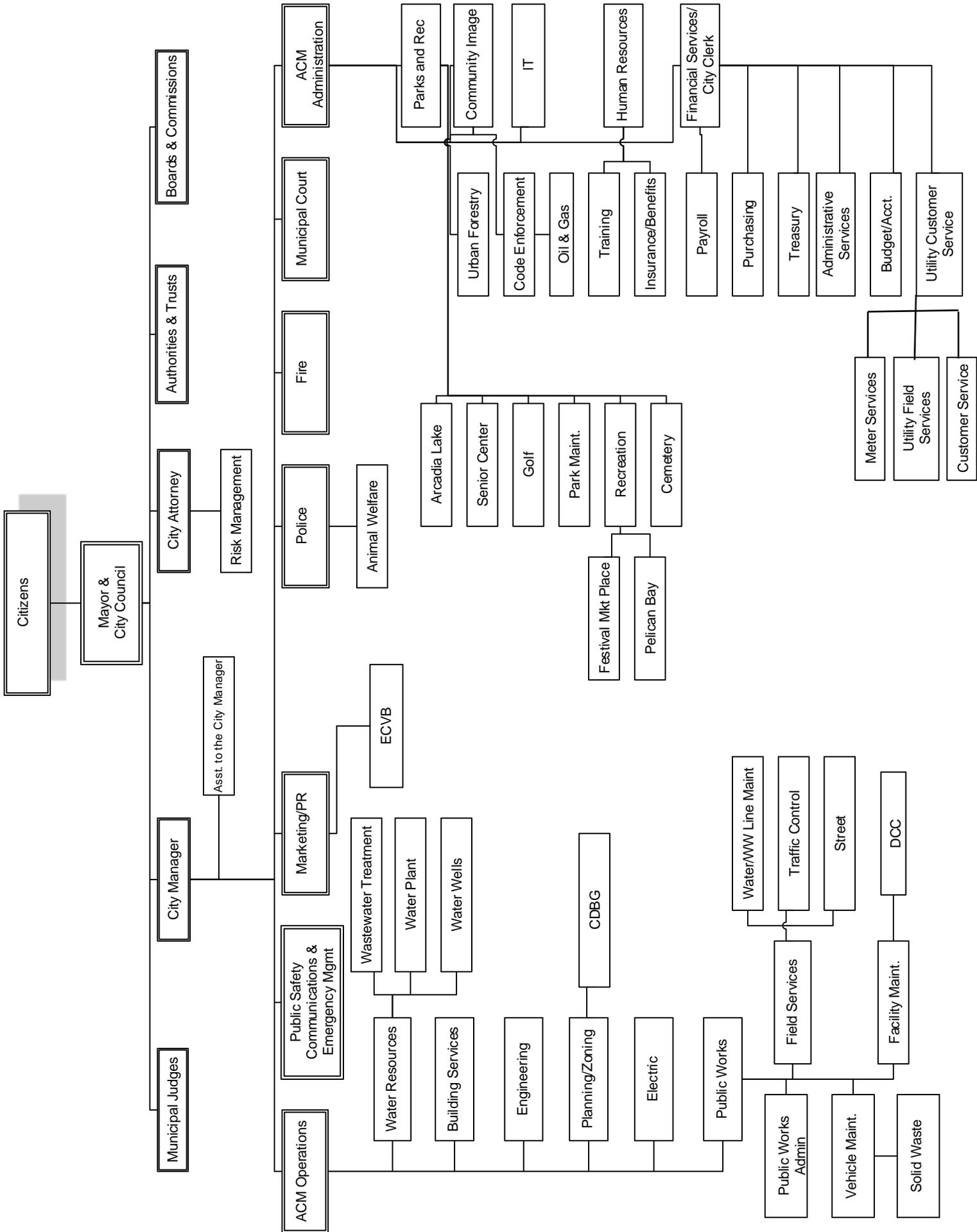
Stephen Schaus	Chairperson
Nick Massey	Member
Charles Lamb	Member

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
Doug Hall	Interim 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, 2013

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

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, 2014, 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. 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, 2014, 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 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 were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are 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 23, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



December 23, 2014

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, 2014. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2014, the City's total net position increased by \$35.99 million.
- The City recorded derivative instruments of \$1,559,606 and \$1,043,369 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 \$73.1 million and were funded by program revenues of \$23.2 million and further funded with taxes and other general revenues and transfers that totaled \$71.1 million.
- In the City's business-type activities, such as utilities, lake, golf course, and transportation operations; program revenues exceeded expenses by \$15.3 million.
- Sales and use taxes increased by \$2.7 million or 4.4% from the prior fiscal year. This translates into an increase in taxable sales of \$57.3 million from the prior year.
- At June 30, 2014, the General Fund reported an unassigned fund balance of \$7.4 million.
- For budgetary reporting purposes, the General Fund and major special revenue funds reported actual revenues above estimates of \$4.7 million or 4%, while expenditures were under the final appropriations by \$5.6 million or 4.5%.
- The City implemented GASB Statement 67-*Financial Reporting for Pension Plans*

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, 39, 54, 63, 65, 67 and 70. 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.

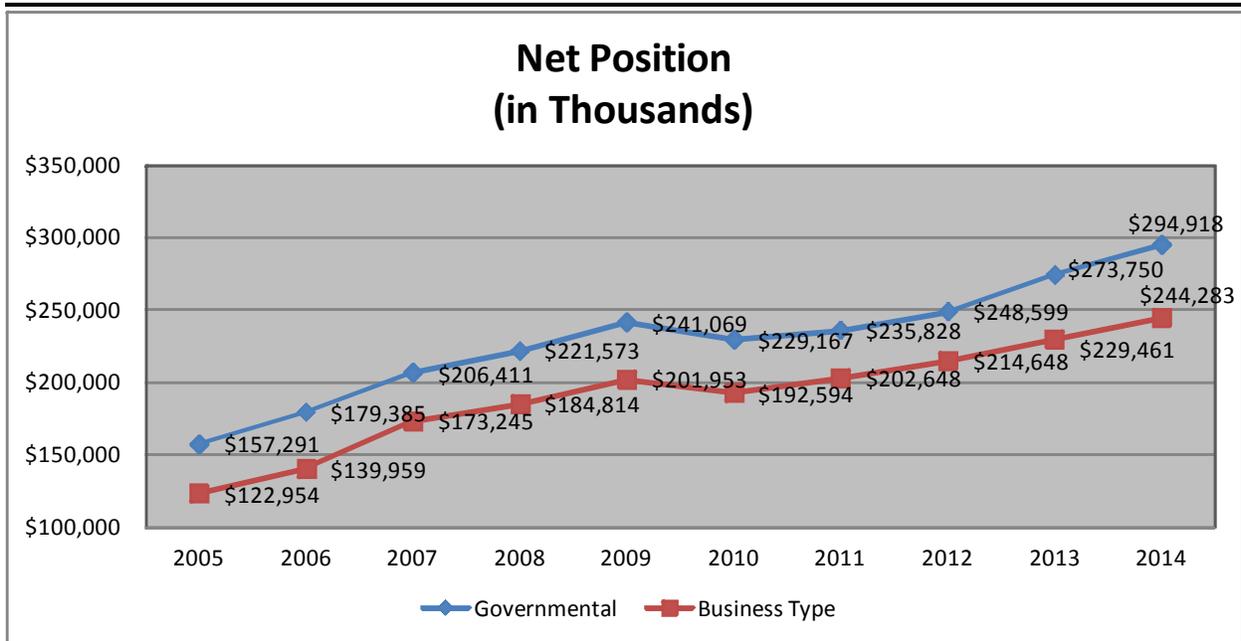
A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

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 \$539,200,463 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>2014</u>	<u>2013</u>	<u>(Dec.)</u>	<u>2014</u>	<u>2013</u>	<u>(Dec.)</u>	<u>2014</u>	<u>2013</u>	<u>(Dec.)</u>
Current assets	\$ 115,722	\$ 111,333	4%	\$ 90,256	\$ 86,243	5%	\$ 205,978	\$ 197,576	4%
Capital assets, net	270,558	253,176	7%	218,524	210,338	4%	489,082	463,514	6%
Other non-current assets	9,683	10,557	-8%	6,307	7,574	-17%	15,990	18,131	-12%
Total assets	<u>395,963</u>	<u>375,066</u>	6%	<u>315,087</u>	<u>304,155</u>	4%	<u>711,050</u>	<u>679,221</u>	5%
Deferred Outflows	870	696		1,858	1,061		2,728	1,757	
Current liabilities	29,715	25,245	18%	19,079	17,945	6%	48,794	43,190	13%
Non-current liabilities	70,640	74,844	-6%	52,540	56,515	-7%	123,180	131,359	-6%
Total liabilities	<u>100,355</u>	<u>100,089</u>	0%	<u>71,619</u>	<u>74,460</u>	-4%	<u>171,974</u>	<u>174,549</u>	-1%
Deferred Inflows	1,560	1,923	-19%	1,043	1,296	-20%	2,603	3,219	-19%
Net assets									
Net investment in capital assets	200,795	179,082	12%	166,265	152,657	9%	367,060	331,739	11%
Restricted	74,548	77,481	-4%	12,666	13,162	-4%	87,214	90,643	-4%
Unrestricted	19,575	17,187	14%	65,352	63,642	3%	84,927	80,829	5%
Total net position	<u>\$ 294,918</u>	<u>\$ 273,750</u>	8%	<u>\$ 244,283</u>	<u>\$ 229,461</u>	6%	<u>\$ 539,201</u>	<u>\$ 503,211</u>	7%



The largest portion of the City’s net position reflects its net 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 2014, this investment in capital assets, net of related debt amounted to \$367,059,658. 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, \$87,213,643, also represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$84,927,162, 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, 2014, net position of the primary government changed as follows:

CITY OF EDMOND, OKLAHOMA
MANAGEMENT DISCUSSION & ANALYSIS
June 30, 2014

TABLE 2
CHANGES IN NET POSITION (In Thousands)

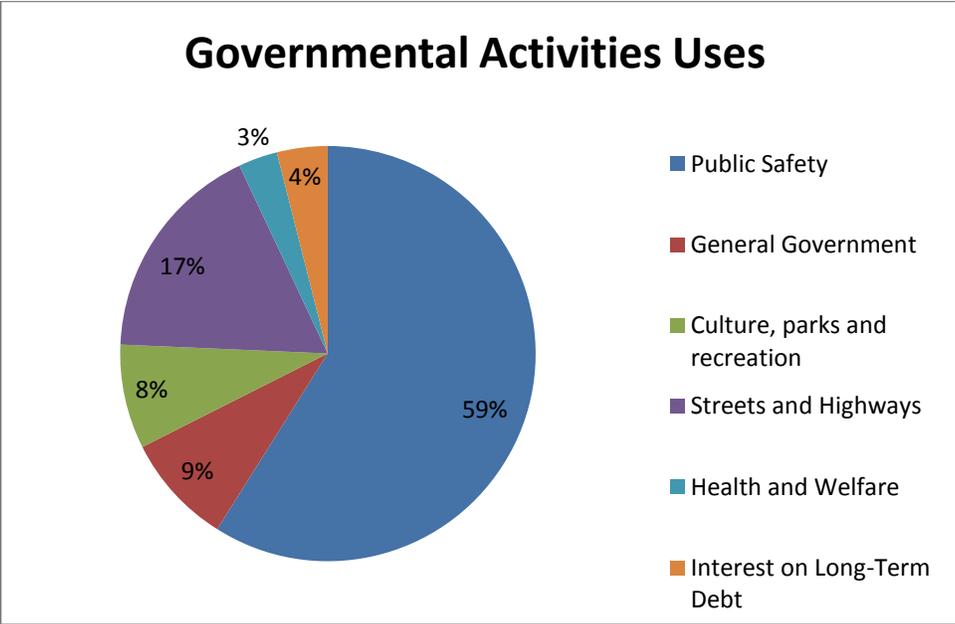
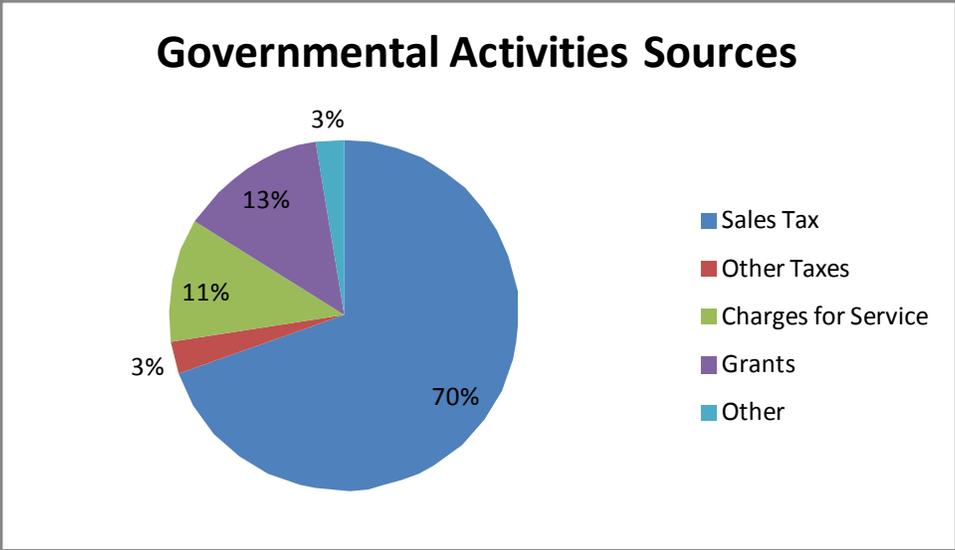
	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2014	2013		2014	2013		2014	2013	
Revenues									
Program revenue:									
Charges for service	10,662	10,353	3%	124,125	115,999	7.01%	134,787	126,352	7%
Operating grants and contributions	5,498	5,683	-3%	329	921	-64%	5,827	6,604	-12%
Capital grants and contributions	7,003	10,669	-34%	4,190	6,989	-40%	11,193	17,658	-37%
General Revenue:	-	-							
Taxes	67,221	64,380	4%	-	-	0%	67,221	64,380	4%
Intergovernmental revenue	1,079	1,101	-2%	-	-	0%	1,079	1,101	-2%
Investment income	826	609	36%	797	481	66%	1,623	1,090	49%
Miscellaneous	450	347	30%	285	260	10%	735	607	21%
Total Revenues	92,739	93,142	0%	129,726	124,650	4%	222,465	217,792	2%
Expenses									
General Government	6,356	7,932	-20%				6,356	7,932	-20%
Public Safety	43,469	41,599	4%				43,469	41,599	4%
Streets & highways	12,768	10,788	18%				12,768	10,788	18%
Culture, parks and recreation	5,987	4,743	26%				5,987	4,743	26%
Health and welfare	2,233	3,245	-31%				2,233	3,245	-31%
Interest on long-term debt	2,317	2,479	-7%				2,317	2,479	-7%
Electric	-	-		74,046	72,308	2%	74,046	72,308	2%
Water	-	-		19,669	16,805	17%	19,669	16,805	17%
Wastewater	-	-		6,767	6,495	4%	6,767	6,495	4%
Sanitation	-	-		7,102	6,798	4%	7,102	6,798	4%
Lake	-	-		1,333	1,289	3%	1,333	1,289	3%
Drainage	-	-		828	887	-7%	828	887	-7%
Golf Course	-	-		1,970	1,928	2%	1,970	1,928	2%
Cooperative purchasing service	-	-		62	63	-2%	62	63	-2%
Transportation operations	-	-		1,568	-	100%	1,568	-	100%
Payment to EEDA	-	-		-	470	-100%	-	470	-100%
Total Expenses	73,130	70,786	3%	113,345	107,043	6%	186,475	177,829	5%
Excess (deficiency) before transfers	19,609	22,356	-12%	16,381	17,607	-7%	35,990	39,963	-10%
Transfers	1,559	2,795	-44%	(1,559)	(2,795)	-44%	-	-	
Increase in net position	21,168	25,151	-16%	14,822	14,812	0%	35,990	39,963	-10%
Beginning net position	273,750	248,599		229,460	214,648		503,210	463,247	
Ending net position	<u>\$ 294,918</u>	<u>\$ 273,750</u>		<u>\$ 244,282</u>	<u>\$ 229,460</u>		<u>\$ 539,200</u>	<u>\$ 503,210</u>	

The City's governmental activities' increase in net position of \$21 million represents a -16% decrease from the prior year's change in net position and is primarily the result of less capital grant contributions. The business-type activities' increase in net position of \$15 million represents a 0% increase from the prior year's change in net position which is largely attributable to the decrease in grant contributions and less transfers out along with expenses staying in line with prior year. The results indicate the City, as a whole, increased in total net position of \$36 million is a combination of less grant contributing and expenses staying in line with revenue collections.

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, 2014, the City’s governmental activities were funded as follows:



For the year ended June 30, 2014, total expenses for governmental activities amounted to \$73.1 million. Of these total expenses, taxes and other general revenues funded \$71.1 million, while those directly benefiting from the program funded \$12.5 million in grants and other contributions and \$10.6 million from charges for services. Besides the aforementioned increase in sales tax other notable changes for governmental activities include a significant decrease 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.)
	2014	2013		2014	2013	
	General Government	\$ 6,356		\$ 7,932	-20%	
Public Safety	43,469	41,599	4%	(38,122)	(36,296)	5%
Streets & Highways	12,768	10,788	18%	(4,818)	632	-862%
Culture, parks and recreation	5,987	4,743	26%	(5,257)	(4,070)	29%
Health and Welfare	1,629	3,173	-49%	(697)	(1,710)	-59%
Economic Development	604	72	739%	(333)	351	-195%
Interest on long-term debt	2,317	2,479	-7%	(2,317)	(2,479)	-7%
TOTAL	\$ 73,130	\$ 70,786	3%	\$ (49,966)	\$ (44,082)	13%

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.)
	2014	2013		2014	2013	
	Electric	\$ 74,046		\$ 72,308	2%	
Water	19,669	16,805	17%	4,572	11,402	-60%
Wastewater	6,766	6,495	4%	5,469	6,011	-9%
Sanitation	7,102	6,797	4%	964	1,016	-5%
Lake	1,333	1,289	3%	(369)	(443)	-17%
Drainage	828	888	-7%	2,945	797	270%
Golf	1,970	1,928	2%	27	84	-68%
Cooperative purchasing services	62	63	-2%	12	19	-37%
Transportation	1,568	-	100%	(1,025)	-	100%
Economic development	-	470	-100%	-	(470)	-100%
TOTAL	\$ 113,344	\$ 107,043	6%	\$ 15,299	\$ 16,865	-9%

The City's business-type activities include utility services, lake and golf course operations, the cooperative purchasing program and operations of the transit system.

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

- Total business-type activities reported net revenues of \$14.8 million for the year ended June 30, 2014.
- All individual activities reported net revenue for the year ended June 30, 2014.
- Significant increase in net revenue was recognized in the electric, water, and wastewater operations due to delay in capital projects and management of operating expenses. Significant increase in net revenue for drainage was due to a capital grant contribution to offset the expense spent in FY2013.

A FINANCIAL ANALYSIS OF THE CITY’S FUNDS

As the City completed its 2014 fiscal year, the governmental funds reported a combined fund balance of \$88.6 million or a 1% decrease from 2013. The proprietary funds reported combined net position of \$237.8 million or a 6.5% increase from 2013. The fund balance constraints and net position restrictions are listed below:

Governmental Funds:

Fund Balance:

Restricted	\$ 74,536,779
Committed	589,982
Assigned	6,141,584
Unassigned	7,375,504

Total Fund Balance Constraints and Designations	<u>\$ 88,643,849</u>
---	----------------------

Proprietary Funds:

Net Asset Restrictions:

Restricted for debt service	\$ 12,664,492
Restricted for scholarships	1,301

Total Enterprise Fund Net Asset Restrictions	<u>\$ 12,665,793</u>
--	----------------------

Other fund highlights include:

- For the year ended June 30, 2014, the General Fund’s total fund balance increased by \$1,349,002 due to an increase in sales tax collections and franchise and public services taxes related to a strengthening economy.
- The 2000 Capital Improvement Tax Fund’s total fund balance decreased by \$3,522,693 due to increased capital expenditures and refinancing of prior revenue bond.
- The Fire Public Safety Limited Tax Fund’s total fund balance increased by \$1,058,647 due to an increase in fire sales tax collections and transfers from the general fund.
- The Police Public Safety Limited Tax Fund’s total fund balance increased by \$1,152,472 due to an increase in police sales tax collections and transfers from the general fund.

- All enterprise funds reported an increase in net position, after transfers, for the year ended June 30, 2014. In each of the funds mentioned above, charges for services did cover operational cost with the exception of Lake and Transportation Operations.
- The employee pension trust fund posted an increase to net position of the fund of \$9.3 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 7% or \$5,742,983 due to sales tax and transfers in. Actual revenues were above final estimates by \$1,527,183 or 1.8% which was a result of an increase in sales tax collections and intergovernmental revenues, while expenditures were under final appropriations by \$2 million or 2% which is mainly due to reduced operating expenses in general and streets.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2014, the City had \$489 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 \$25.6 million or 5.5% 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>	
	2014	2013	2014	2013	2014	2013
Land	15,208	14,955	2,351	2,351	17,559	17,306
Buildings	60,216	47,434	23,148	24,093	83,364	71,527
Imp. Other than buildings	7,369	8,077	2,396	2,889	9,765	10,966
Equipment	21,134	21,294	2,546	2,435	23,680	23,729
Intangible water rights	-	-	15,482	16,127	15,482	16,127
Utility property	-	-	162,963	151,613	162,963	151,613
Infrastructure	138,349	113,118	-	-	138,349	113,118
Construction in progress	28,282	48,298	9,638	10,830	37,920	59,128
Totals	\$ 270,558	\$ 253,176	\$ 218,524	\$ 210,338	\$ 489,082	\$ 463,514

This year's more significant capital asset additions included:

- \$32.6 million in Street improvement projects
- \$15.6 million in Park improvements
- \$13.2 million in Water Utility improvements
- \$4.6 million in Wastewater Utility improvements
- \$2.9 million in Fleet replacement and additions
- \$2.7 million in Electric Utility improvements
- \$0.6 million in Public Safety Equipment

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 \$126.9 million in long-term debt outstanding which represents a \$10.1 million or 7% decrease from the prior year. The City’s changes in long-term debt by type of debt are as follows:

	Primary Government Long-Term Debt						Total Percentage Change
	Governmental Activities		Business-Type Activities		Total		
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	
Accrued absences	3,131	2,993	622	573	3,753	3,566	5%
Revenue bonds	67,821	73,260	37,895	42,400	105,716	115,660	-9%
Notes payable	-	-	17,522	17,891	17,522	17,891	-2%
Totals	<u>\$ 70,952</u>	<u>\$ 76,253</u>	<u>\$ 56,039</u>	<u>\$ 60,864</u>	<u>\$ 126,991</u>	<u>\$ 137,117</u>	-7%

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, 2014 Economic Report noted the following:

- Through the first four months of FY-15, allocations to the General Revenue Fund (GRF) exceed the estimate by \$82.4 million or 4.7 percent, according to the Office of Management and Enterprise Services.
- Net income taxes, a combination of personal and corporate income taxes, are above the estimate by \$90.3 million or 12.6 percent.
- Sales taxes top the estimate by \$11 million or 1.6 percent. Motor vehicle allocations are ahead of the estimate by \$4 million or 5.9 percent.
- Gross production taxes on oil and natural gas are below the estimate by \$16.8 million or 26.5 percent. Other sources are off the estimate by \$6.1 million or 2.5 percent.

The Treasurer’s November Gross Receipts to the Treasury report and the Office of Management and Enterprise Services’ November 11 General Revenue Fund (GRF) report also contained several differences.

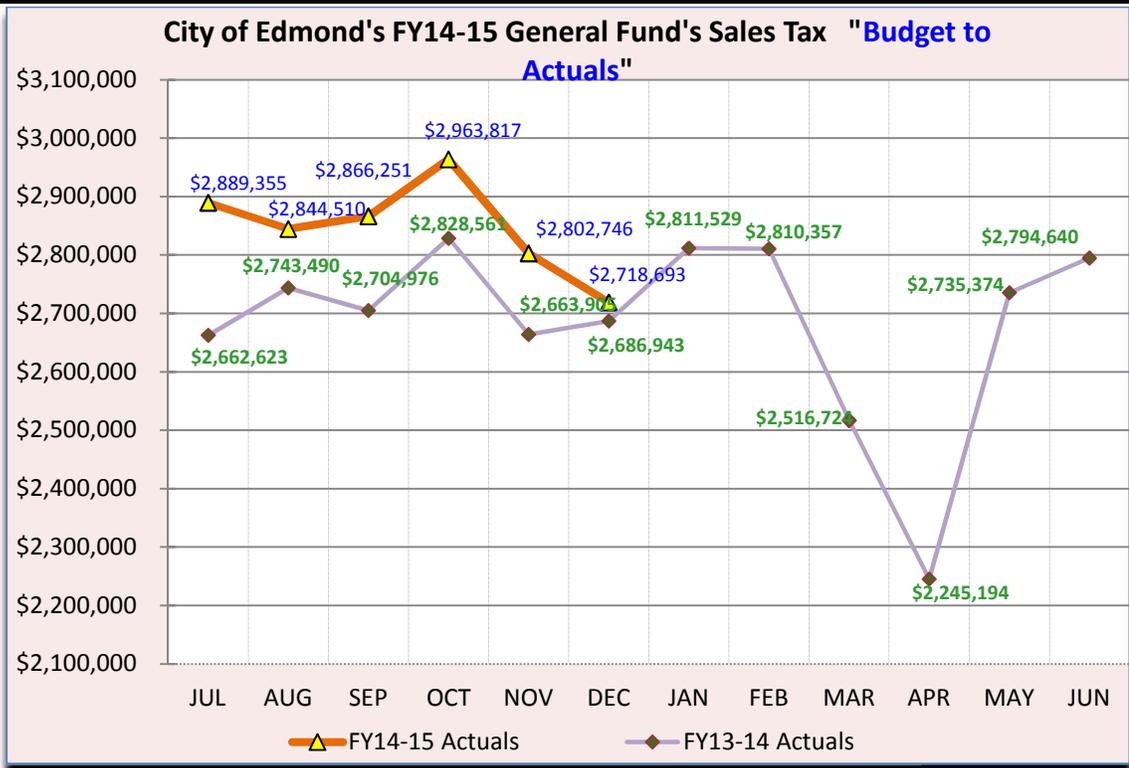
- October gross receipts totaled \$1.01 billion, while the GRF received \$471.6 million or 46.5% of the total.
- The GRF received between 33.1% and 57.1% of monthly gross receipts during the past 12 months.
- October GRF allocations exceeded the estimate by \$3.4 million or 0.7%. Year-to-date revenue topped the estimate by \$82.4 million or 4.7%.
- For October, insurance premium taxes totaled \$197,519.
- Tribal gaming fees generated \$10.19 million during the month.

State unemployment shrinks to 4.5 percent in October

- Oklahoma's preliminary, seasonally adjusted unemployment rate was listed at 4.5 percent in October by the Oklahoma Employment Security Commission, down by two-tenths of one percentage point from September and 1.1 percentage point from the prior year.
- Compared to October 2013, the number of those listed as jobless dropped by 20,310 people, while statewide employment decreased by 11,480. The labor force shrank by 31,800 people over the 12-month period.
- The national unemployment rate was set at 5.8 percent in October.

City of Edmond Sales Tax Highlights:

The City continued to improve its financial condition in its main general revenue source – sales tax. With an unprecedented growth last fiscal year, the City's collections in FY13-14 rose another 2.7% over last year - setting a record high in sales tax revenue. Our rising population, along with strong retail expansions, provided for a greater-than-expected growth.



	July	Aug	Sept	Oct	Nov	Dec
FY14-15 Budget	\$2,724,941	\$2,693,255	\$2,693,255	\$2,756,626	\$2,629,885	\$2,566,514
FY13-14 Actuals	2,662,623	2,743,490	2,704,976	2,828,561	2,663,905	2,686,943
FY14-15 Actuals	2,889,355	2,844,510	2,866,251	2,963,817	2,802,746	2,718,693
FY14-15 Actuals compared to Budget	\$164,414	\$151,255	\$172,996	\$207,191	\$172,861	\$152,179

Edmond's FY14-15 Budget:

The FY14-15 Budget totals \$268,809,373, which is less than a 1% increase from the previous year.

From the City Manager's FY14-15 Budget Message:

“For the second consecutive year the City of Edmond has experienced sales tax revenue growth that has significantly outpaced our projections. We will again end the current fiscal year with a double-digit growth percentage from the actual totals two years ago, as compared to our conservative 6% budget projection. You will recall that we deliberately did not use last year's growth as our benchmark for this year, as we believed those numbers were atypical. However, through the first ten months of the current fiscal year we are 15.4% above the actual collections from two years ago, and also .7% above last year's collections as well.”

Highlights include:

- We continue to extensively rely on the three sales taxes approved by local voters in 2000, including the Public Safety sales taxes for police and fire operations and the capital improvement sales tax. This sales tax for Police is 1/8th cent, 1/4 cent for Fire, and the capital improvements tax is an extension of the 3/4 cent originally approved in '96. It must be emphasized that basically two-thirds of all General Fund revenue (66.8% of \$47,457,592) is also dedicated to fire and police operations.
- Edmond continues to rely very heavily on sales tax as the primary revenue source for this fund. Unlike most medium and large cities in Oklahoma that also have a limited amount of dedicated property tax (ad valorem) for capital projects, we continue to rely on this single source of revenue to an extreme degree. At some point a more appropriate long-term revenue strategy will have to be developed as an alternative to the over-reliance on sales tax.
- We are not estimating an increase in sales tax for next year's budget over our current year's revised budget, but this is somewhat misleading. When calculated from this year's original budget, the impact translates into a 7.41% budgeted increase. We are conservatively projecting 5% growth for the outer four years of the Plan.
- As you know there has been a constant focus over the past several years to maintain and increase the unreserved fund balance in the General Fund. The *Perfometer* rating of the City's comparative financial health developed by Crawford and Associates recommends a “minimum responsible level of 10%”. This estimate for the 14-15 budget is 11.98%, and the outer four years all reflect balances above the minimum level.

- General Fund revenue is projected to increase \$3,214,814 or 7.02% next year as a result of the significant increase in sales tax collections.

2000 Capital Improvements Sales Tax Fund

- This fund continues to provide the primary financing for capital improvements in Edmond. This 3/4 cent tax was initially approved by voters in 1996 and indefinitely extended in 2000.
- The recent opening of the Mitch Park YMCA/Edmond Public Schools Competitive Pool is a tremendous accomplishment that features an impressive three-way partnership between the City, the YMCA of greater OKC, and the EPS to accomplish a major long-term community need. The immediate popularity of this project is evidenced by the recent YMCA announcement that they have exceeded their first-year membership goal *within the first three months* the new facility has been in operation.
- In addition, the new adult softball complex in Edmond 66 Park, the Kelly Street widening from Covell to Coffee Creek, and the pending Spring Creek Trail construction from I-35 to Spring Creek Park at Arcadia Lake represent a very significant list of accomplishments in 2014.
- The next phase of improvements on Covell, from Fairfax Boulevard to I-35, is scheduled to begin after the beginning of the federal fiscal year in October to include funding assistance from a highway grant. This project will complement the work that has already been initiated at the interchange as part of the significant economic development project associated with the development of the Hotel/Conference Center (HCC). The goal is that the roadway improvements will be complete as the HCC is ready to open.
- The City has committed a total of \$11M from this fund for the purchase of land for the HCC (\$2.2M), the purchase of land for an Indoor Sports Complex (\$2M), infrastructure improvements to serve development on the west side of the interchange (\$2M), and funding assistance for the construction of the Conference Center (\$4.8M).
- The developments provide that the City will be repaid \$9M in 15 years as the developers buy out the City's interest in the land and the conference center improvements. This major economic development project will encourage significant new visitor traffic to Edmond, and the development area will provide new construction-ready sites for new retail opportunities for additional sales tax collections along the I-35 corridor.
- A multi-year program continues the development of an intelligent traffic system, which features improved traffic control equipment at local intersections that includes continuous communication with a central computer system. This centralized control can be monitored and adjusted in real time to

meet specific traffic issues as they arise to improve traffic flow. The first improvement corridor is being initiated as part of the current budget along 2nd Street/Edmond Road from Santa Fe on the west to Saints Boulevard on the east, and highway grant funds are also a major piece of the funding.

- The annual program to resurface, reconstruct and rehabilitate local streets will continue. The 14-15 budget includes \$2.05M, with a 2.5% inflation adjustment added to the outer four years of the Plan.
- Refunding of past bond issues have resulted in improved interest rates and additional cash resources for other improvement projects. In the current budget a recently completed refunding resulted in over \$1.5M in additional revenue.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT TEAM

This financial report is designed to provide our citizens, 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 information, contact the Finance office at 7 N. Broadway, P.O. Box 2970, Edmond, OK 73083-2970 or call 405-348-8830.

BASIC FINANCIAL STATEMENTS

City of Edmond, Oklahoma
Statement of Net Position
June 30, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Historic Preservation Trust	Economic Development Authority
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 11,667,012	\$ 7,063,960	\$ 18,730,972	\$ 88,510	\$ 205,131
Investments	75,703,046	47,145,440	122,848,486	-	-
Restricted assets:					
Cash and equivalents	21,338,716	5,960,903	27,299,619	-	41,135
Investments	-	5,581,311	5,581,311	-	-
Accrued interest receivable	115,928	101,033	216,961	-	3,102
Accounts receivables, net of allowance	2,136,353	13,753,957	15,890,310	-	163,931
Internal balances	(6,469,756)	6,469,756	-	-	-
Due from other governments	10,234,493	1,812,888	12,047,381	-	-
Inventory	996,433	2,366,452	3,362,885	-	-
Total Current Assets	115,722,225	90,255,700	205,977,925	88,510	413,299
Non-current Assets:					
Restricted assets:					
Cash and cash equivalents	5,244,420	5,145,091	10,389,511	-	-
Investments	2,774,571	-	2,774,571	-	-
Derivative instruments	1,559,606	1,043,369	2,602,975	-	-
Capital Assets:					
Non-depreciable	43,489,290	11,988,703	55,477,993	100,450	-
Depreciable, net of depreciation	227,069,096	206,535,065	433,604,161	151,787	3,448
Unamortized bond insurance costs	103,733	118,751	222,484	-	-
Total Non-current Assets	280,240,716	224,830,979	505,071,695	252,237	3,448
Total assets	395,962,941	315,086,679	711,049,620	340,747	416,747
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	869,871	1,858,561	2,728,432	-	-
LIABILITIES					
Current Liabilities:					
Accounts payable and other accrued expenses	8,063,788	8,931,716	16,995,504	-	8,862
Accrued interest payable	1,157,354	971,375	2,128,729	-	-
Amounts held in escrow	482,526	-	482,526	-	-
Matured revenue bonds payable	5,988,514	-	5,988,514	-	-
Meter deposit liability	-	3,291,578	3,291,578	-	-
Advance	6,315,219	-	6,315,219	-	-
Current portion:					
Notes payable	-	1,261,102	1,261,102	-	-
Revenue bonds payable	6,124,172	4,560,828	10,685,000	-	-
Compensated absences	313,055	62,191	375,246	-	2,986
Estimated liability for claims	1,270,516	-	1,270,516	-	-
Total Current Liabilities	29,715,144	19,078,790	48,793,934	-	11,848
Non-current liabilities:					
Compensated absences	2,817,486	559,720	3,377,206	-	26,875
Unfunded OPEB obligation	1,604,348	517,867	2,122,215	-	-
Revenue bonds payable, net	64,612,660	35,202,294	99,814,954	-	-
Notes payable	-	16,260,467	16,260,467	-	-
Claims and judgments	1,605,838	-	1,605,838	-	-
Total Non-current Liabilities	70,640,332	52,540,348	123,180,680	-	26,875
Total Liabilities	100,355,476	71,619,138	171,974,614	-	38,723
DEFERRED INFLOWS					
Accumulated increase in fair value of hedging derivatives	1,559,606	1,043,369	2,602,975	-	-
NET POSITION					
Net investment in capital assets	200,795,158	166,264,500	367,059,658	252,237	3,448
Restricted by:					
Enabling legislation	8,370,693	-	8,370,693	-	41,135
Statutory requirements	489,725	-	489,725	-	-
External contracts	65,687,432	12,665,793	78,353,225	-	-
Unrestricted	19,574,722	65,352,440	84,927,162	88,510	333,441
Total Net Position	\$ 294,917,730	\$ 244,282,733	\$ 539,200,463	\$ 340,747	\$ 378,024

See accompanying notes to the basic financial statements.

City of Edmond, Oklahoma
Statement of Activities
For the Year Ended June 30, 2014

Net (Expenses) Revenues and Changes in Net Position

	Program Revenue			Primary Government			Component Units	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Historic Preservation Trust	Economic Development Authority
Functions/Programs								
Governmental activities:								
General government	\$ 6,356,170	\$ 7,934,422	\$ -	\$ 1,578,252	\$ -	\$ 1,578,252	\$ -	\$ -
Public safety	43,468,774	1,267,798	4,078,798	(38,122,178)	-	(38,122,178)	-	-
Streets and highways	12,768,311	10,200	1,112,595	6,827,774	-	(4,817,742)	-	-
Cultural, parks and recreation	5,986,917	518,039	36,512	(5,257,200)	-	(5,257,200)	-	-
Health and welfare	1,629,424	931,947	175,166	(697,477)	-	(697,477)	-	-
Economic development	603,679	-	270,679	(333,000)	-	(333,000)	-	-
Interest on long-term debt	2,316,938	-	-	(2,316,938)	-	(2,316,938)	-	-
Total governmental activities	73,130,213	10,662,406	5,498,584	(49,966,283)	-	(49,966,283)	-	-
Business-type activities:								
Electric operations	74,045,803	76,674,353	75,652	-	2,704,202	2,704,202	-	-
Water operations	19,668,782	22,931,346	-	-	4,571,819	4,571,819	-	-
Wastewater operations	6,766,403	11,423,965	-	-	5,468,919	5,468,919	-	-
Sanitation operations	7,101,930	8,065,999	-	-	964,069	964,069	-	-
Lake operations	1,332,453	963,845	-	-	(368,608)	(368,608)	-	-
Drainage operations	827,838	1,703,753	-	-	2,944,948	2,944,948	-	-
Golf course operations	1,970,350	1,997,086	-	-	26,736	26,736	-	-
Cooperative purchasing services	62,210	74,389	-	-	12,179	12,179	-	-
Transportation operations	1,568,426	290,470	252,916	-	(1,025,040)	(1,025,040)	-	-
Total business-type activities	113,344,195	124,125,206	328,568	-	15,299,224	15,299,224	-	-
Total primary government	\$ 186,474,408	\$ 134,787,612	\$ 5,827,152	\$ (49,966,283)	\$ 15,299,224	\$ (34,667,059)	\$ -	\$ -
Component Units:								
Cultural, parks and recreation	\$ 66,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (66,175)	\$ -
Economic development	-	-	-	-	-	-	-	(594,830)
Total component units	\$ 66,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (66,175)	\$ (594,830)
General revenues:								
Taxes:								
Sales and use taxes				\$ 36,065,782	\$ -	\$ 36,065,782	\$ -	\$ -
Sales and use taxes-Restricted for public safety				6,094,618	-	6,094,618	-	-
Sales and use taxes-Restricted for park and recreation				2,031,539	-	2,031,539	-	-
Sales and use taxes-Restricted for capital improvements				20,315,394	-	20,315,394	-	-
Hotel/motel taxes				443,663	-	443,663	-	-
Franchise taxes				2,269,717	-	2,269,717	-	-
Payment from City of Edmond				-	-	-	25,000	528,429
Grants and contributions not restricted to specific programs				1,078,777	-	1,078,777	-	-
Unrestricted investment earnings				825,927	797,046	1,622,973	244	3,772
Miscellaneous				450,357	284,533	734,890	2,631	27,002
Transfers				1,558,620	(1,558,620)	-	-	-
Total general revenues and transfers				71,134,394	(477,041)	70,657,353	27,875	559,203
Change in net position				21,168,111	14,822,183	35,990,294	(38,300)	(35,627)
Net position - beginning				273,749,619	229,460,550	503,210,169	379,047	413,651
Net position - ending				\$ 294,917,730	\$ 244,282,733	\$ 539,200,463	\$ 340,747	\$ 378,024

See accompanying notes to the basic financial statements.

**City of Edmond
Balance Sheet
Governmental Funds
June 30, 2014**

	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	\$ 1,193,212	\$ 1,123,821	\$ 673,112	\$ 28,810,059	\$ 3,285,175	\$ 36,085,379
Investments	8,388,256	7,842,258	4,697,112	18,314,484	18,011,502	57,253,612
Due from other funds	28,432	1,127,764	1,383,391	-	-	2,539,587
Due from other governments	5,833,530	620,631	327,306	1,861,894	1,591,132	10,234,493
Accrued interest receivable	13,049	12,200	7,307	24,175	26,179	82,910
Other receivables	1,069,966	1,627	-	291,540	103,127	1,466,260
Total assets	<u>16,526,445</u>	<u>10,728,301</u>	<u>7,088,228</u>	<u>49,302,152</u>	<u>23,017,115</u>	<u>106,662,241</u>
LIABILITIES						
Accounts payable	261,107	451,304	264,048	3,324,969	2,807,356	7,108,784
Due to other funds	2,511,155	-	-	-	29,432	2,540,587
Unearned revenue	242,135	-	-	-	-	242,135
Matured interest payable	-	-	-	1,157,354	-	1,157,354
Matured revenue bonds payable	-	-	-	5,988,514	-	5,988,514
Amounts held in escrow	482,526	-	-	-	-	482,526
Total liabilities	<u>3,496,923</u>	<u>451,304</u>	<u>264,048</u>	<u>10,470,837</u>	<u>2,836,788</u>	<u>17,519,900</u>
DEFERRED INFLOWS OF RESOURCES						
Advance	443,371	13,138	9,346	14,143	18,494	498,492
Total deferred inflows of resources	<u>443,371</u>	<u>13,138</u>	<u>9,346</u>	<u>14,143</u>	<u>18,494</u>	<u>498,492</u>
FUND BALANCES						
Restricted	3,197,753	9,924,031	6,518,352	36,591,136	18,305,507	74,536,779
Committed	578,249	-	-	-	11,733	589,982
Assigned	1,434,645	339,828	296,482	2,226,036	1,844,593	6,141,584
Unassigned	7,375,504	-	-	-	-	7,375,504
Total fund balances	<u>12,586,151</u>	<u>10,263,859</u>	<u>6,814,834</u>	<u>38,817,172</u>	<u>20,161,833</u>	<u>86,643,849</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 16,526,445</u>	<u>\$ 10,728,301</u>	<u>\$ 7,088,228</u>	<u>\$ 49,302,152</u>	<u>\$ 23,017,115</u>	<u>\$ 106,662,241</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, 2014

Total fund balance, governmental funds \$ 88,643,849

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 \$183,635,011. 253,023,903

Certain other long-term assets are not available to pay current fund liabilities and therefore are deferred in the funds:

Accrued interest receivable 51,685
Other receivables, net of allowance 435,736
Receivable from other governments 11,071

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

Revenue bonds payable (67,821,392)
Accrued compensated absences (2,231,856)
Unamortized loss on refunding 869,871
Unamortized debt premium (2,915,440)
Unfunded OPEB obligation (1,604,348)
Unamortized bond issuance costs 103,733
Advance (6,073,084)
Derivative instrument 1,559,606

Accumulated increase in fair value of hedging derivatives is a deferred inflow (1,559,606)

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 38,892,758
Internal service fund interfund balance resulting from net revenues reported in business-type activities (6,468,756)

Net Position of Governmental Activities as shown on the Statement of Net Position \$ 294,917,730

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, 2014

	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	\$ 36,065,782	\$ 4,063,079	\$ 2,031,539	\$ 12,189,236	\$ 10,157,697	\$ 64,507,333
Franchise and public service taxes	2,311,150	-	-	-	-	2,311,150
Hotel/motel taxes	-	-	-	-	443,663	443,663
Intergovernmental	2,155,268	2,930,363	1,091,527	4,456,449	270,679	10,904,286
Charges for services	5,840,154	6,000	-	-	955,297	6,801,451
Fines and forfeitures	2,099,735	-	-	-	-	2,099,735
Licenses and permits	1,608,680	-	-	-	-	1,608,680
Investment income	91,653	56,953	31,406	515,412	104,449	799,873
Miscellaneous	238,605	67,881	56,150	15,000	330,805	708,441
Total Revenues	50,411,027	7,124,276	3,210,622	17,176,097	12,262,590	90,184,612
EXPENDITURES						
Current:						
General government	5,209,315	-	-	243,789	717,604	6,170,708
Public safety	2,430,540	20,144,436	19,672,235	-	329,782	42,576,993
Health and welfare	448,630	-	-	-	925,857	1,374,487
Culture, parks and recreation	4,204,333	-	-	-	948,465	5,152,798
Streets and highways	4,436,186	-	-	-	-	4,436,186
Debt service:						
Principal	-	-	-	5,988,514	-	5,988,514
Interest and other charges	-	-	-	2,509,629	-	2,509,629
Capital outlay	660,012	394,205	139,477	13,441,273	11,396,561	26,031,528
Total Expenditures	17,389,016	20,538,641	19,811,712	22,183,205	14,318,269	94,240,843
Excess (deficiency) of revenues over expenditures	33,022,011	(13,414,365)	(16,601,090)	(5,007,108)	(2,056,679)	(4,056,231)
OTHER FINANCING SOURCES (USES)						
Transfers in	35,481,965	14,473,012	17,753,562	87,100	1,183,793	68,979,432
Transfers out	(67,154,974)	-	-	(93,038)	(187,100)	(67,435,112)
Issuance of long-term debt	-	-	-	12,644,906	-	12,644,906
Premium on long-term debt issued	-	-	-	1,221,619	-	1,221,619
Transfer to escrow agent	-	-	-	(12,376,172)	-	(12,376,172)
Total other financing sources and uses	(31,673,009)	14,473,012	17,753,562	1,484,415	996,693	3,034,673
Net change in fund balances	1,349,002	1,058,647	1,152,472	(3,522,693)	(1,058,986)	(1,021,558)
Fund balances at beginning of year	11,237,149	9,205,212	5,662,362	42,339,865	21,220,819	89,665,407
Fund balances at end of year	\$ 12,586,151	\$ 10,263,859	\$ 6,814,834	\$ 38,817,172	\$ 20,161,833	\$ 88,643,849

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, 2014

Net change in fund balances of governmental funds \$ (1,021,558)

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	27,549,525
Capital assets donated	2,371,325
Depreciation expense	(12,364,092)

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	(1,221,619)
Amortization expense	(71,093)
Interest expense	192,690

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

Advance	(1,333,937)
---------	-------------

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	5,988,514
Bond proceeds	(12,644,906)
Bond proceeds transferred to escrow agent	12,376,172

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	(83,458)
OPEB obligation change	(312,355)

Internal service fund activity is reported as a proprietary fund in the fund financial statements, but certain net revenues are reported in governmental activities on the statement of activities:

Total change in net position for internal service fund	2,040,592
Net revenues of internal service funds reported in business-type activities	(297,689)

Change in net position of governmental activities \$ 21,168,111

See accompanying notes to the basic financial statement

City of Edmond, Oklahoma
Statement of Net Position
Proprietary Funds
June 30, 2014

Edmond Public Works Authority (EPWA)
Enterprise Funds

	Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total	Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 326,787	\$ 3,560,148	\$ 1,943,647	\$ 1,233,378	\$ 7,063,960	\$ 3,164,769
Investments	56,294	25,050,723	13,521,676	8,516,747	47,145,440	21,224,005
Restricted assets:						
Cash and equivalents	-	5,323,475	-	637,428	5,960,903	-
Investments	2,301,332	539,590	2,345,114	395,275	5,581,311	-
Receivables:						
Accrued interest receivable	3,548	58,938	24,683	13,864	101,033	33,018
Utility billing, net of allowance for uncollectible accounts	9,541,133	2,024,346	1,190,617	923,685	13,679,781	-
Due from other funds	182	19,351	684,041	122	703,696	-
Receivables from other governments	75,652	-	787,376	949,860	1,812,888	-
Other receivables	7,619	-	-	66,557	74,176	670,093
Inventories	2,294,896	-	-	71,556	2,366,452	996,433
Total current assets	14,607,443	36,576,571	20,497,154	12,808,472	84,489,640	26,088,318
Non-current assets:						
Restricted assets:						
Cash and cash equivalents	28,394	4,404,175	97,933	614,589	5,145,091	-
Derivative instruments	-	1,043,369	-	-	1,043,369	-
Capital assets:						
Non-depreciable	1,025,246	4,385,718	2,222,715	4,355,024	11,988,703	1,206,904
Depreciable, net of accumulated depreciation	44,047,942	102,544,166	50,932,383	9,010,574	206,535,065	16,327,579
Unamortized bond insurance costs	1,982	98,694	-	18,075	118,751	-
Total non-current assets	45,103,564	112,476,122	53,253,031	13,998,262	224,830,979	17,534,483
Total assets	59,711,007	149,052,693	73,750,185	26,806,734	309,320,619	43,622,801
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	52,173	1,552,218	84,287	169,883	1,858,561	-
LIABILITIES						
Current liabilities:						
Accounts payable	6,650,048	861,393	297,505	959,002	8,767,948	696,240
Salaries payable	72,382	24,380	8,726	58,280	163,768	258,764
Accrued interest payable	14,817	846,139	9,376	101,043	971,375	-
Due to other funds	-	683,616	19,080	-	702,696	-
Current portion:						
Compensated absences	32,880	6,776	2,313	20,222	62,191	89,869
Claims and judgments	-	-	-	-	-	1,270,516
Notes payable	-	1,261,102	-	-	1,261,102	-
Revenue bonds payable	103,252	3,814,726	113,555	529,295	4,560,828	-
Meter deposit liability	2,301,332	539,590	45,118	405,538	3,291,578	-
Total current liabilities	9,174,711	8,037,722	495,673	2,073,380	19,781,486	2,315,389
Non-current liabilities:						
Compensated absences	295,915	60,985	20,819	182,001	559,720	808,816
Claims and judgments	-	-	-	-	-	1,605,838
Unfunded OPEB obligation	222,587	98,155	28,785	168,340	517,867	-
Notes payable	-	16,260,467	-	-	16,260,467	-
Revenue bonds payable, net	810,410	29,440,144	927,045	4,024,695	35,202,294	-
Total non-current Liabilities	1,328,912	45,859,751	976,649	4,375,036	52,540,348	2,414,654
Total liabilities	10,503,623	53,897,473	1,472,322	6,448,416	72,321,834	4,730,043
DEFERRED INFLOWS						
Accumulated increase in fair value of hedging derivatives	-	1,043,369	-	-	1,043,369	-
NET POSITION						
Net investment in capital assets	44,215,287	58,237,446	54,841,936	8,969,831	166,264,500	17,534,482
Restricted for debt service	13,759	9,106,696	2,389,215	1,154,822	12,664,492	-
Restricted for scholarships	-	-	-	1,301	1,301	-
Unrestricted	5,030,511	28,319,927	15,130,999	10,402,247	58,883,684	21,358,276
Total net position	\$ 49,259,557	\$ 95,664,069	\$ 72,362,150	\$ 20,528,201	\$ 237,813,977	\$ 38,892,758

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

6,468,756

Total net position per Government-Wide financial statements

\$ 244,282,733

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, 2014

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	\$ 76,661,663	\$ 21,411,461	\$ 10,613,145	\$ 12,685,393	\$ 121,371,662	\$ 42,490,426
Permits and other fees	-	1,357,132	810,820	-	2,167,952	-
Operating grants and contributions	75,652	-	-	2,321,949	2,397,601	-
Miscellaneous	12,690	162,753	-	410,149	585,592	682,923
Total operating revenues	<u>76,750,005</u>	<u>22,931,346</u>	<u>11,423,965</u>	<u>15,417,491</u>	<u>126,522,807</u>	<u>43,173,349</u>
OPERATING EXPENSES						
Personal services	4,572,286	1,516,218	490,065	3,172,222	9,750,791	16,284,018
Materials and supplies	1,083,290	587,324	373,003	1,207,175	3,250,792	4,038,127
Wholesale electricity purchases	59,311,177	-	-	-	59,311,177	-
Maintenance, operations and contractual services	6,267,746	9,612,325	3,866,843	8,097,607	27,844,521	9,590,981
Insurance premium expense	-	-	-	-	-	919,125
Claims expense	-	-	-	-	-	8,517,379
Amortization	947	13,931	1,743	2,307	18,928	-
Depreciation	2,959,765	5,983,596	1,955,674	413,072	11,312,107	2,388,585
Total operating expenses	<u>74,195,211</u>	<u>17,713,394</u>	<u>6,687,328</u>	<u>12,892,383</u>	<u>111,488,316</u>	<u>41,738,215</u>
Operating income (loss)	<u>2,554,794</u>	<u>5,217,952</u>	<u>4,736,637</u>	<u>2,525,108</u>	<u>15,034,491</u>	<u>1,435,134</u>
NON-OPERATING REVENUES (EXPENSES)						
Interest and investment revenue	24,483	544,081	115,128	113,354	797,046	151,470
Miscellaneous revenue	260,085	850	23,598	-	284,533	490,130
Gain (Loss) on capital asset disposal	-	-	-	(963)	(963)	(50,150)
Interest expense	(35,468)	(1,877,513)	(31,848)	(207,776)	(2,152,605)	-
Total nonoperating revenues (expenses)	<u>249,100</u>	<u>(1,332,582)</u>	<u>106,878</u>	<u>(95,385)</u>	<u>(1,071,989)</u>	<u>591,450</u>
Income (loss) before contributions and transfers	<u>2,803,894</u>	<u>3,885,370</u>	<u>4,843,515</u>	<u>2,429,723</u>	<u>13,962,502</u>	<u>2,026,584</u>
Capital contributions	-	1,309,255	811,357	-	2,120,612	14,518
Transfers in	-	32,517,969	-	1,707,780	34,225,749	-
Transfers out	(686,318)	(34,617,969)	(137,854)	(342,228)	(35,784,369)	(510)
Changes in net position	2,117,576	3,094,625	5,517,018	3,795,275	14,524,494	2,040,592
Total net position--beginning	47,141,981	92,569,444	66,845,132	16,732,926	223,289,483	36,852,166
Total net position--ending	<u>\$ 49,259,557</u>	<u>\$ 95,664,069</u>	<u>\$ 72,362,150</u>	<u>\$ 20,528,201</u>	<u>\$ 237,813,977</u>	<u>\$ 38,892,758</u>
Change in net position, per above					14,524,494	
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.					297,689	
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements					<u>\$ 14,822,183</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, 2014**

	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	\$ 75,784,951	\$ 22,645,246	\$ 11,387,751	\$ 14,435,142	\$ 124,253,090	\$ 43,431,414
Payments to suppliers	(66,335,632)	(9,724,875)	(4,235,463)	(8,811,383)	(89,107,353)	(14,641,268)
Payments to employees	(4,520,901)	(1,495,305)	(484,555)	(3,126,713)	(9,627,474)	(16,278,040)
Payments to component unit	-	-	-	-	-	-
Receipts of customer meter deposits	456,773	107,099	8,824	78,256	650,952	-
Refunds of customer meter deposits	(513,203)	(145,288)	(15,530)	(74,405)	(748,428)	-
Claims and judgments paid	(121,133)	9,709	19,080	-	(92,344)	(8,372,543)
Interfund payments	-	683,616	(681,698)	76,669	78,587	5,067
Interfund receipts	-	12,080,202	5,998,409	2,577,566	25,407,032	-
Net cash provided by (used in) operating activities	4,750,855	12,080,202	5,998,409	2,577,566	25,407,032	4,144,630
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	-	32,517,969	-	1,707,780	34,225,749	-
Transfers to other funds	(686,318)	(34,617,969)	(137,854)	(342,228)	(35,784,369)	-
Net cash provided by (used in) noncapital financing activities	(686,318)	(2,100,000)	(137,854)	1,365,552	(1,558,620)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	(3,541,931)	(7,646,449)	(3,167,497)	(3,021,472)	(17,377,349)	(2,250,244)
Proceeds from sale of capital assets	-	-	-	(963)	(963)	-
Principal paid on capital debt	(34,383)	(4,441,564)	32,529	(431,303)	(4,874,721)	-
Interest paid on capital debt	(33,710)	(1,833,499)	(25,434)	(215,015)	(2,107,658)	-
Net cash provided by (used in) capital and related financing activities	(3,610,024)	(13,921,512)	(3,160,402)	(3,668,753)	(24,360,691)	(2,250,244)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	-	-	(2,897,712)	(772,860)	(3,610,572)	(2,843,335)
Proceeds from sale and maturities of investments	56,876	1,440,957	105,963	235,056	1,732,899	350,638
Interest and dividends	25,700	516,560	-	108,168	756,391	137,513
Net cash provided by (used in) investing activities	82,576	1,957,517	(2,731,749)	(429,636)	(1,121,292)	(2,355,184)
Net increase (decrease) in cash and cash equivalents	537,089	(1,983,793)	(31,596)	(155,271)	(1,633,571)	(460,788)
Balances - beginning of year	(181,908)	15,271,591	2,073,176	2,640,666	19,803,525	3,625,567
Balances - end of year	355,181	13,287,798	2,041,580	2,485,395	18,169,954	3,164,769
Reconciliation to Statement of Net Position:						
Cash and cash equivalents	\$ 326,787	\$ 3,560,148	\$ 1,943,647	\$ 1,233,378	\$ 7,063,960	\$ 3,164,769
Restricted cash and cash equivalents-current	-	5,323,475	-	637,428	5,960,903	-
Restricted cash and cash equivalents-noncurrent	28,394	4,404,175	97,933	614,589	5,145,091	-
Total cash and cash equivalents, end of year	<u>\$ 355,181</u>	<u>\$ 13,287,798</u>	<u>\$ 2,041,580</u>	<u>\$ 2,485,395</u>	<u>\$ 18,169,954</u>	<u>\$ 3,164,769</u>

(Continued)

CITY OF EDMOND, OKLAHOMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2014

(Continued)

	Edmond Public Works Authority (EPWA)				INTERNAL SERVICE FUNDS
	Enterprise Funds			Other Enterprise Funds	
	Electric	Water	Wastewater	Enterprise Funds	TOTAL
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 2,554,794	\$ 5,217,952	\$ 4,736,637	\$ 2,525,108	\$ 15,034,491
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization expense	2,960,712	5,997,527	1,957,417	415,379	11,331,035
Other non-operating revenues/expenses	280,085	850	23,598	-	284,533
Change in assets and liabilities:					
Receivables, net	(1,210,863)	(286,950)	(59,812)	(32,489)	(1,590,114)
Other receivables	48,703	-	-	-	48,703
Inventories	83,393	-	-	(1,981)	81,412
Due from other governments	(62,979)	-	-	(949,860)	(1,012,839)
Due from other funds	-	9,709	(681,698)	76,669	(595,320)
Pension benefit obligation	-	-	-	-	-
OPER obligation	43,859	20,256	5,667	29,231	99,013
Accounts and other payables	229,725	471,026	4,087	488,498	1,193,336
Customer meter deposits payable	(56,430)	(38,189)	(6,706)	3,851	(97,474)
Due to other funds	(121,133)	683,616	19,080	-	581,563
Accrued compensated absences	20,989	4,405	139	23,160	48,693
Net cash provided by (used in) operating activities	\$ 4,750,855	\$ 12,080,202	\$ 5,998,409	\$ 2,577,566	\$ 25,407,032
Non-cash Activities:					
Capital assets donated	-	1,309,255	811,357	-	14,518
Net Non-cash Activities	-	1,309,255	811,357	-	14,518

See accompanying notes to the basic financial statements

City of Edmond, Oklahoma
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 354,448	\$ 46,244
Accrued interest	65,257	-
Other receivables	-	486
Total cash and cash equivalents	419,705	46,730
Investments at fair value:		
Pooled investments	-	323,148
Common stock	2,675,427	-
Pooled equity funds	35,130,293	-
Pooled fixed income funds	17,780,380	-
Alternative-Open end mutual funds	9,351,339	-
Other	755,984	-
Total investments	65,693,422	323,148
Total assets	66,113,127	369,878
LIABILITIES		
Refunds payable and others	23,265	369,878
Total liabilities	23,265	369,878
NET POSITION		
Held in trust for benefits and other purposes	\$ 66,089,862	\$ -

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, 2014

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 1,965,953
Plan members	1,264,678
Total contributions	3,230,631
Investment earnings:	
Net increase (decrease) in fair value of investments	6,353,892
Interest	2,067,273
Investment activity expense	(115,312)
Total net investment earnings	8,305,853
Total additions	11,536,484
DEDUCTIONS:	
Benefits	1,678,570
Refunds of contributions	462,345
Administrative	17,223
Miscellaneous expense	19,188
Total deductions	2,177,326
Changes in net position	9,359,158
Net position - beginning	56,730,704
Net position - ending	\$ 66,089,862

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 of Edmond's (the City) 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, 54,63, 65, 67, and 70 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.

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. Prior to 2014, Citylink (Edmond's public transportation service) was included in the General Fund. Beginning in 2014, Citylink has been moved and is included as a Business Type Activity. Also in last year's report, the Hotel/Motel tax was moved from the General Fund to Special Revenue Fund-CVB as a dedicated income revenue stream. We have continued to report this revenue there.

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
- Transportation Fund (CityLink)

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.

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 at the fund level 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. The governmental activities at the entity wide level reported deferred inflow from unavailable revenue from hedging derivatives held for investment purposes.

Equity Classifications

Government-Wide and Proprietary Fund Financial Statements:

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

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

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

Governmental Fund Financial Statements:

Governmental fund equity is classified as fund balance. Since the City implemented GASB Statement 54, fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. These classifications are defined as:

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

It is the City’s policy that expenditures for which more than one category of fund balance could be used, that the order of use is: restricted, committed, assigned and unassigned. The City Council adopted the budget which designates the amount to the specific categories.

In an effort to ensure the continuance of sound financial management of public resources, the City of Edmond’s *Unassigned Fund Balance* within the General Fund will be maintained to provide the City with sufficient working

capital and a comfortable margin of safety to address emergencies, sudden loss of revenue or operating needs, and unexpected downturns.

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

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

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

1.E. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES

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

Government-Wide Financial Statements:

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

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

Fund Financial Statements:

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

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

1.F. REVENUES, EXPENDITURES AND EXPENSES

Sales Tax

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

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

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

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

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

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

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

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

Police and Fire Public Safety Funds Revenue

An ordinance passed and approved by the citizens of Edmond requires that 30% of General Fund revenues (defined as taxes, licenses and permits, fines and forfeitures, charges for services, interest and miscellaneous revenues) be used for funding fire department operations and that 36.8% of these same General Fund revenues be used for funding police department operations. Effective July 1, 2001 all fire and police expenditures were accounted for in the limited purpose sales tax special revenue funds. The special revenue funds also receive sales tax (approved in the same ordinance referenced above) of one-fourth percent for the fire department and one-eighth percent for the police department. Those sales taxes can only be expended for additional personnel and

equipment for additional personnel, additional equipment for firefighting and law enforcement purposes, and also for competitive compensation and benefits for existing and retired firefighters and officers. The ordinance further states that expenditures will not be charged against the sales tax revenues until the General Fund revenues have first been used or encumbered.

Hospital Sales Trust Fund Principal and Income

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

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

Pension Contributions

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

Property Tax

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

Pledge of Future Revenues

Sales Tax Pledge - The City has pledged three-fourth cents (or 20%) of future sales tax revenues to repay \$103,710,000 of Series 2005, 2010, 2012, 2013 and 2014 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 2026, 2021, 2023 and 2024 respectively. The total principal and interest payable for the remainder of the life of these bonds is \$82,802,166. Pledged sales taxes received in the current year were \$12,076,618 and the net utility revenues were \$16,264,818. Debt service payments of \$8,528,768 for the current fiscal year were 71% of the pledged sales taxes and 52% 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 2005 and 2014 Series Utility System Revenue Bonds and \$3,726,484 of 2005 OWRB Notes Payable and \$16,085,000 on the General Sales Revenue Note with Bank of America. 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 \$66,935,048. 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 \$32,304,315 were returned to the General Fund. The debt service payments on the bonds and notes this year were \$7,002,676 which was 28% of pledged net utility revenues of \$24,875,004 and 22% 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, 2013, the City implemented GASB Statement No. 67, *Financial Reporting for Pension Plans*. This Statement is to improve the usefulness of pension information included in the general purpose external financial reports for pension plans for making decisions and assessing accountability. GASB Statement 68, *Accounting and Financial Reporting for Pensions*, which will be implemented next fiscal year, will establish standards for government employer recognition, measurement, and presentation of information about pensions provided through pension plans that are within the scope of this statement. It also establishes requirements for reporting information about pension-related financial support provided by entities that make contributions to pension plans that are used to provide pensions to employees of other entities. The two Statements are closely related in some areas, and certain provisions of this Statement refer to Statement 68.

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, 2014, the City reported no individual fund deficits.

2.B. DEPOSITS AND INVESTMENTS REQUIREMENTS

The Treasurer is authorized to invest funds in such securities as provided by Oklahoma State Statutes. The City's General/Operating and Public Works Authority Funds Investment Policy may be more restrictive than that allowed by state statute. The securities authorized by the approval of this policy shall be:

1. Direct obligations of the United States Government, its agencies or instrumentalities to the payment of which the full faith and credit of the Government of the United States is pledged or obligations to the payment of which the full faith and credit of the State of Oklahoma is pledged; or
2. Collateralized or insured certificates of deposits of savings and loan associations, banks, savings banks and credit unions located in this state, when the certificates of deposit are secured by acceptable collateral as provided in Oklahoma State Title 62, Section 517.5 or fully insured certificates of deposit at banks, savings banks, savings and loan associations and credit unions located out of state; or
3. Savings accounts or saving certificates of savings and loan associations, banks, and credit unions, to the extent that the accounts or certificates are fully insured by the Federal Deposit Insurance Corporation; or
4. Investments as authorized by Oklahoma State Title 62, Section 348.3 which are fully collateralized in investments specified in paragraphs 1 through 3 of this section, and where the collateral has been deposited with a trustee or custodian bank in an irrevocable trust or escrow account established of such purposes; or
5. County, municipal or school district direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgments against such county, municipality or school district ordered by a court of record or bonds or bond and revenue anticipations notes issued by a public trust for which such county, municipality or school district is a beneficiary thereof. All collateral pledged to secure public funds shall be valued at no more than market value. The income received from

the investment may be placed in the general fund of the governmental subdivision to be used for general governmental operations, the sinking fund, the building fund, or the fund from which the investment was made.

6. Obligations of the United States government, its agencies and instrumentalities;
7. Collateralized or insured certificates of deposits and other evidences of deposit at banks, savings banks, savings and loan associations and credit unions located within the state; or full insured certificates of deposit and banks, savings banks, savings and loan associations and credit unions located out of state;
8. Negotiable certificates of deposit issued by a nationally or state-chartered bank, savings bank, a savings and loan association or a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposits shall not exceed ten percent (10%) of the surplus funds of the city or county which may be invested pursuant to this section. Not more than one-half (1/2) of the ten percent (10%) limit shall be invested in any one financial institution specified in this paragraph;
9. Prime banker's acceptances which are eligible for purchase by the Federal Reserve System and which do not exceed two hundred seventy (270) days' maturity. Purchases of prime bankers acceptances shall not exceed ten percent (10%) of the surplus funds of the city or county which may be invested pursuant to this section. Not more than one-half (1/2) of the ten percent (10%) limit shall be invested in any one commercial bank pursuant to this paragraph;
10. Prime commercial paper which shall not have a maturity that exceeds one hundred eighty (180) days nor represent more than ten percent (10%) of the outstanding paper of an issuing corporation. Purchases of prime commercial paper shall not exceed seven and one-half percent (7 ½ %) of the surplus funds of the city or county which may be invested pursuant to this section; and
11. Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1 through 5 of this subsection.
12. Money market funds regulated by the Securities and Exchange Commission and which investments consist of those items and those restrictions in paragraphs 1 through 6 of this subsection.

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. The Note indenture relating to the 2013 General Sales Tax Revenue note payable of the Edmond Public Works contains a number financial restrictions or covenants.

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 2005 series bond indentures require (1) a reserve account balance maintained at \$4,043,500, and (2) net revenues plus pledged and transferred sales tax to be at least 130% of the maximum annual debt

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

service requirements. The 2005, 2010, 2012 and 2013 and 2014 series sales tax and utility revenue bond indentures require (1) a reserve account balance \$9,002,950 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, 2014.

NOTE 3. DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS

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

3.A. DEPOSIT AND INVESTMENT RISKS

Primary Government:

The City of Edmond, including its blended component unit held the following deposits and investments at June 30, 2014.

Type	Fair Value	Rating	Maturities in Years			
			Demand	Less Than One	1 - 5	6 - 10
Demand accounts	\$ 17,661,335	n/a	\$ 17,661,335	\$ -	\$ -	\$ -
Time deposits	50,249,338	n/a	-	37,251,213	12,998,125	-
Money market accounts	40,042,419	n/a	40,042,419	-	-	-
U.S. Obligations	4,751,502	(1)	-	3,552,260	1,199,242	-
U.S. Government sponsored enterprises	75,643,715	(2)	-	28,020,737	47,622,978	-
Mutual Funds-fixed income	17,780,380	**	-	-	-	17,780,380
Sub-total	206,128,689		57,703,754	68,824,210	61,820,345	17,780,380
Mutual Funds:						
Alternative	9,351,339	n/a				
Equity Funds	35,130,293	n/a				
Sub-total Mutual Funds	44,481,632					
Master Limited Partnerships	2,675,427	n/a				
Other	755,984					
Total Investments	\$ 254,041,732					
Reconciliation to Statement of Net Position:						
Cash and cash equivalents	\$ 18,730,972					
Investments	122,848,486					
Current restricted cash and cash equivalents	27,299,619					
Current restricted investments	5,581,311					
Noncurrent restricted cash and cash equivalents	10,389,511					
Noncurrent restricted investments	2,774,571					
Pension retirement fund assets	66,047,870					
Agency fund cash and investments	369,392					
	\$ 254,041,732					

** Unrated

- (1) U.S. obligations include Treasury bills, Treasury notes, and Treasury bonds. U.S. obligations are backed by the full power of the United States government and are guaranteed by the full faith and credit of the United States government.
- (2) U.S. government sponsored enterprise (GSE) securities are debt issued by a financial intermediary established by the federal government to fund loans for a public purpose. GSE's lack the explicit backing of the U.S. government, but are federally chartered entities that carry a credit line with the U.S. Treasury. GSE securities are listed below with the corresponding credit ratings:

GSE Name	S & P Rating	Moody Rating
• Federal National Mortgage Association (FNMA or “Fannie Mae”)	AA+	Aaa
• Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”)	AA+	Aaa
• Federal Home Loan Bank (FHLB)	AA+	Aaa
• Federal Farm Credit Banks (FFCB)	AA+	Aaa
• Federal Agricultural Mortgage Corporation (FAMC or “Farmer Mac”)	not rated	Aa1

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

The City’s policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 102% of the uninsured deposits and accrued interest thereon. The investment policy also limits acceptable collateral to U.S. Treasury securities and direct debt obligations of municipalities, counties, and school districts in the state of Oklahoma. As required by Federal 12 U.S.C. 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, 2014, 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 five 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 1 and 10 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, 2014, the City had a total portfolio concentration of credit risk in the following investments: FAMC 1.6%, FFCB 3.6%, FHLB 17.6%, FHLMC 7.2%, FNMA 9.9%.

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 7.25 percent, net of fees. This return objective currently meets the actuarial assumption of 7.25%.

Asset allocation guidelines for the Plan are as follows:

Class	Target Percent	June 2014 Present
Fixed Income	29%	27%
Large Cap Equities	15%	17%
Small Cap Equities	5%	5%
International Equities	14%	15%
Emerging Market Equities	9%	9%
Real Estate	9%	9%
Commodities	11%	10%
Master Limited Partnerships	8%	8%

At June 30, 2014, the City had complied with the investment policies as defined above.

Concentrations. Investments that represent 5% or more of the Plan’s fiduciary net position.

Class	June 2014 Present
Fixed Income	15%
Large Cap Equities	17%
Small Cap Equities	0%
International Equities	15%
Emerging Market Equities	9%
Real Estate	7%
Commodities	10%

Rate of return. For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.92 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Component Units:

Total bank deposits of the EEDA component unit were \$205,131 at June 30, 2014 and were properly collateralized. In addition, deposits of the Historical Preservation Trust of \$88,510 were fully collateralized.

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

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.

Associated Debt	Effective Date	Termination Date	Contract Interest Rate	Change in Fair Value	Fair Value at June 30, 2014	Counterparty	Credit Rating
Governmental activities:							
2005 Sales Tax & Utility Revenue Bonds:							
Debt Service	2/23/2006	7/1/2015	4.410%	(35,626)	36,487	JPMorgan	A+
Reserve Fund	2/23/2006	7/1/2015	4.740%	(111,240)	111,626	JPMorgan	A+
2012 Sales Tax & Utility Revenue Bonds:							
Reserve Fund	5/13/2003	7/1/2021	4.650%	(50,937)	562,532	JPMorgan	A+
2014 Sales Tax & Utility Revenue Bonds:							
Debt Service	8/24/2004	7/1/2024	4.500%	(42,768)	232,157	JPMorgan	A+
Reserve Fund	8/24/2004	7/1/2024	4.876%	(122,675)	616,804	JPMorgan	A+
Total governmental activities:				\$ (363,246)	\$ 1,559,606		
Business-type Activities:							
2005 Utility System Revenue Bonds:							
Debt Service	2/23/2006	7/1/2015	4.590%	(76,189)	78,288	JPMorgan	A+
Reserve Fund	2/23/2006	7/1/2015	4.770%	(199,661)	200,354	JPMorgan	A+
2014 Sales Tax & Utility Revenue Bonds:							
Debt Service	8/24/2004	7/1/2024	4.500%	7,636	209,123	JPMorgan	A+
Reserve Fund	8/24/2004	7/1/2024	4.876%	15,900	555,604	JPMorgan	A+
Total business-type activities:				\$ (252,314)	\$ 1,043,369		
Total				\$ (615,560)	\$ 2,602,975		

Fair value was determined using expected cash flows discounted to the treasury curve at June 30, 2014.

Credit risk – The counterparty to the forward sale contract derivative agreements is JPMorgan serving as guarantor. At June 30, 2014, 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.

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 in FY2013. At the end of the fiscal year, the City reflects a \$291,540 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:

	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund	Drainage Fund	Total
Utilities Receivable	\$ 9,857,800	\$ 2,091,126	\$ 1,228,270	\$ 879,473	\$ 74,176	\$ 14,130,845
Less: allowance for uncollectible accounts	(316,667)	(66,780)	(37,653)	(25,594)	(4,370)	(451,064)
Utilities receivable, net of allowance	<u>\$ 9,541,133</u>	<u>\$ 2,024,346</u>	<u>\$ 1,190,617</u>	<u>\$ 853,879</u>	<u>\$ 69,806</u>	<u>\$ 13,679,781</u>
Other Receivables-Business-Type Activities						74,176
Tota Accounts Receivable-Business-Type Activities						<u>\$ 13,753,957</u>

Governmental Activities:

	Fines Receivable	Other Taxes Receivable	Park & Recreation Receivable	Miscellaneous Receivables	Total
Other receivables	\$ 1,799,657	\$ 479,154	\$ 295,975	\$ 896,693	\$ 3,471,479
Less: allowance for uncollectible accounts	(1,335,126)	-	-	-	(1,335,126)
Other receivables, net of allowance	<u>\$ 464,531</u>	<u>\$ 479,154</u>	<u>\$ 295,975</u>	<u>\$ 896,693</u>	<u>\$ 2,136,353</u>

3.C. RESTRICTED ASSETS

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

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

	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	\$ 21,338,716	\$ -	\$ 5,244,420	\$ 2,774,571	\$ 29,357,707
Total Governmental Activities	\$ 21,338,716	\$ -	\$ 5,244,420	\$ 2,774,571	\$ 29,357,707
Business-type Activities:					
Revenue bond trustee accounts	\$ 4,529,448	\$ -	\$ 5,145,091	-	\$ 9,674,539
Deposits held for refund	-	3,280,652	-	-	3,280,652
Deposits held for construction	1,431,455	2,300,659	-	-	3,732,114
Total Business-type Activities	\$ 5,960,903	\$ 5,581,311	\$ 5,145,091	\$ -	\$ 16,687,305

Component Unit:

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

	Current
Cash and cash equivalents, program income	\$ 41,135
Total	\$ 41,135

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

3.D. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	Balance at July 1, 2013	Additions	Deductions	Balance at June 30, 2014
Governmental activities :				
Non-depreciable:				
Land	\$ 14,955,601	\$ 252,177	\$ -	\$ 15,207,778
Construction-in-progress	48,298,057	26,329,372	(46,345,917)	28,281,512
Total non-depreciable assets at historical cost	<u>63,253,658</u>	<u>26,581,549</u>	<u>(46,345,917)</u>	<u>43,489,290</u>
Depreciable:				
Buildings	60,735,090	14,788,905	(10,548)	75,513,447
Improvements	23,973,680	1,057,613	-	25,031,293
Machinery and equipment	43,923,848	2,836,121	(700,044)	46,059,925
Infrastructure	248,492,512	33,317,926	-	281,810,438
Total depreciable assets at historical cost	<u>377,125,131</u>	<u>52,000,566</u>	<u>(710,592)</u>	<u>428,415,104</u>
Less accumulated depreciation				
Buildings	(13,076,256)	(2,001,392)	5,753	(15,071,896)
Improvements	(16,374,657)	(1,764,921)	-	(18,139,578)
Machinery and equipment	(22,307,182)	(2,900,043)	603,593	(24,603,632)
Infrastructure	(135,444,582)	(8,086,320)	-	(143,530,902)
Total accumulated depreciation	<u>(187,202,677)</u>	<u>(14,752,677)</u>	<u>609,346</u>	<u>(201,346,008)</u>
Net depreciable assets	<u>189,922,453</u>	<u>37,247,889</u>	<u>(101,246)</u>	<u>227,069,096</u>
Governmental activities capital assets, net	<u>\$ 253,176,111</u>	<u>\$ 63,829,438</u>	<u>\$ (46,447,163)</u>	<u>\$ 270,558,386</u>
Business-type activities				
Non-depreciable:				
Land	\$ 2,350,922	\$ -	\$ -	\$ 2,350,922
Construction-in-progress	10,830,110	13,950,839	(15,143,168)	9,637,781
Total non-depreciable assets at historical cost	<u>13,181,032</u>	<u>13,950,839</u>	<u>(15,143,168)</u>	<u>11,988,703</u>
Depreciable:				
Buildings	30,785,602	-	(3,000)	30,782,602
Improvements	7,755,098	-	(99,314)	7,655,784
Machinery and equipment	6,599,937	382,475	(16,622)	6,965,790
Intangible water rights	30,954,585	-	-	30,954,585
Utility property	270,987,858	20,343,473	(50,000)	291,281,331
Totals depreciable assets at historical cost	<u>347,083,080</u>	<u>20,725,948</u>	<u>(168,936)</u>	<u>367,640,092</u>
Less accumulated depreciation				
Buildings	(6,692,353)	(944,559)	2,037	(7,634,875)
Improvements	(4,865,704)	(462,712)	69,023	(5,259,393)
Machinery and equipment	(4,165,353)	(266,918)	12,219	(4,420,052)
Intangible water rights	(14,828,023)	(644,232)	-	(15,472,255)
Utility property	(119,374,766)	(8,993,686)	50,000	(128,318,452)
Total accumulated depreciation	<u>(149,926,199)</u>	<u>(11,312,107)</u>	<u>133,279</u>	<u>(161,105,027)</u>
Net depreciable assets	<u>197,156,881</u>	<u>9,413,841</u>	<u>(35,657)</u>	<u>206,535,065</u>
Business-type capital assets, net	<u>\$ 210,337,913</u>	<u>\$ 23,364,680</u>	<u>\$ (15,178,825)</u>	<u>\$ 218,523,768</u>

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

	Balance at July 1, 2013	Additions	Deductions	Balance at June 30, 2014
Component Units:				
Historical Preservation Trust:				
Non-depreciable:				
Land	\$ 100,450	\$ -	\$ -	\$ 100,450
Capital assets, non-depreciable	100,450	-	-	100,450
Depreciable:				
Buildings	300,495	-	-	300,495
Totals at historical cost	300,495	-	-	300,495
Less accumulated depreciation:				
Machinery and equipment	(118,658)	(30,050)	-	(148,708)
Totals accumulated depreciation	(118,658)	(30,050)	-	(148,708)
Capital assets, depreciable net	181,837	(30,050)	-	151,787
Capital assets, net	\$ 282,287	\$ (30,050)	-	\$ 252,237
Edmond Economic Development and Redevelopment Authority:				
Depreciable:				
Machinery and equipment	\$ 38,482	\$ -	\$ -	\$ 38,482
Totals at historical cost	38,482	-	-	38,482
Less accumulated depreciation:				
Machinery and equipment	(32,547)	(2,487)	-	(35,034)
Total accumulated depreciation	(32,547)	(2,487)	-	(35,034)
Capital assets, net	\$ 5,935	\$ (2,487)	-	\$ 3,448

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

Depreciation expense charged to governmental activities:

General government	\$ 825,991
Public safety	1,171,090
Streets and highways	8,302,127
Culture and recreation	1,809,947
Health and welfare	254,937
In addition, depreciation on capital assets held by the City's internal service funds is charged to the various functions based on their usage of the assets	2,388,585
Total governmental activities depreciation expense	\$ 14,752,677

Depreciation expense charged to business-type activities:

Electric	\$ 2,959,765
Water	5,983,596
Sanitation	8,315
Wastewater	1,955,674
Arcadia Lake	213,266
Drainage	66,375
Golf Course	125,116
Total business-type activities depreciation expense	\$ 11,312,107

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, 2014, 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	\$ 313,055
Non-current portion	<u>2,817,486</u>
Total Accrued Compensated Absences	<u>\$ 3,130,541</u>

Revenue Bonds Payable:

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.	\$21,230,000
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.	9,735,000
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.	11,855,000
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.	12,490,000
2014 Refunding Series Sales Tax and Utility System Bonds, dated April 3, 2014, issued by the Edmond Public Works Authority, secured by utility revenues and pledged sales tax, interest rates at 2.47%, final maturity July 1, 2024. The bond's debt service is currently paid with the restricted sales tax.	<u>12,511,392</u>
Total Revenue Bonds Payable	\$ 67,821,392
Add: Unamortized Bond Premium	2,915,440
Less: Unamortized Loss on Refunding	<u>(869,871)</u>
Total Revenue Bonds Payable (Net)	<u>\$ 69,866,961</u>

Current portion, net	\$ 6,124,172
Non-current portion, net	64,612,660
Deferred Outflow	<u>(869,871)</u>
Total Revenues Bonds Payable, net	<u>\$ 69,866,961</u>

Business-type Activities Long-Term Debt

As of June 30, 2014, the long-term debt payable from enterprise fund resources consisted of the following:

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

Revenue Bonds Payable:

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%, bond refinanced in 2014 but amount outstanding was not callable.	690,000
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.	27,120,000
2014 Refunding Series Sales Tax and Utility System Bonds, dated April 3, 2014, issued by the Edmond Public Works Authority, secured by utility revenues and pledged sales tax, interest rates at 2.47%, final maturity July 1, 2024.	<u>10,085,094</u>
Total Revenues Bonds Payable	37,895,094
Plus: Unamortized Premium	1,868,028
Unamortized charge on refunding	<u>(1,858,561)</u>
Total Revenues Bonds Payable (Net of unamortized discount)	<u>\$ 37,904,561</u>
Current portion, net	\$ 4,560,828
Non-current portion, net	35,202,294
Deferred Outflow	<u>(1,858,561)</u>
Total Revenues Bonds Payable, net	<u>\$ 37,904,561</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.	\$ 2,006,569
2013 Refunding General Sales Tax Revenue Note to Bank of America, original issue amount of \$16,085,000 secured by utility revenues and pledged sales tax, interest rate of 2.86%, final maturity of July 1, 2026.	<u>15,515,000</u>
	<u>\$ 17,521,569</u>
Current portion	\$ 1,261,102
Non-current portion	<u>16,260,467</u>
Total Note Payable	<u>\$ 17,521,569</u>

Accrued Compensated Absences:

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

Current portion	\$ 62,191
Non-current portion	<u>559,720</u>
Total Accrued Compensated Absences	<u>\$621,911</u>

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

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, 2014, are as follows:

Current portion	\$2,986
Non-current portion	<u>26,875</u>
Total Accrued Compensated Absences	<u>\$29,861</u>

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, 2014:

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014	Amount due in one year
Governmental Activities :					
Revenue Bonds Payable	\$ 73,260,000	12,644,906	\$ 18,083,514	\$ 67,821,392	\$ 6,124,172
Accrued Compensated Absences	2,992,512	2,643,449	2,505,420	3,130,541	313,055
	\$ 76,252,512	\$ 15,288,355	\$ 20,588,934	\$ 70,951,933	\$ 6,437,227
Business-type Activities :					
Note Payable	\$ 17,891,382	\$ 16,085,000	\$ 16,454,813	\$ 17,521,569	\$ 1,261,102
Revenue Bonds Payable	42,400,000	10,085,094	14,590,000	37,895,094	4,560,828
Accrued Compensated Absences	573,218	525,147	476,454	621,911	62,191
	\$ 60,864,600	\$ 26,695,241	\$ 31,521,267	\$ 56,038,574	\$ 5,884,121
Component Units :					
Accrued Compensated Absences	\$ 29,282	\$ 22,798	\$ 22,219	\$ 29,861	\$ 2,986

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, 2014 are as follows:

<u>Year Ending June 30,</u>	Governmental-Type Activities	
	Revenue Bonds Payable	
	Principal	Interest
2015	\$ 6,124,172	\$ 2,431,930
2016	6,302,550	2,259,132
2017	6,494,273	2,066,426
2018	6,698,778	1,860,207
2019	6,952,191	1,615,906
2020-2024	30,844,428	4,302,238
2025-2026	4,405,000	444,938
Total	\$ 67,821,392	\$ 14,980,777

<u>Year Ending June 30,</u>	Business-Type Activities			
	Notes Payable		Revenue Bonds Payable	
	Principal	Interest	Principal	Interest
2015	\$ 1,261,102	\$ 431,067	4,560,828	2,044,665
2016	1,291,102	399,306	4,052,540	1,443,096
2017	1,326,102	366,567	4,235,727	1,245,198
2018	1,361,102	332,923	4,441,222	1,037,969
2019	1,396,102	298,206	2,402,809	871,632
2020-2024	7,555,508	934,186	14,245,574	2,560,281
2025-2027	3,330,551	93,337	3,956,394	91,438
Total	\$ 17,521,569	\$ 2,855,592	\$ 37,895,094	\$ 9,294,279

Current Refunding

On July 1, 2013 the City issued \$16.087 million series 2013 General Sales Tax Revenue Note, Refunding Series 2013 with an interest rate of 2.86 percent to refund \$15,693,711 in the aggregate amount required to retire the 2005, 2005B, 2005D and the 2006 Drinking Water SRF Promissory Note to the Oklahoma Water Resources Board with an average interest rate of 3.50 percent. The net proceeds of \$15,904,268 (after payment of \$119,925 of issuance cost and \$62,807 to a construction account) were transferred to the Oklahoma Water Resource Board trustee bank to provide for final pay-off. As a result, the notes payable are considered paid in full and have been removed from the government-wide statement of net position.

The City completed the current refunding to reduce its total debt service payments over the next fourteen years by \$466,167 and to obtain an economic gain (the difference between the present value of the old and new debt service payments) of \$490,578.

Advanced Refunding

On April 3, 2014 the City issued \$22.730 million series 2014 Sales Tax and Utility Revenue Refunding Bonds with an interest rate of 2.47 percent to advance refund \$1,270,000 of outstanding 2003 B Utility System Revenue Bonds with an average interest rate of 4.46 percent and to advance refund \$8,885,000 of callable outstanding 2004 Utility System Revenue Bonds with an average interest rate of 5.04 percent and to advance refund \$12,095,000 of callable outstanding 2004 Series Sales Tax and Utility Revenue Bonds with an average interest rate of 5.13 percent. The net proceeds of \$20,755,557 (after payment of \$219,935 of issuance cost and \$2,944,078 to a construction account) plus additional \$956,400 of 2004 Sales Tax and Utility System Series fund monies were used to purchase U.S. Government securities. Those securities were deposited in irrevocable trusts with an escrow agent to provide for all future debt service payments on the 2003 B, 2004 Utility System Series and the 2004 Sales Tax and Utility Revenue bonds. As a result, the 2003 B, 2004 Utility System Series and the 2004 Sales Tax and Utility System 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 \$1,175,816. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2024 using the straight line method. The City completed the advance refunding to reduce its total debt service payments over the next ten years by \$2,585,223 and to obtain an economic gain (the difference between the present value of the old and new debt service payments) of \$2,699,908.

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, 2014</u>
Primary Government:	
Utility System Revenue Bonds, Series 1977	\$145,000
Utility System Revenue Bonds, Series 2003B	1,270,000
Utility System Revenue Bonds, Series 2004	8,885,000
Sales Tax and Utility Revenue Bonds, Series 2004	<u>12,095,000</u>
Total Outstanding Defeased Bonds	<u>\$22,395,000</u>

Line of Credit

In August 2013, the City entered into an agreement with a local bank to provide an irrevocable line of credit not to exceed \$22,000,000 to the City through March 31, 2017. Interest will be calculated at a floating interest rate equal to the 30 day British Bankers Association London Interbank Offered Rate (LIBOR), plus 150 basis points, provided however, that the interest rate shall not exceed the maximum rate as provided for by the laws of the State of Oklahoma. The line of credit was issued to secure funding for the Public Safety Center project. Borrowing under the credit facility is secured by the pledged sales tax. No advances were made under this credit facility.

The City simultaneously authorized the issuance of a Sales Tax Revenue Note to the Hospital Trust Fund not to exceed \$7,000,000 as authorized by the voters at the time of approval of a half-cent sales tax in October 2011. This is the first form of funding the City will use to fund the Public Safety Center. No borrowings have been made by the City under this agreement through June 30, 2014.

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

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, 2014:

	<u>Original Issue</u>	<u>Outstanding June 30, 2014</u>
EEDA - Student Housing Revenue Bonds 2001A (UCO Student Housing Foundation)	8,305,000	7,055,000
EEDA - Revenue Note 2000 (UCO Music Lab Project) (UCO Foundation)	<u>1,135,000</u>	<u>684,008</u>
	<u>\$9,440,000</u>	<u>\$7,739,008</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, 2014

3.F. INTERFUND BALANCES AND ACTIVITIES

Reconciliation to fund financial statements:

	Primary Government							
	Governmental Activities							
	Major Governmental							
	General	Fire Public Safety Limited Tax	Police Public Safety Limited Tax	2000 Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds	Internal Service Funds	Total Governmental Activities
DUE FROM OTHER FUNDS								
Primary Government								
<i>Governmental Activities</i>								
General	\$ -	\$ 1,127,764	\$ 1,383,391	\$ -	\$ -	\$ 2,511,155	\$ -	\$ 2,511,155
Police Public Safety Limited Tax	-	-	-	-	-	-	-	-
2000 Capital Improvement Fund	-	-	-	-	-	-	-	-
Other governmental funds	28,432	-	-	-	-	28,432	-	28,432
Total governmental funds	28,432	1,127,764	1,383,391	-	-	2,539,587	-	2,539,587
Internal service funds	-	-	-	-	-	-	-	-
Total	28,432	1,127,764	1,383,391	-	-	2,539,587	-	2,539,587
<i>Business Type Activities</i>								
PWA-Electric	-	-	-	-	-	-	-	-
PWA-Water	-	-	-	-	-	-	-	-
PWA-Wastewater	-	-	-	-	-	-	-	-
Other enterprise funds	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	-
Total due from other funds	\$ 28,432	\$ 1,127,764	\$ 1,383,391	\$ -	\$ -	\$ 2,539,587	\$ -	\$ 2,539,587
DUE TO OTHER FUNDS								
Primary Government								
<i>Governmental Activities</i>								
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Public Safety Limited Tax	1,127,764	-	-	-	-	1,127,764	-	1,127,764
Police Public Safety Limited Tax	1,383,391	-	-	-	-	1,383,391	-	1,383,391
2000 Capital Improvement Fund	-	-	-	-	-	-	-	-
Other governmental funds	-	-	-	-	-	-	-	-
Total governmental funds	2,511,155	-	-	-	-	2,511,155	-	2,511,155
Internal service funds	-	-	-	-	29,432	29,432	-	29,432
Total governmental activities	2,511,155	-	-	-	29,432	2,540,587	-	2,540,587
<i>Business Type Activities</i>								
Other enterprise funds	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	-
Total advance to other funds	\$ 2,511,155	\$ -	\$ -	\$ -	\$ 29,432	\$ 2,540,587	\$ -	\$ 2,540,587

Reconciliation to Fund Financial Statements:	Due From Other Funds	Due to Other Funds	Net Internal Balances
Governmental Funds	\$ 2,539,587	\$ 2,540,587	\$ (1,000)
Proprietary Funds	703,696	702,696	1,000
Internal Service Funds	-	-	-
Total	<u>\$ 3,243,283</u>	<u>\$ 3,243,283</u>	<u>\$ -</u>

Reconciliation to Statement of Net Position:	
Net Internal Balances	\$ 1,000
Internal Service Fund Activity report in BTA	6,468,756
Net Internal Balance	<u>\$ 6,469,756</u>

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

Primary Government						
<i>Business-type Activities</i>						
Major Enterprise Funds						
	PWA-Electric	PWA-Water	PWA-Wastewater	Other Enterprise Funds	Business Type Activities	Total
DUE FROM OTHER FUNDS						
Primary Government						
<i>Governmental Activities</i>						
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Public Safety Limited Tax	-	-	-	-	-	-
Police Public Safety Limited Tax	-	-	-	-	-	-
2000 Capital Improvement Fund	-	-	-	-	-	-
Other governmental funds	-	-	-	-	-	-
Total governmental funds	-	-	-	-	-	-
Internal service funds	-	-	-	-	-	-
Total	-	-	-	-	-	-
<i>Business Type Activities</i>						
PWA-Electric	-	-	-	-	-	-
PWA-Water	-	-	683,616	-	-	683,616
PWA-Wastewater	-	19,080	-	-	-	19,080
Other enterprise funds	182	271	425	122	-	1,000
Total business-type activities	182	19,351	684,041	122	-	703,696
Total due from other funds	\$182	\$19,351	\$684,041	\$122	\$ -	\$703,696
DUE TO OTHER FUNDS						
Primary Government						
<i>Governmental Activities</i>						
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Public Safety Limited Tax	-	-	-	-	-	-
Police Public Safety Limited Tax	-	-	-	-	-	-
2000 Capital Improvement Fund	-	-	-	-	-	-
Other governmental funds	-	-	-	-	-	-
Total governmental funds	-	-	-	-	-	-
Internal service funds	-	-	-	-	-	-
Total governmental activities	-	-	-	-	-	-
<i>Business Type Activities</i>						
PWA-Electric	-	-	-	-	-	-
PWA+Water	-	-	19,080	-	-	19,080
PWA+Wastewater	-	683,616	-	-	-	683,616
Other enterprise funds	-	-	-	-	-	-
Total business-type activities	-	683,616	19,080	-	-	702,696
Total advance to other funds	\$ -	\$ 683,616	\$ 19,080	\$ -	\$ -	\$ 702,696

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

Interfund transfers for the year ended June 30, 2014 were as follows:

Transfer from	Transfer to	Amount	Nature of Interfund Balance
* PWA Electric	* General Fund	\$ 622,018	Budgeted annual operating transfer
* PWA Water	* General Fund	2,100,000	Budgeted annual operating transfer
PWA Sanitation	* General Fund	342,228	Budgeted annual operating transfer
* PWA Wastewater	* General Fund	137,854	Budgeted annual operating transfer
* PWA Water	General Fund	32,179,865	Return of pledged sales tax
* 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	32,179,865	Pledged sales tax- bond indenture
* General Fund	* Fire Public Safety Limited Tax	14,473,012	Dedicated sales tax- ordinance
* General Fund	* Police Public Safety Limited Tax	17,753,562	Dedicated sales tax- ordinance
* General Fund	Capital Improvement Fund	876,784	Budgeted annual funding
* General Fund	Art in Public Places	190,813	Funding for public art
* General Fund	PWA Arcadia Lake	504,780	Debt service payments
* General Fund	CDBG	13,158	CDBG offset program
* General Fund	Citilink Fund	1,103,000	Budget for new fund set up as Enterprise
* 2000 Capital Improvement Fund	Art in Public Places	93,038	Funding for public art
Park Sales Tax Fund	* 2000 Capital Improvement Fund	87,100	Budgeted annual funding
PWA Electric	Internal Service Fund	14,300	Capital assets
* General Fund	* 2012 Public Safety Capital Impr.Fund	10,000	Payback from prior yr budget shortfall
Park Sales Tax Fund	Kickingbird Golf	100,000	Budgeted annual operating transfer
Internal Service Fund	* Police Public Safety Limited Tax	510	Capital assets
		<u>\$ 102,881,887</u>	

Reconciliation to fund financial statements:	Transfer to Other Funds	Transfers from Other Funds
Governmental Funds:		
General Fund	\$ 67,154,974	\$ 35,481,965
Fire Public Safety Limited Tax Fund		14,473,012
Police Public Safety Limit Tax Fund	-	17,753,562
2000 Capital Improvement Tax Fund	93,038	87,100
Other Governmental Funds	187,100	1,183,793
Total Governmental Funds	<u>67,435,112</u>	<u>68,979,432</u>
Proprietary Funds:		
Enterprise Funds:		
Electric	686,318	-
Water	34,617,969	32,517,969
Wastewater	137,854	-
Other Enterprise Funds	342,228	1,707,780
Total Enterprise Funds	<u>35,784,369</u>	<u>34,225,749</u>
Totals	<u>\$ 103,219,481</u>	<u>\$ 103,205,181</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	\$ (67,435,112)	\$ 68,979,432	\$ 292	\$ 1,544,612
Internal Service Funds	-	-	14,008	14,008
Total Net transfers for governmental activities	<u>\$ (67,435,112)</u>	<u>\$ 68,979,432</u>	<u>\$ 14,300</u>	<u>\$ 1,558,620</u>
Net transfers for business-type activities:				
Enterprise Funds	\$ (35,784,369)	\$ 34,225,749	-	\$ (1,558,620)
Total Net transfers for business-type activities	<u>\$ (35,784,369)</u>	<u>\$ 34,225,749</u>	<u>-</u>	<u>\$ (1,558,620)</u>

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

Transfers between the primary government and component units for the year ended June 30, 2014 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Nature of Transfer</u>
General Fund	EEDA	\$ 528,429	Operating subsidy
General Fund	Historic Preservation Trust	25,000	Capital project

3.G. FUND BALANCES AND NET POSITION

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

<u>Fund</u>	<u>Restricted By</u>	<u>Amount</u>
Hospital Trust	Enabling legislation	\$ 8,074,089
Ambulatory Fund	Enabling legislation	296,604
		<u>\$ 8,370,693</u>
Asset Forfeiture	Statutory requirements	\$ 365,425
Cemetery Care Fund	Statutory requirements	124,300
		<u>\$ 489,725</u>
General Fund	External contracts	\$ 3,197,753
Fire Public Safety Limited Tax Fund	External contracts	9,930,031
Police Public Safety Limited Tax Fund	External contracts	6,523,423
2000 Capital Improvement Tax Fund	External contracts	36,591,136
CDBG Entitlement Fund	External contracts	375
Senior Center Fund	External contracts	230,471
Park Sales Tax Fund	External contracts	1,474,520
Art in Public Places Fund	External contracts	223,676
Roadway Improvement Fund	External contracts	10,199
1996 Capital Improvement Fund	External contracts	194,520
2012 Public Safety Center Tax Fund	External contracts	7,216,771
Convention and Visitors Bureau Fund	External contracts	94,557
		<u>\$ 65,687,432</u>

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

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

	Major Governmental Funds					Total
	General Fund	Fire Public Safety Tax	Police Public Safety Tax	2000 Capital Improvement Tax	Other Governmental Fund	
Fund Balance						
Restricted For:						
Police operations	-	-	6,518,352	-	-	6,518,352
Fire operations	-	9,924,031	-	-	-	9,924,031
Hospital sale trust	-	-	-	-	8,074,089	8,074,089
Ambulance services	-	-	-	-	296,604	296,604
Economic development	-	-	-	-	94,557	94,557
Capital improvements	-	-	-	36,591,136	7,411,291	44,002,427
Street improvements	-	-	-	-	10,199	10,199
Art in public places	-	-	-	-	223,676	223,676
Culture and rec programs	-	-	-	-	1,474,520	1,474,520
Cemetery improvements	-	-	-	-	124,300	124,300
Senior center programs	-	-	-	-	230,471	230,471
Police-drug programs	-	-	-	-	365,425	365,425
CDBG grant programs	-	-	-	-	375	375
Juvenile court programs	712,935	-	-	-	-	712,935
Street and alley operations	2,244,231	-	-	-	-	2,244,231
Transportation	5,890	-	-	-	-	5,890
Roadway widening	234,697	-	-	-	-	234,697
Sub-total restricted	3,197,753	9,924,031	6,518,352	36,591,136	18,305,507	74,536,779
Committed for:						
Hotel tax transfer to Police/Fire	578,249	-	-	-	-	578,249
Senior center programs	-	-	-	-	11,733	11,733
Sub-total committed	578,249	-	-	-	11,733	589,982
Assigned for:						
Capital improvements	-	-	-	2,226,036	1,419,528	3,645,564
Culture and rec programs	13,231	-	-	-	215,352	228,583
Cemetery improvements	-	-	-	-	2,036	2,036
Art in public places	-	-	-	-	1,793	1,793
Street improvements	-	-	-	-	659	659
Police operations	-	-	296,482	-	-	296,482
Fire operations	-	339,828	-	-	-	339,828
Economic development	827,571	-	-	-	169,857	997,428
Police-drug programs	-	-	-	-	22,985	22,985
Senior center programs	-	-	-	-	6,040	6,040
Ambulance services	-	-	-	-	6,343	6,343
Supplement of next fiscal years budget	593,843	-	-	-	-	593,843
Sub-total assigned	1,434,645	339,828	296,482	2,226,036	1,844,593	6,141,584
Unassigned:	7,375,504	-	-	-	-	7,375,504
TOTAL FUND BALANCE	\$ 12,586,151	\$ 10,263,859	\$ 6,814,834	\$ 38,817,172	\$ 20,161,833	\$ 88,643,849

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.

	<u>Oklahoma Police Pension and Retirement System</u>	<u>Oklahoma Firefighter Pension and Retirement System</u>
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%/9%
City's contribution rate (percent of covered payroll)	13%	13%/14%
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	20 years credited service 2 1/2% of final average salary

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

	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.	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

B. Trend Information

The state made on-behalf payments for the police pension system of \$945,864 and for the fire pension system of \$2,918,733. These on-behalf payments were recognized as revenue and expenditures in the current fiscal year. City contributions required by State statute:

Fiscal Year	Oklahoma Police Pension and Retirement System		Oklahoma Firefighters Pension and Retirement System	
	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed
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%
2014	\$1,098,216	100%	\$1,325,404	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, 2014, the Systems held no related-party investments of the City or of its related entities.

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

A. Plan Description, Contribution Information, and Funding Policies

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

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

Year established and governing authority	1966; City Council Ordinance
Determination of Contribution requirements	City Ordinance; actuarially determined
Employer	8.17% (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

Benefits paid: Calculated on the average gross salary of a participant's earnings during the highest 30 consecutive months of the last five years of credited service. Gross salary does not include payment of accumulated sick or annual leave upon termination of employment.

Plan Membership:

Non-vested active members	177
Fully vested active members	<u>271</u>
Total Active members	<u>448</u>
Non-active retired, beneficiaries, disabled and deferred vested participants	159
Total Plan Participants	<u>607</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, 2014, 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, 2014, as shown in the schedule below, based on the employer choosing to contribute 8.17% instead of the actuarial contribution percentage of 8.32%. See further explanation in paragraph D below.

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

Annual Required Contributions (ARC)	\$	2,004,213
Interest on NPO		8,040
ARC Adjustment		(7,971)
Amortization Factor		-
Annual pension cost for 2013 plan year		2,004,282
Actual contributions made		(1,965,953)
Increase/(decrease) in net pension obligation		38,329
Beginning of year net pension obligation		110,902
End of year net pension obligation	\$	149,231
Total pension liability	\$	71,889,810
Plan fiduciary net position	\$	(66,089,863)
Net pension liability	\$	5,799,947

Plan fiduciary net position as a percentage of the total pension liability		91.93%
--	--	--------

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.

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
2014	\$ 2,004,282	98.1%	\$ 149,231

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>
7/1/14	\$62.7	\$71.9	\$9.1	87.3%	\$24.1	37.8%

The required supplementary information schedules of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

E. Actuarial assumptions

Valuation date	July 1, 2013
Actuarial cost method	Projected Unit Credit Method (Entry Age Normal effective 7/1/14)
Amortization method	Level Dollar
Amortization period	30 years (rolling-open)
Actuarial asset valuation method	Actuarial write-up method with asset smoothing
Inflation rate	2.5%
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.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (2.5%) and deducting expenses. Best estimate of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	2.5%
Domestic Equities	6.0%
International Equities	6.2%
Real Estate, commodities and partnerships	6.3%

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability as of July 1, 2014, calculated using the discount rate of 7.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate	1% Increase (8.25%)
City's Total Pension Liability			
Active employees	\$ 61,540,212	\$ 53,149,082	\$ 46,231,922
Retirees and beneficiaries	20,344,418	18,740,728	17,359,453
Total Pension Liability	\$ 81,884,630	\$ 71,889,810	\$ 63,591,375
Plan Fiduciary Net Position	\$ (66,089,863)	\$ (66,089,863)	\$ (66,089,863)
City's Net Pension Liability	\$ 15,794,767	\$ 5,799,947	\$ (2,498,488)

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, 2014, approximately 32 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 2014, the City contributed \$188,858 to the plan. Plan members receiving benefits contributed \$411,366, or approximately 69% percent of the value of coverage, through their required contribution of \$402.08 per month for retiree-only Standard option coverage and \$977.40 for retiree and spouse medical Standard option coverage. Retirees have the option to upgrade to the Enhanced option through their required contribution of \$544.63 per month for retiree-only Enhanced option and \$1,391.18 for retiree and spouse Enhanced option. Retirees who elected Standard option dental coverage contributed \$35.05 for retiree only and \$85.21 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 \$6.30 for retiree only coverage and \$15.28 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

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

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, 2014:

Annual required contribution	\$	732,545
Interest on net OPEB obligation		17,736
Adjustment to annual required contribution		<u>(150,055)</u>
Annual OPEB cost (expense)		600,226
Contributions made		<u>(188,858)</u>
Increase in net OPEB obligation		411,368
Net OPEB obligation-beginning of year		<u>1,710,847</u>
Net OPEB obligation-end of year	\$	<u><u>2,122,215</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net unfunded OPEB obligation for 2014 was as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Net Employer Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
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
6/30/2014	\$ 600,226	\$ 188,858	31%	\$ 2,122,215

Funded Status and Funding Progress. As of December 17, 2014, the most recent actuarial valuation date, the plan was 31 percent funded. The actuarial accrued liability for benefits was \$4.9 million, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$4.9 million. The covered payroll (annual payroll of active employees covered by the plan) was \$32.7 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	25 years
Inflation rate	3.0%
Asset valuation method	4.40% (discount rate)
Investments return	N/A (unfunded)
Projected salary increases	N/A
Cost of living adjustments	N/A
Healthcare cost trend rate	7.35% in 2014 graded to 4.87% in 2060

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 a third party administrator for determination of liability. Claims below the self insured retention (SIR) are accounted for within the Liability Tort Claim Fund.	City retains risk of losses up to \$100,000 SIR 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.

CITY OF EDMOND, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

d. Health and Life:	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 \$130,000 per individual self-funded with stop-loss insurance up to \$1,000,000 per person.
- Medical		
- Dental		
- Vision		

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, 2014, are as follows:

	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	<u>(880,554)</u>	<u>(5,864,343)</u>	<u>(115,517)</u>	<u>(6,860,414)</u>
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	<u>(1,104,441)</u>	<u>(6,421,099)</u>	<u>(151,227)</u>	<u>(7,676,767)</u>
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	<u>(755,130)</u>	<u>(7,130,492)</u>	<u>(58,529)</u>	<u>(7,944,152)</u>
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	<u>(669,902)</u>	<u>(7,235,319)</u>	<u>(85,169)</u>	<u>(7,990,390)</u>
Claim liability, June 30, 2013	<u>\$ 1,216,000</u>	<u>\$ 744,518</u>	<u>\$ 771,000</u>	<u>\$ 2,731,518</u>
Claims and changes in estimates	970,461	7,199,415	405,721	8,575,597
Claims payments	<u>(861,461)</u>	<u>(7,512,579)</u>	<u>(56,721)</u>	<u>(8,430,761)</u>
Claim liability, June 30, 2014	<u>\$ 1,325,000</u>	<u>\$ 431,354</u>	<u>\$ 1,120,000</u>	<u>\$ 2,876,354</u>
Reconciliation to Statement of Net Position:				
Current portion				\$ 1,270,516
Noncurrent portion				<u>1,605,838</u>
Total				<u>\$ 2,876,354</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, 2014, the City had awarded construction contracts totaling \$74,535,857 for various City and EPWA projects and of this amount, \$24,613,931 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 2012, 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 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 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, 2014, aggregate costs incurred amounted to \$25,301,282 and reimbursements received or accrued (see Note 3.B.) from the YMCA and EPS totaled \$57,498 and \$234,042, 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, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
TAXES:				
Sales tax	\$ 29,500,785	\$ 32,564,688	\$ 32,504,631	\$ (60,057)
Use tax	2,890,190	2,890,190	3,561,151	670,961
Franchise	2,342,603	2,342,603	2,269,717	(72,886)
Hotel/Motel tax	-	-	-	-
Liquor tax	39,655	39,655	41,433	1,778
Total Taxes	\$ 34,773,233	\$ 37,837,136	\$ 38,376,932	\$ 539,796
INTERGOVERNMENTAL:				
Grant revenues	\$ 10,000	\$ 10,000	\$ 501,371	\$ 491,371
Alcoholic beverage	123,960	123,960	127,430	3,470
Cigarette tax	712,780	712,780	715,027	2,247
Vehicle tax	523,610	523,610	656,863	133,253
Gasoline tax	148,462	148,462	154,577	6,115
Total Intergovernmental	\$ 1,518,812	\$ 1,518,812	\$ 2,155,268	\$ 636,456
CHARGES FOR SERVICES:				
Swimming pool fees	\$ 447,659	\$ 447,659	\$ 356,795	\$ (90,864)
Recreational program fees	52,537	52,537	54,793	2,256
Right-of-Way fees	5,066,606	5,066,606	5,066,607	1
Cemetery fees	124,405	124,405	166,055	41,650
Curb cut fees	8,251	8,251	10,200	1,949
Animal welfare fees	49,357	49,357	45,174	(4,183)
Filing fees	42,832	42,832	77,695	34,863
911 fees	48,783	48,783	46,754	(2,029)
Transportation fees	-	-	-	-
Miscellaneous charges	5,193	5,193	11,204	6,011
Total Charges for Services	\$ 5,845,623	\$ 5,845,623	\$ 5,835,277	\$ (10,346)
FINES AND FORFEITURES	\$ 2,161,210	\$ 2,161,210	\$ 2,099,735	\$ (61,475)
LICENSES AND PERMITS	\$ 1,233,188	\$ 1,233,188	\$ 1,608,680	\$ 375,492
INVESTMENT INCOME	\$ 65,000	\$ 65,000	\$ 87,039	\$ 22,039
MISCELLANEOUS	\$ 205,904	\$ 205,904	\$ 231,125	\$ 25,221
TOTAL REVENUES	\$ 45,802,970	\$ 48,866,873	\$ 50,394,056	\$ 1,527,183
OTHER FINANCING SOURCES:				
Transfers from other funds	\$ 32,702,885	\$ 35,381,965	\$ 35,381,965	\$ -
Total Other Financing Sources	\$ 32,702,885	\$ 35,381,965	\$ 35,381,965	\$ -
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 78,505,855	\$ 84,248,838	\$ 85,776,021	\$ 1,527,183

(Continued)

CITY OF EDMOND, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the fiscal year ended June 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES				
General Government:				
General:				
Other services and charges	\$ 384,500	\$ 453,080	\$ 301,067	\$ 152,013
Capital outlay	-	46,446	46,446	-
Total General	<u>\$ 384,500</u>	<u>\$ 499,526</u>	<u>\$ 347,513</u>	<u>\$ 152,022</u>
City Council:				
Personal services	\$ 24,545	\$ 24,545	\$ 24,450	\$ 95
Materials and supplies	5,300	5,300	1,192	4,108
Other services and charges	98,650	98,650	53,998	44,652
Total City Council	<u>128,495</u>	<u>128,495</u>	<u>79,640</u>	<u>48,855</u>
Municipal Court:				
Personal services	\$ 703,412	\$ 703,412	\$ 644,815	\$ 58,597
Materials and supplies	21,648	21,648	12,721	8,927
Other services and charges	155,615	155,615	124,259	31,356
Capital outlay	-	-	-	-
Total Judicial	<u>\$ 880,675</u>	<u>\$ 880,675</u>	<u>\$ 781,795</u>	<u>\$ 98,880</u>
Edmond-Guthrie Regional Airport				
Other services and charges	\$ 100,791	\$ 199,262	\$ 75,579	\$ 123,683
Cemetery:				
Personal services	\$ 125,213	\$ 125,213	\$ 124,964	\$ 249
Materials and supplies	11,010	11,010	10,218	792
Other services and charges	42,510	42,510	36,125	6,385
Capital outlay	-	-	-	-
Total Cemetery	<u>\$ 178,733</u>	<u>\$ 178,733</u>	<u>\$ 171,307</u>	<u>\$ 7,426</u>
Planning and Zoning:				
Personal services	\$ 537,061	\$ 537,061	\$ 524,934	\$ 12,127
Materials and supplies	7,035	7,035	5,733	1,302
Other services and charges	26,051	27,903	20,454	7,449
Capital outlay	-	-	-	-
Total Planning and Zoning	<u>\$ 570,147</u>	<u>\$ 571,999</u>	<u>\$ 551,121</u>	<u>\$ 20,878</u>
Downtown Community Center:				
Personal services	\$ 59,933	\$ 59,933	\$ 58,326	\$ 1,607
Materials and supplies	5,285	13,285	12,719	566
Other services and charges	55,275	47,275	27,349	19,926
Capital outlay	-	-	-	-
Downtown Community Center	<u>\$ 120,493</u>	<u>\$ 120,493</u>	<u>\$ 98,394</u>	<u>\$ 22,099</u>
TOTAL GENERAL GOVERNMENT	<u>\$ 2,363,834</u>	<u>\$ 2,579,183</u>	<u>\$ 2,105,349</u>	<u>\$ 473,843</u>
ECONOMIC DEVELOPMENT:				
Community Image:				
Personal services	644,679	644,679	644,525	154
Materials and supplies	60,200	60,200	51,415	8,785
Other services and charges	170,950	175,000	97,504	77,496
Capital outlay	-	-	-	-
Total Community Image	<u>\$ 875,829</u>	<u>\$ 879,879</u>	<u>\$ 793,444</u>	<u>\$ 86,435</u>
TOTAL ECONOMIC DEVELOPMENT	<u>\$ 875,829</u>	<u>\$ 879,879</u>	<u>\$ 793,444</u>	<u>\$ 86,435</u>

(Continued)

CITY OF EDMOND, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the fiscal year ended June 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
PUBLIC SAFETY:				
Emergency Management:				
Personal services	187,628	189,768	189,765	3
Materials and supplies	25,400	25,400	6,286	19,114
Other services and charges	115,450	113,310	35,945	77,365
Capital outlay	60,000	60,000	48,259	11,741
Total Emergency Management	<u>388,478</u>	<u>388,478</u>	<u>280,255</u>	<u>108,223</u>
Building Department:				
Personal services	1,062,091	1,062,091	1,056,439	5,652
Materials and supplies	37,915	37,915	31,247	6,668
Other services and charges	72,880	72,880	53,820	19,060
Capital outlay	-	-	-	-
Total Building Department	<u>1,172,886</u>	<u>1,172,886</u>	<u>1,141,506</u>	<u>31,380</u>
TOTAL PUBLIC SAFETY	<u>\$ 1,561,364</u>	<u>\$ 1,561,364</u>	<u>\$ 1,421,761</u>	<u>\$ 139,603</u>
STREETS AND HIGHWAYS:				
Materials and supplies	\$ -	\$ -	\$ -	\$ -
Other services and charges	-	-	-	-
Capital outlay	1,205,000	1,477,500	551,005	926,495
TOTAL STREETS AND HIGHWAYS	<u>1,205,000</u>	<u>1,477,500</u>	<u>551,005</u>	<u>926,495</u>
OUTSIDE AGENCIES:				
Materials and supplies	-	-	-	-
Other services and charges	573,500	574,140	574,130	10
TOTAL OUTSIDE AGENCIES	<u>573,500</u>	<u>574,140</u>	<u>574,130</u>	<u>10</u>
PARKS AND RECREATION:				
Parks and Recreation:				
Personal services	1,298,516	1,298,516	1,150,416	148,100
Material and supplies	288,375	277,496	222,600	54,896
Other services and charges	770,140	786,270	670,726	115,544
Capital outlay	-	14,500	14,302	198
Total Parks and Recreation	<u>2,357,031</u>	<u>2,376,782</u>	<u>2,058,044</u>	<u>318,738</u>
Senior Center:				
Personal services	294,862	297,927	297,927	-
Materials and supplies	15,150	15,150	12,525	2,625
Other services and charges	63,700	60,635	43,799	16,836
Capital outlay	-	-	-	-
Total Senior Citizens	<u>373,712</u>	<u>373,712</u>	<u>354,251</u>	<u>19,461</u>
Festival Marketplace:				
Personal services	6,352	6,352	5,429	923
Materials and supplies	1,670	1,670	302	1,368
Other services and charges	29,975	29,975	24,125	5,850
Capital outlay	-	-	-	-
Total Festival Marketplace	<u>37,997</u>	<u>37,997</u>	<u>29,856</u>	<u>8,141</u>
Historical Society:				
Personal services	-	-	-	-
Materials and supplies	1,000	1,000	194	806
Other services and charges	255,000	255,000	247,084	7,916
Capital outlay	-	-	-	-
Total Historical Society	<u>256,000</u>	<u>256,000</u>	<u>247,278</u>	<u>8,722</u>
TOTAL PARKS AND RECREATION	<u>3,024,740</u>	<u>3,044,491</u>	<u>2,689,428</u>	<u>355,063</u>
TOTAL EXPENDITURES	<u>9,604,267</u>	<u>10,116,557</u>	<u>8,135,117</u>	<u>1,981,440</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(68,966,189)	(76,534,104)	(76,408,689)	(125,415)
Total Other Financing Uses	<u>(68,966,189)</u>	<u>(76,534,104)</u>	<u>(76,408,689)</u>	<u>125,415</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>78,552,263</u>	<u>86,632,468</u>	<u>84,543,806</u>	<u>2,088,662</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES				
	<u>\$ (46,408)</u>	<u>\$ (2,383,630)</u>	<u>\$ 1,232,215</u>	<u>\$ 3,615,845</u>

CITY OF EDMOND, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 MAJOR SPECIAL REVENUE FUNDS
 FIRE PUBLIC SAFETY LIMITED TAX FUND
 For the fiscal year ended June 30, 2014

FIRE PUBLIC SAFETY LIMITED TAX FUND				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 3,687,598	\$ 3,701,348	\$ 4,063,079	\$ 361,731
Intergovernmental	-	-	11,630	11,630
Charges for services	6,000	6,000	6,000	-
Investment income	50,000	50,000	56,953	6,953
Miscellaneous	25,867	25,867	67,881	42,014
Total Revenues	3,769,465	3,783,215	4,205,543	422,328
EXPENDITURES:				
Public Safety:				
Personal services	13,722,913	13,722,913	13,545,704	177,209
Materials and supplies	1,091,750	1,007,128	607,882	399,246
Other services and charges	647,750	896,934	647,269	249,665
Capital outlay	804,000	1,230,658	394,205	836,453
Total Public Safety	16,266,413	16,857,633	15,195,060	1,662,573
Total Expenditures	16,266,413	16,857,633	15,195,060	1,662,573
Revenues over (under) expenditures	(12,496,948)	(13,074,418)	(10,989,517)	(2,084,901)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	13,345,248	13,345,248	14,473,012	1,127,764
Transfers to other funds	(2,374,402)	(2,424,852)	(2,424,848)	4
Total other financing sources (uses)	10,970,846	10,920,396	12,048,164	1,127,768
Revenues and other sources over (under) expenditures and other uses	\$ (1,526,102)	\$ (2,154,022)	\$ 1,058,647	\$ (1,095,375)

CITY OF EDMOND, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 MAJOR SPECIAL REVENUE FUNDS
 POLICE PUBLIC SAFETY LIMITED TAX FUND
 For the fiscal year ended June 30, 2014

POLICE PUBLIC SAFETY LIMITED TAX FUND				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 1,843,799	\$ 1,843,799	\$ 2,031,539	\$ 187,740
Intergovernmental	75,000	96,030	145,663	49,633
Investment income	25,000	25,000	31,406	6,406
Miscellaneous	31,709	31,709	56,150	24,441
Total Revenues	1,975,508	1,996,538	2,264,758	268,220
EXPENDITURES:				
Public Safety:				
Personal services	14,536,056	14,545,345	13,932,699	612,646
Materials and supplies	1,607,440	1,625,825	776,329	849,496
Other services and charges	503,375	479,626	318,734	160,892
Capital outlay	72,750	413,981	139,477	274,504
Total Public Safety	16,719,621	17,064,777	15,167,239	1,897,538
Total Expenditures	16,719,621	17,064,777	15,167,239	1,897,538
Revenues over (under) expenditures	(14,744,113)	(15,068,239)	(12,902,481)	2,165,758
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	16,370,171	16,370,171	17,753,562	1,383,391
Transfers to other funds	(3,696,283)	(3,721,283)	(3,698,610)	22,673
Total other financing sources (uses)	12,673,888	12,648,888	14,054,952	1,406,064
Revenues and other sources over (under) expenditures and other uses	\$ (2,070,225)	\$ (2,419,351)	\$ 1,152,471	\$ 3,571,822

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, 2014

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	\$ 50,411,027	\$ -	\$ -	\$ (16,971)	\$ 50,394,056
Transfers In	35,481,965	-	-	(100,000)	35,381,965
Total Revenues and Other Financing Sources	<u>85,892,992</u>	<u>-</u>	<u>-</u>	<u>(116,971)</u>	<u>85,776,021</u>
EXPENDITURES:					
Total Expenditures	17,389,016	(8,725,286)		(184)	8,663,546
Transfers Out	67,154,974	8,725,286	-	-	75,880,260
Total Expenditures and Other Financing Uses	<u>84,543,990</u>	<u>-</u>	<u>-</u>	<u>(184)</u>	<u>84,543,806</u>
Net Changes in Fund Balance	<u>\$ 1,349,002</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (116,787)</u>	<u>\$ 1,232,215</u>
Fire Public Safety Limited Tax Fund:					
Total Revenues	\$ 7,124,276	\$ -	\$ (2,918,733)	\$ -	\$ 4,205,543
Transfers In	14,473,012	-	-	-	14,473,012
Total Revenues and Other Financing Sources	<u>21,597,288</u>	<u>-</u>	<u>(2,918,733)</u>	<u>-</u>	<u>18,678,555</u>
Total Expenditures	20,538,641	(2,424,848)	(2,918,733)	-	15,195,060
Transfers Out	-	2,424,848	-	-	2,424,848
Total Expenditures and Other Financing Uses	<u>20,538,641</u>	<u>-</u>	<u>(2,918,733)</u>	<u>-</u>	<u>17,619,908</u>
Net Change in Fund Balance	<u>\$ 1,058,647</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,058,647</u>
Police Public Safety Limited Tax Fund:					
Total Revenues	\$ 3,210,622	\$ -	\$ (945,864)	\$ -	\$ 2,264,758
Transfers In	17,753,562	-	-	-	17,753,562
Total Revenues and Other Financing Sources	<u>20,964,184</u>	<u>-</u>	<u>(945,864)</u>	<u>-</u>	<u>20,018,320</u>
Total Expenditures	19,811,712	(3,698,610)	(945,864)	-	15,167,238
Transfers Out	-	3,698,610	-	-	3,698,610
Total Expenditures and Other Financing Uses	<u>19,811,712</u>	<u>-</u>	<u>(945,864)</u>	<u>-</u>	<u>18,865,848</u>
Net Change in Fund Balance	<u>\$ 1,152,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,152,472</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, 2014

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%
7/1/14	\$62.7	\$71.9	\$9.1	87.3%	\$24.1	37.8%

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%
2014	\$2,004,282	98.1%

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, 2014 is \$66,089,863.
- (3) Actuarial assumptions used in the above schedules are as follows:

Valuation date	July 1, 2010
Actuarial cost method	Projected Unit Credit Method (Entry Age Normal Commencing 14/15)
Amortization method	Level Dollar, rolling
Amortization period	30 years (rolling)
Actuarial asset valuation method	5 year smoothed market (20% write up)
Investment rate of return	7.25%
Projected salary increases	5.00%
Post retirement benefit increases	Updated plan experience

CITY OF EDMOND, OKLAHOMA
SINGLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
June 30, 2014

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
Last Fiscal Year**

	Year Ended June 30, 2014
Total pension liability	
Service cost	\$ 2,465,098
Interest	4,803,663
Changes of benefit terms	1,229,173
Difference between expected and actual experience.	700,579
Changes of assumptions	-
Benefit payments, including refunds of member contributions	<u>(2,164,180)</u>
Net change in total pension liability	7,034,333
Total pension liability-beginning	<u>64,855,477</u>
Total pension liability-ending (a)	<u><u>\$ 71,889,810</u></u>
 Plan fiduciary net position	
Contributions-employer	\$ 1,965,953
Contributions-member	1,264,678
Net investment income	8,331,083
Benefit payments, including refunds of member contributions	(2,164,180)
Administrative expense	(38,377)
Other	<u>-</u>
Net change in plan fiduciary net position	<u>9,359,157</u>
 Plan fiduciary net position-beginning	<u>56,730,705</u>
Plan fiduciary net position-ending (b)	<u>66,089,862</u>
 City's net pension liability-ending (a)-(b)	<u>\$ 5,799,948</u>
 Plan fiduciary net position as a percentage of the total pension liability	91.93%
 Covered-employee payroll	\$ 24,156,611
City's net pension liability as a percentage of covered employee payroll	24.01%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

CITY OF EDMOND, OKLAHOMA
SCHEDULE OF CITY'S CONTRIBUTIONS
Last 10 Fiscal Years
FOR THE FISCAL YEAR ENDING June 30, 2014

SCHEDULE OF CITY'S CONTRIBUTIONS
Last 10 Fiscal Years

	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 2,004,213	\$ 1,846,314	\$ 1,803,629	\$ 1,802,185	\$ 1,879,700
Contributions in relation to the actuarially determined contribution	1,965,953	1,822,720	1,886,892	1,811,247	1,866,908
Contribution deficiency (excess)	<u>\$ 38,260</u>	<u>\$ 23,594</u>	<u>\$ (83,263)</u>	<u>\$ (9,062)</u>	<u>\$ 12,792</u>
Covered-employee payroll	\$ 24,156,611	\$ 22,895,134	\$ 22,574,547	\$ 21,588,603	\$ 22,521,201
Contributions as a percentage of covered-employee payroll	8.30%	8.06%	7.99%	8.35%	8.35%

Notes to Schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit (Entry Age Normal commencing 2014-15)
Amortization method	Level dollar, rolling
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market (20% annual write up of commulative gain or loss relative to assumed return)
Inflation	3.0%
Salary increases	5.0% average including inflation plus age-scale
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Retirement age	Plan experience as last measured in 2011
Mortality	In the 2014 actuarial valuation, assumed life expectancies utilized the RP-2000 Projected Mortality Table.

CITY OF EDMOND, OKLAHOMA
SCHEDULE OF CITY'S CONTRIBUTIONS
Last 10 Fiscal Years
FOR THE FISCAL YEAR ENDING June 30, 2014

Continued

SCHEDULE OF CITY'S CONTRIBUTION
Last 10 Fiscal Years
Continued

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Actuarially determined contribution	\$ 1,334,008	\$ 1,135,240	\$ 1,326,747	\$ 1,317,768	\$ 1,136,039
Contributions in relation to the actuarially determined contribution	<u>1,271,783</u>	<u>1,407,776</u>	<u>1,379,744</u>	<u>1,230,614</u>	<u>1,018,133</u>
Contribution deficiency (excess)	<u>\$ 62,225</u>	<u>\$ (272,536)</u>	<u>\$ (52,997)</u>	<u>\$ 87,154</u>	<u>\$ 117,906</u>
Covered-employee payroll	\$ 21,223,530	\$ 19,730,579	\$ 18,476,444	\$ 17,598,217	\$ 16,131,462
Contributions as a percentage of covered-employee payroll	6.29%	5.75%	7.18%	7.49%	7.04%

**CITY OF EDMOND, OKLAHOMA
PENSION FUND-SCHEDULE OF INVESTMENT RETURNS
FOR THE FISCAL YEAR ENDING June 30, 2014**

**SCHEDULE OF INVESTMENT RETURNS
Last Fiscal Year**

Year Ended
June 30, 2014

Annual money-weighted rate of return, net of investment expense	9.92%
--	-------

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

CITY OF EDMOND, OKLAHOMA
OPEB ACTUARIAL VALUATION
FUNDING SCHEDULES
June 30, 2014

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	July 1, 2014
Actuarial accrued liability - AAL (a)	\$ 3,770,440	\$ 4,239,856	\$ 4,800,000	\$ 4,837,346	\$ 4,854,278
Actuarial value of plan assets (b)	0	0	0	0	0
Unfunded actuarial accrued liability- UAAL (funding excess) (a)-(b)	3,770,440	4,239,856	4,800,000	4,837,346	4,854,278
Funded ration (b)/(a)	0%	0%	0%	0%	0%
Covered payroll (c)	\$ 33,132,000	\$ 31,860,000	\$ 31,800,000	\$ 31,783,016	\$ 32,708,832
UAAL (funding excess) as a % of covered payroll [UAAL/(c)]	11%	13%	15%	15%	15%

OTHER SUPPLEMENTARY INFORMATION

General Fund

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

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

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

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

**City of Edmond
Balance Sheet
General Fund Accounts
June 30, 2014**

	General Fund	Edmond Electric Economic Development	Park Special Events	Total General Fund
ASSETS				
Cash and cash equivalents	\$ 1,087,884	\$ 103,671	\$ 1,657	\$ 1,193,212
Investments	7,653,257	723,433	11,566	8,388,256
Due from other funds	28,432	-	-	28,432
Due from other governments	5,833,530	-	-	5,833,530
Accrued interest receivable	11,906	1,125	18	13,049
Other receivables	1,069,966	-	-	1,069,966
Total assets	<u>15,684,975</u>	<u>828,229</u>	<u>13,241</u>	<u>16,526,445</u>
LIABILITIES				
Accounts payable	261,107	-	-	261,107
Due to other funds	2,511,155	-	-	2,511,155
Unearned revenue	242,135	-	-	242,135
Amounts held in escrow	482,526	-	-	482,526
Total liabilities	<u>3,496,923</u>	<u>-</u>	<u>-</u>	<u>3,496,923</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	442,702	658	11	443,371
Total deferred inflows of resources	<u>442,702</u>	<u>658</u>	<u>11</u>	<u>443,371</u>
FUND BALANCES				
Restricted	3,197,753	-	-	3,197,753
Committed	578,249	-	-	578,249
Assigned	607,074	827,571	-	1,434,645
Unassigned	7,362,274	-	13,230	7,375,504
Total fund balances	<u>11,745,350</u>	<u>827,571</u>	<u>13,230</u>	<u>12,586,151</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,684,975</u>	<u>\$ 828,229</u>	<u>\$ 13,241</u>	<u>\$ 16,526,445</u>

See accompanying notes to the basic financial statements.

City of Edmond, Oklahoma
Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund Accounts
For the Year Ending June 30, 2014

	<u>General Fund</u>	<u>Edmond Electric Economic Development</u>	<u>Park Special Events</u>	<u>Total General Fund</u>
REVENUES				
Sales and use taxes	\$ 36,065,782	\$ -	\$ -	\$ 36,065,782
Franchise and public service taxes	2,311,150	-	-	2,311,150
Intergovernmental	2,155,268	-	-	2,155,268
Charges for services	5,835,277	-	4,877	5,840,154
Fines and forfeitures	2,099,735	-	-	2,099,735
Licenses and permits	1,608,680	-	-	1,608,680
Investment income	87,039	4,622	(8)	91,653
Miscellaneous	231,125	-	7,480	238,605
Total revenues	<u>50,394,056</u>	<u>4,622</u>	<u>12,349</u>	<u>50,411,027</u>
EXPENDITURES				
Current:				
General government	5,209,131	184	-	5,209,315
Public safety	2,430,540	-	-	2,430,540
Health and welfare	448,630	-	-	448,630
Culture, parks and recreation	4,204,333	-	-	4,204,333
Streets and highways	4,436,186	-	-	4,436,186
Capital outlay	660,012	-	-	660,012
Total expenditures	<u>17,388,832</u>	<u>184</u>	<u>-</u>	<u>17,389,016</u>
Excess (deficiency) of revenues over expenditures	<u>33,005,224</u>	<u>4,438</u>	<u>12,349</u>	<u>33,022,011</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	35,381,965	100,000	-	35,481,965
Transfers out	<u>(67,154,974)</u>	<u>-</u>	<u>-</u>	<u>(67,154,974)</u>
Total other financing sources and uses	<u>(31,773,009)</u>	<u>100,000</u>	<u>-</u>	<u>(31,673,009)</u>
Net change in fund balances	1,232,215	104,438	12,349	1,349,002
Fund balances at beginning of year	<u>10,513,134</u>	<u>723,134</u>	<u>881</u>	<u>11,237,149</u>
Fund balances at end of year	<u>\$ 11,745,349</u>	<u>\$ 827,572</u>	<u>\$ 13,230</u>	<u>\$ 12,586,151</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, 2014

	EDMOND ELECTRIC ECONOMIC DEVELOPMENT			PARKS SPECIAL EVENTS FUND		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	1,850	4,877	3,027
Investment income	4,140	4,622	482	-	(8)	(8)
Miscellaneous	-	-	-	3,500	7,480	3,980
Total Revenues	\$ 4,140	\$ 4,622	\$ 482	\$ 5,350	\$ 12,349	\$ 6,999
Expenditures:						
General Government:						
Personal services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials and supplies	-	-	-	-	-	-
Other services and charges	190	184	6	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total General Government	\$ 190	\$ 184	\$ 6	\$ -	\$ -	\$ -
Public Safety:						
Personal services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Public Safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and Recreation:						
Personal services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials and supplies	-	-	-	1,210	-	1,210
Other service and charges	-	-	-	4,300	-	4,300
Capital outlay	-	-	-	-	-	-
Total Parks and Recreation	\$ -	\$ -	\$ -	\$ 5,510	\$ -	\$ 5,510
Street:						
Personal services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Street	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 190	\$ 184	\$ 6	\$ 5,510	\$ -	\$ 5,510
Revenues over (under) expenditures	\$ 3,950	\$ 4,438	\$ 488	\$ (160)	\$ 12,349	\$ 12,509
Other financing sources (uses):						
Proceeds from revenue bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Premium on revenue bonds	-	-	-	-	-	-
Transfers from other funds	100,000	100,000	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	103,950	104,438	488	(160)	12,349	12,509
Fund Balance-beginning of year	723,134	723,134	-	881	881	-
Fund Balance -end of year	\$ 827,084	\$ 827,572	\$ 488	\$ 721	\$ 13,230	\$ 12,509

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.

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, 2014

SPECIAL REVENUE FUNDS

	CDBG Entitlement Fund	Real Property Fund	Asset Forfeiture Fund	Senior Center Fund	Convention and Visitor's Bureau Fund	Hospital Sale Trust Fund	Ambulatory Service Fund
ASSETS							
Cash and cash equivalents	-	\$ 19,118	\$ 80,350	\$ 31,320	\$ 9,791	\$ 1,627,936	\$ 30,686
Investments	-	133,410	560,698	218,554	68,327	6,446,932	214,134
Due from other governments	39,554	-	-	-	-	-	-
Accrued interest receivable	-	208	872	340	106	8,189	333
Other receivable	-	-	-	-	41,638	-	57,989
Total assets	<u>39,554</u>	<u>152,736</u>	<u>641,920</u>	<u>250,214</u>	<u>119,862</u>	<u>8,083,057</u>	<u>303,142</u>
LIABILITIES							
Accounts payable	10,747	-	253,000	1,771	8,001	-	-
Due to other funds	28,432	-	-	-	-	1,000	-
Total liabilities	<u>39,179</u>	<u>-</u>	<u>253,000</u>	<u>1,771</u>	<u>8,001</u>	<u>1,000</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	-	121	510	199	62	7,968	195
Total deferred inflows of resources	<u>-</u>	<u>121</u>	<u>510</u>	<u>199</u>	<u>62</u>	<u>7,968</u>	<u>195</u>
FUND BALANCES							
Restricted	375	-	365,425	230,471	94,557	8,074,089	296,604
Committed	-	152,615	-	11,733	-	-	-
Assigned	-	152,615	388,410	6,040	17,242	-	6,343
Total fund balances	<u>375</u>	<u>152,615</u>	<u>388,410</u>	<u>248,244</u>	<u>111,799</u>	<u>8,074,089</u>	<u>302,947</u>
Total liabilities, deferred inflows or resources, and fund balances	<u>\$ 39,554</u>	<u>\$ 152,736</u>	<u>\$ 641,920</u>	<u>\$ 250,214</u>	<u>\$ 119,862</u>	<u>\$ 8,083,057</u>	<u>\$ 303,142</u>

City of Edmond, Oklahoma
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2014

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	\$ 15,826	\$ 223,403	\$ 36,989	\$ 166,280	\$ 1,360	\$ 33,391	\$ 1,008,725	\$ 3,285,175
Investments	110,439	1,558,950	258,119	1,160,339	9,492	233,014	7,039,094	18,011,502
Due from other governments	-	310,316	-	-	-	-	1,241,262	1,591,132
Accrued interest receivable	172	2,425	402	1,805	15	362	10,950	26,179
Other receivable	-	-	3,500	-	-	-	-	103,127
Total assets	<u>126,437</u>	<u>2,095,094</u>	<u>299,010</u>	<u>1,328,424</u>	<u>10,867</u>	<u>266,767</u>	<u>9,300,031</u>	<u>23,017,115</u>
LIABILITIES								
Accounts payable	-	403,803	73,306	29,788	-	30,252	1,996,688	2,807,356
Due to other funds	-	-	-	-	-	-	-	29,432
Total liabilities	<u>-</u>	<u>403,803</u>	<u>73,306</u>	<u>29,788</u>	<u>-</u>	<u>30,252</u>	<u>1,996,688</u>	<u>2,836,788</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	101	1,419	235	1,056	9	212	6,407	18,494
Total deferred inflows of resources	<u>101</u>	<u>1,419</u>	<u>235</u>	<u>1,056</u>	<u>9</u>	<u>212</u>	<u>6,407</u>	<u>18,494</u>
FUND BALANCES								
Restricted	124,300	1,474,520	223,676	-	10,199	194,520	7,216,771	18,305,507
Committed	-	-	-	-	-	-	-	11,733
Assigned	2,036	215,352	1,793	1,297,580	659	41,783	80,165	1,844,593
Total fund balances	<u>126,336</u>	<u>1,689,872</u>	<u>225,469</u>	<u>1,297,580</u>	<u>10,858</u>	<u>236,303</u>	<u>7,296,936</u>	<u>20,161,833</u>
Total liabilities, deferred inflows or resources, and fund balances	<u>\$ 126,437</u>	<u>\$ 2,095,094</u>	<u>\$ 299,010</u>	<u>\$ 1,328,424</u>	<u>\$ 10,867</u>	<u>\$ 266,767</u>	<u>\$ 9,300,031</u>	<u>\$ 23,017,115</u>

City of Edmond, Oklahoma
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	SPECIAL REVENUE FUNDS						
	CDBG Entitlement Fund	Real Property Fund	Asset Forfeiture Fund	Senior Center Fund	Convention and Visitor's Bureau Fund	Hospital Sale Trust Fund	Ambulatory Service Fund
REVENUES							
Sales and use taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel/motel taxes	-	-	-	-	443,663	-	-
Intergovernmental	270,679	-	-	-	-	-	-
Charges for services	-	-	-	1,535	-	-	931,947
Investment earnings	-	2,646	5,504	1,537	515	13,549	1,146
Miscellaneous	-	-	47,435	57,215	19,756	-	-
Total revenues	270,679	2,646	52,939	60,287	463,934	13,549	933,093
EXPENDITURES							
Current:							
General government	283,838	99	-	-	431,315	2,001	-
Public safety	-	-	41,460	-	-	-	-
Health and welfare	-	-	-	-	-	-	925,857
Culture, parks and recreation	-	-	-	50,155	-	-	-
Capital outlay	-	252,177	484,045	-	-	-	-
Total expenditures	283,838	252,276	525,505	50,155	431,315	2,001	925,857
Excess (deficiency) of revenues over expenditures	(13,159)	(249,630)	(472,566)	10,132	32,619	11,548	7,236
OTHER FINANCING SOURCES (USES)							
Transfers in	13,158	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources and uses	13,158	-	-	-	-	-	-
Net change in fund balances	(1)	(249,630)	(472,566)	10,132	32,619	11,548	7,236
Fund balances - beginning	376	402,245	860,976	238,112	79,180	8,062,541	295,711
Fund balances - ending	\$ 375	\$ 152,615	\$ 388,410	\$ 248,244	\$ 111,799	\$ 8,074,089	\$ 302,947

City of Edmond, Oklahoma
 Combining Statement of Revenues, Expenditures and Change in Fund Balance
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2014

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
REVENUES								
Sales and use taxes	\$ -	\$ 2,031,539	\$ -	\$ -	\$ -	\$ -	\$ 8,126,158	\$ 10,157,697
Hotel/motel taxes	-	-	-	-	-	-	-	443,663
Intergovernmental	-	-	-	-	-	-	-	270,679
Charges for services	21,815	-	-	-	-	-	-	955,297
Investment earnings	658	10,506	372	4,104	68	3,911	59,933	104,449
Miscellaneous	-	31,233	175,166	-	-	-	-	330,805
Total revenues	22,473	2,073,278	175,538	4,104	68	3,911	8,186,091	12,262,590
EXPENDITURES								
Current:								
General government	28	-	-	211	2	107	3	717,604
Public safety	-	-	-	-	-	-	288,322	329,782
Health and welfare	-	-	-	-	-	-	-	925,857
Culture, parks and recreation	-	880,220	18,090	-	-	-	-	948,465
Capital outlay	-	805,862	283,853	348,759	-	318,726	8,903,139	11,396,561
Total expenditures	28	1,686,082	301,943	348,970	2	318,833	9,191,464	14,318,269
Excess (deficiency) of revenues over expenditures	22,445	387,196	(126,405)	(344,866)	66	(314,922)	(1,005,373)	(2,055,679)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	283,851	876,784	-	-	10,000	1,183,793
Transfers out	-	(187,100)	-	-	-	-	-	(187,100)
Total other financing sources and uses	-	(187,100)	283,851	876,784	-	-	10,000	996,693
Net change in fund balances	22,445	200,096	157,446	531,918	66	(314,922)	(995,373)	(1,058,986)
Fund balances - beginning	103,891	1,489,776	68,023	765,662	10,792	551,225	8,292,309	21,220,819
Fund balances - ending	\$ 126,336	\$ 1,689,872	\$ 225,469	\$ 1,297,580	\$ 10,858	\$ 236,303	\$ 7,296,936	\$ 20,161,833

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, 2014

	SPECIAL REVENUE FUNDS					
	CDBG ENTITLEMENT			REAL PROPERTY FUND		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	473,097	270,679	(202,418)	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	1,610	2,646	1,036
Miscellaneous	-	-	-	-	-	-
Total Revenues	<u>473,097</u>	<u>270,679</u>	<u>(202,418)</u>	<u>1,610</u>	<u>2,646</u>	<u>1,036</u>
Expenditures:						
General Government:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	110	99	11
Capital outlay	-	-	-	405,374	252,177	153,197
Debt service	-	-	-	-	-	-
Total General Government	<u>-</u>	<u>-</u>	<u>-</u>	<u>405,484</u>	<u>252,276</u>	<u>153,208</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	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Health & Welfare	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Economic Development & Opp.						
Personal services	58,305	52,585	5,720	-	-	-
Materials and supplies	675	87	588	-	-	-
Other services and charges	445,763	212,764	232,999	-	-	-
Capital outlay	-	-	-	-	-	-
Total Economic Development & Opp	<u>504,743</u>	<u>265,436</u>	<u>239,307</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>504,743</u>	<u>265,436</u>	<u>239,307</u>	<u>405,484</u>	<u>252,276</u>	<u>153,208</u>
Revenues over (under) expenditures	<u>\$ (31,646)</u>	<u>\$ 5,243</u>	<u>\$ 36,889</u>	<u>\$ (403,874)</u>	<u>\$ (249,630)</u>	<u>\$ (154,244)</u>
Other financing sources (uses):						
Transfers from other funds	13,158	13,158	-	-	-	-
Transfers to other funds	(18,402)	(18,402)	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	<u>(36,890)</u>	<u>(1)</u>	<u>36,889</u>	<u>(403,874)</u>	<u>(249,630)</u>	<u>\$ (154,244)</u>
Fund Balance-beginning of year	<u>376</u>	<u>376</u>	<u>-</u>	<u>402,245</u>	<u>402,245</u>	<u>-</u>
Fund Balance -end of year	<u>\$ (36,514)</u>	<u>\$ 375</u>	<u>\$ (36,889)</u>	<u>\$ (1,629)</u>	<u>\$ 152,615</u>	<u>\$ (154,244)</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, 2014

	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	-	-	-	4,600	1,535	(3,065)
Investment income	3,000	5,504	2,504	1,500	1,537	37
Miscellaneous	10,000	47,435	37,435	63,126	57,215	(5,911)
Total Revenues	13,000	52,939	39,939	69,226	60,287	(8,939)
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	49,920	38,783	11,137	-	-	-
Other services and charges	44,700	2,677	42,023	-	-	-
Capital outlay	488,361	484,045	4,316	-	-	-
Total Public Safety	582,981	525,505	57,476	-	-	-
Parks and Recreation:						
Personal services	-	-	-	-	-	-
Material and supplies	-	-	-	8,150	5,102	3,048
Other services and charges	-	-	-	56,950	45,053	11,897
Capital outlay	-	-	-	-	-	-
Total Parks and Recreation	-	-	-	65,100	50,155	14,945
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	582,981	525,505	57,476	65,100	50,155	14,945
Revenues over (under) expenditures	\$ (569,981)	\$ (472,566)	\$ 97,415	\$ 4,126	\$ 10,132	\$ 6,006
Other financing sources (uses):						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	(569,981)	(472,566)	97,415	4,126	10,132	(6,006)
Fund Balance-beginning of year	860,976	860,976	-	238,112	238,112	-
Fund Balance -end of year	\$ 290,995	\$ 388,410	\$ (97,415)	\$ 242,238	\$ 248,244	\$ (6,006)

(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, 2014

	SPECIAL REVENUE FUNDS					
	CONVENTION AND VISITOR'S BUREAU FUND			HOSPITAL SALE TRUST		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes	\$ 414,910	\$ 443,663	\$ 28,753	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	500	515	15	50,000	13,549	36,451
Miscellaneous	19,000	19,756	756	-	-	-
Total Revenues	434,410	463,934	29,524	50,000	13,549	36,451
Expenditures:						
General Government:						
Personal services	200,434	195,108	5,326	-	-	-
Materials and supplies	8,130	3,879	4,251	-	-	-
Other services and charges	189,586	189,797	(211)	2,000	2,001	-
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	7,098,616	-	7,098,616
Total General Government	398,150	388,784	9,366	7,100,616	2,001	7,098,615
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	398,150	388,784	9,366	7,100,616	2,001	7,098,615
Revenues over (under) expenditures	\$ 36,260	\$ 75,150	\$ (38,890)	\$ (7,050,616)	\$ 11,548	\$ (7,062,164)
Other financing sources (uses):						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	(42,531)	(42,531)	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	(6,271)	32,619	(38,890)	(7,050,616)	11,548	(7,062,164)
Fund Balance-beginning of year	79,180	79,180	-	8,062,540	8,062,541	-
Fund Balance -end of year	\$ 72,909	\$ 111,799	\$ (38,890)	\$ 1,011,924	\$ 8,074,089	\$ (7,062,165)

(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, 2014

SPECIAL REVENUE FUNDS			
AMBULATORY SERVICES FUND			
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	918,432	931,947	13,515
Investment income	1,000	1,146	146
Miscellaneous	-	-	-
Total Revenues	919,432	933,093	13,661
Expenditures:			
General Government:			
Personal services	-	-	-
Materials and supplies	-	-	-
Other services and charges	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
Total General Government	-	-	-
Public Safety:			
Personal services	-	-	-
Materials and supplies	-	-	-
Other services and charges	-	-	-
Capital outlay	-	-	-
Total Public Safety	-	-	-
Parks and Recreation:			
Personal services	-	-	-
Material and supplies	-	-	-
Other services and charges	-	-	-
Capital outlay	-	-	-
Total Parks and Recreation	-	-	-
Health & Welfare:			
Personal services	-	-	-
Materials and supplies	10,000	9,164	836
Other services and charges	1,103,328	916,693	186,635
Capital outlay	-	-	-
Total Health & Welfare	1,113,328	925,857	187,471
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	1,113,328	925,857	187,471
Revenues over (under) expenditures	\$ (193,896)	\$ 7,236	\$ 201,132
Other financing sources (uses):			
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Revenues and other sources over (under) expenditures and other uses	(193,896)	7,236	201,132
Fund Balance-beginning of year	295,711	295,711	-
Fund Balance -end of year	\$ 101,815	\$ 302,947	\$ (201,132)

(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, 2014

	CAPITAL PROJECT FUNDS					
	CEMETARY CARE			PARKS SALES TAX FUND		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ 1,958,449	\$ 2,031,539	\$ 73,090
Intergovernmental	-	-	-	-	-	-
Charges for services	15,561	21,815	6,254	-	-	-
Investment income	500	658	158	7,500	10,506	3,006
Miscellaneous	-	-	-	-	31,233	31,233
Total Revenues	16,061	22,473	6,412	1,965,949	2,073,278	107,329
Expenditures:						
General Government:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	35	28	7	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total General Government	35	28	7	-	-	-
Public Safety:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Parks and Recreation:						
Personal services	-	-	-	342,903	336,745	6,158
Material and supplies	-	-	-	50,720	37,610	13,110
Other services and charges	-	-	-	530,304	469,384	60,920
Capital outlay	-	-	-	2,403,123	805,862	1,597,261
Total Parks and Recreation	-	-	-	3,327,050	1,649,601	1,677,449
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	35	28	7	3,327,050	1,649,601	1,677,449
Revenues over (under) expenditures	\$ 16,026	\$ 22,445	\$ 6,419	\$ (1,361,101)	\$ 423,677	\$ 1,784,778
Other financing sources (uses):						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	(236,167)	(223,581)	12,586
Revenues and other sources over (under) expenditures and other uses	16,026	22,445	6,419	(1,597,268)	200,096	1,797,364
Fund Balance-beginning of year	103,891	103,891	-	1,489,776	1,489,776	-
Fund Balance -end of year	\$ 119,917	\$ 126,336	\$ (6,419)	\$ (107,492)	\$ 1,689,872	\$ (1,797,364)

(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, 2014

	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	300	372	72	1,685	4,104	2,419
Miscellaneous	151,310	175,166	23,856	-	-	-
Total Revenues	151,610	175,538	23,928	1,685	4,104	2,419
Expenditures:						
General Government:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	215	211	4
Capital outlay	-	-	-	528,359	209,641	318,718
Debt service	-	-	-	-	-	-
Total General Government	-	-	-	528,574	209,852	318,722
Public Safety:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Parks and Recreation:						
Personal services	-	-	-	-	-	-
Material and supplies	40	35	5	-	-	-
Other services and charges	17,550	13,641	3,910	-	-	-
Capital outlay	363,270	283,853	79,417	300,000	45,200	254,800
Total Parks and Recreation	380,860	297,529	83,332	300,000	45,200	254,800
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	-	-	-	217,522	93,918	123,604
Total Street	-	-	-	217,522	93,918	123,604
Total Expenditures	380,860	297,529	83,332	1,046,096	348,970	697,126
Revenues over (under) expenditures	\$ (229,250)	\$ (121,991)	\$ 107,259	\$ (1,044,411)	\$ (344,866)	\$ 699,545
Other financing sources (uses):						
Transfers from other funds	348,800	283,851	(64,949)	676,784	876,784	200,000
Transfers to other funds	(3,530)	(4,414)	(884)	-	-	-
Revenues and other sources over (under) expenditures and other uses	116,020	157,446	(41,426)	(367,627)	531,918	(899,545)
Fund Balance-beginning of year	68,023	68,023	-	765,662	765,662	-
Fund Balance -end of year	\$ 184,043	\$ 225,469	\$ (41,426)	\$ 398,035	\$ 1,297,580	\$ (899,545)

(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, 2014

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	55	68	13	110	3,911	3,801
Miscellaneous	-	-	-	-	-	-
Total Revenues	55	68	13	110	3,911	3,801
Expenditures:						
General Government:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	5	2	3	110	107	3
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total General Government	5	2	3	110	107	3
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	10,854	-	10,854	632,851	318,726	314,125
Total Street	10,854	-	10,854	632,851	318,726	314,125
Total Expenditures	10,859	2	10,856	632,961	318,833	314,128
Revenues over (under) expenditures	\$ (10,804)	\$ 66	\$ (10,870)	\$ (632,851)	\$ (314,922)	\$ (317,929)
Other financing sources (uses):						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	(10,804)	66	(10,870)	(632,851)	(314,922)	(317,929)
Fund Balance-beginning of year	10,792	10,792	-	551,225	551,225	-
Fund Balance -end of year	\$ (12)	\$ 10,858	\$ (10,870)	\$ (81,626)	\$ 236,303	\$ (317,929)

(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, 2014

CAPITAL PROJECTS FUNDS			
2012 PUBLIC SAFETY CENTER TAX FUND			
	Budget	Actual	variance Positive (Negative)
Revenues:			
Taxes	\$ 7,375,227	\$ 8,126,158	\$ 750,931
Intergovernmental	-	-	-
Charges for services	-	-	-
Investment income	10,000	59,933	49,933
Miscellaneous	-	-	-
Loan proceeds	20,098,616	-	(20,098,616)
Total Revenues	27,483,843	8,186,091	(19,297,752)
Expenditures:			
General Government:			
Personal services	-	-	-
Materials and supplies	-	-	-
Other services and charges	-	3	(3)
Capital outlay	-	-	-
Debt service	-	-	-
Total General Government	-	3	(3)
Public Safety:			
Personal services	-	-	-
Materials and supplies	30	26	4
Other services and charges	392,460	251,096	141,364
Capital outlay	34,476,934	8,903,139	25,573,795
Total Public Safety	34,869,424	9,154,261	25,715,163
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	34,869,424	9,154,264	25,715,160
Revenues over (under) expenditures	\$ (7,385,581)	\$ (968,173)	\$ 6,417,408
Other financing sources (uses):			
Transfers from other funds	10,000	10,000	-
Transfers to other funds	(37,200)	(37,200)	-
Revenues and other sources over (under) expenditures and other uses	(7,412,781)	(995,373)	(6,417,408)
Fund Balance-beginning of year	8,292,309	8,292,309	-
Fund Balance -end of year	\$ 879,528	\$ 7,296,936	\$ (6,417,408)

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, 2014

	2000 CAPITAL IMPROVEMENT TAX FUND		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	11,376,608	12,189,236	812,628
Intergovernmental	-	4,456,449	4,456,449
Licenses and permits	-	-	-
Investment income	400,025	515,412	115,387
Miscellaneous	15,000	15,000	-
Contributed capital	6,327,106	4,489,670	(1,837,436)
Total Revenues	\$ 18,118,739	\$ 21,665,767	\$ 3,547,028
Expenditures:			
General Government:			
Materials and supplies	75	72	3
Other services and charges	305,000	195,333	109,667
Debt service	8,530,793	8,498,143	32,650
Total General Government	\$ 8,835,868	\$ 8,693,548	\$ 142,320
Parks and Recreation:			
Capital outlay	9,757,650	7,193,355	2,564,295
Total Parks and Recreation	\$ 9,757,650	\$ 7,193,355	\$ 2,564,295
Economic Development & Opp:			
Capital outlay	6,767,821	1,052,295	5,715,526
Total Economic Development & Opp	\$ 6,767,821	\$ 1,052,295	\$ 5,715,526
Street:			
Capital outlay	12,549,859	9,685,293	2,864,566
Total Street	\$ 12,549,859	\$ 9,685,293	\$ 2,864,566
Total Expenditures	\$ 37,911,198	\$ 26,624,491	\$ 11,286,707
Revenues over (under) expenditures	\$ (19,792,459)	\$ (4,958,724)	\$ (14,833,735)
Other financing sources (uses):			
Proceeds from revenue bonds	13,321,920	12,644,906	(677,014)
Premium on revenue bonds	-	1,221,619	1,221,619
Transfer to escrow agent	(12,321,920)	(12,376,172)	(54,252)
Transfers from other funds	87,100	87,100	-
Transfers to other funds	(195,684)	(141,422)	54,262
Total of other financing resources	891,416	1,436,031	544,615
Revenues and other sources over (under) expenditures and other uses	(18,901,043)	(3,522,693)	(15,378,350)
Fund Balance-beginning of year	42,339,865	42,339,865	-
Fund Balance -end of year	23,438,822	38,817,172	(15,378,350)

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.

CityLink - The CityLink Fund is for the costs of operating and maintaining Edmond's public transportation service through a reliable, affordable, customer-friendly transportation service to the residents of Edmond for access to employment, shopping, medical, education and social destinations. The General Fund along with sponsorship funds the operations of this service.

City of Edmond, Oklahoma
 Combining Statement of Net Position
 Other Enterprise Funds
 June 30, 2014

	Edmond Public Works Authority (EPWA)					CityLink	Total
	Sanitation Fund	Arcadia Lake Fund	Drainage Fund	Kirklingford Golf Course Fund	Youngstown Fund		
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 295,470	\$ 40,281	\$ 744,231	\$ 98,585	\$ 23,187	\$ 31,624	\$ 1,233,378
Investments	2,171,094	263,338	5,016,783	683,059	161,798	220,675	8,516,747
Restricted assets:							
Cash and equivalents	-	487,546	-	149,882	-	-	637,428
Investments	217,657	1,000	176,618	-	-	-	395,275
Receivables:							
Accrued interest receivable	3,716	411	8,079	1,063	252	343	13,864
Utility billing, net of allowance for uncollectible accounts	853,879	-	69,806	-	-	-	923,685
Due from other governments	-	-	949,860	-	-	-	949,860
Other receivables	2,700	-	-	-	37,424	26,433	66,557
Due from other funds	122	-	-	-	-	-	122
Inventories	-	-	-	71,556	-	-	71,556
Total current assets	3,544,638	792,576	6,965,377	1,004,145	222,661	279,075	12,808,472
Non-current assets:							
Restricted assets:							
Cash and cash equivalents	-	465,437	-	149,152	-	-	614,589
Capital assets:							
Non-depreciable	42,143	495,278	3,276,432	541,171	-	-	4,355,024
Depreciable, net of accumulated depreciation	274,776	4,099,999	3,173,620	1,462,179	-	-	9,010,574
Unamortized bond insurance costs	214	13,526	-	4,335	-	-	18,075
Total non-current assets	317,133	5,074,240	6,450,052	2,156,837	-	-	13,998,262
Total assets	3,861,771	5,866,816	13,415,429	3,160,982	222,661	279,075	26,806,734
DEFERRED OUTFLOWS OF RESOURCES							
Deferred charge on refunding	25,857	109,073	-	34,953	-	-	169,883
LIABILITIES							
Current liabilities:							
Accounts payable	342,462	10,397	320,958	71,513	14,103	199,569	959,002
Accrued wages payable	19,901	11,384	5,489	20,130	446	930	56,280
Accrued interest payable	3,848	73,607	-	23,588	-	-	101,043
Unearned revenue	-	-	-	-	-	-	-
Compensated absences	8,714	3,668	2,428	5,021	337	54	20,222
Meter deposit liability	228,483	1,000	176,055	-	-	-	405,538
Revenue bonds payable	38,389	371,770	-	119,136	-	-	529,295
Total current liabilities	641,797	471,826	504,930	239,388	14,886	200,553	2,073,380
Non-current liabilities:							
Compensated absences	78,424	33,012	21,854	45,188	3,037	486	182,001
Unfunded OPEB obligation	84,118	18,949	16,775	46,212	1,741	545	168,340
Revenue bonds payable, net	309,893	2,813,271	-	901,531	-	-	4,024,995
Total non-current liabilities	472,435	2,865,232	38,629	992,931	4,778	1,031	4,375,036
Total liabilities	1,114,232	3,337,058	543,559	1,232,319	19,664	201,584	6,448,416
NET POSITION							
Net investment in capital assets	-	1,506,308	6,450,052	1,013,471	-	-	8,969,831
Restricted for debt service	-	879,376	-	275,446	-	-	1,154,822
Restricted for scholarships	-	-	6,421,818	1,301	-	-	1,301
Unrestricted	2,773,396	253,147	12,871,870	673,398	202,997	77,491	10,402,247
Total net position	\$ 2,773,396	\$ 2,638,831	\$ 12,871,870	\$ 1,963,616	\$ 202,997	\$ 77,491	\$ 20,528,201

City of Edmond, Oklahoma
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 Other Enterprise Funds
 For the Year Ended June 30, 2014

	Edmond Public Works Authority (EPWA)						
	Sanitation Fund	Arcadia Lake Fund	Drainage Fund	Kickingbird Golf Course Fund	Yourgovshop Fund	Citylink	Total
REVENUES							
Charges for services	\$ 8,065,999	\$ 922,030	\$ 1,703,753	\$ 1,729,574	\$ -	\$ 264,037	\$ 12,685,393
Operating grants and contributions	-	-	2,069,033	-	-	252,916	2,321,949
Miscellaneous	-	41,815	-	267,512	74,389	26,433	410,149
Total operating revenues	8,065,999	963,845	3,772,786	1,997,086	74,389	543,386	15,417,491
OPERATING EXPENSES							
Personal services	1,317,347	508,786	325,770	932,751	29,644	57,924	3,172,222
Materials and supplies	520,105	99,699	6,197	475,285	289	105,600	1,207,175
Maintenance, operations and contractual services	5,482,090	360,678	429,500	388,163	32,277	1,404,899	8,097,607
Amortization	521	1,353	-	433	-	-	2,307
Depreciation	8,315	213,266	66,375	125,116	-	-	413,072
Total operating expenses	7,328,378	1,183,782	827,842	1,921,748	62,210	1,568,423	12,892,383
Operating income (loss)	737,621	(219,937)	2,944,944	75,338	12,179	(1,025,037)	2,525,108
NON-OPERATING REVENUES (EXPENSES)							
Interest and investment revenue	18,816	34,538	44,300	15,019	1,153	(472)	113,354
Miscellaneous revenue	-	-	-	-	-	-	-
Gain (loss) on sale of capital asset disposal	-	-	-	(963)	-	-	(963)
Interest expense	(11,468)	(148,667)	-	(47,641)	-	-	(207,776)
Total non-operating revenues (expenses)	7,348	(114,129)	44,300	(33,585)	1,153	(472)	(95,385)
Income (loss) before contributions and transfers	744,969	(334,066)	2,989,244	41,753	13,332	(1,025,509)	2,429,723
Capital contributions	-	-	-	-	-	-	-
Transfers in	-	504,780	-	100,000	-	1,103,000	1,707,780
Transfers out	(342,228)	-	-	-	-	-	(342,228)
Change in net position	402,741	170,714	2,989,244	141,753	13,332	77,491	3,795,275
Total net position--beginning	2,370,655	2,468,117	9,882,626	1,821,863	189,665	-	16,732,926
Total net position--ending	\$ 2,773,396	\$ 2,638,831	\$ 12,871,870	\$ 1,963,616	\$ 202,997	\$ 77,491	\$ 20,528,201

**CITY OF EDMOND, OKLAHOMA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2014**

Edmond Public Works Authority (EPWA)

	SANITATION UTILITY	ARCADIA LAKE	DRAINAGE UTILITY	KICKINGBIRD GOLF COURSE	YOURGOV- SHOP	CITYLINK	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 8,064,213	\$ 963,845	\$ 2,829,796	\$ 1,997,086	\$ 63,249	\$ 516,953	\$ 14,435,142
Payments to suppliers	(6,027,510)	(459,496)	(1,233,007)	(955,317)	(35,123)	(1,310,930)	(8,811,383)
Payments to employees	(1,294,824)	(503,163)	(330,259)	(913,405)	(29,153)	(55,909)	(3,126,713)
Receipts of customer meter deposits	43,201	-	35,055	-	-	-	78,256
Payment of customer meter deposits	(35,495)	-	(38,910)	-	-	-	(74,405)
Interfund payments	39,099	-	37,570	-	-	-	76,669
Interfund receipts	788,584	1,186	2,410,245	228,364	(1,027)	(849,886)	2,577,566
Net cash provided (used) by operating activities							
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds	-	504,780	-	100,000	-	-	1,707,780
Transfers to other funds	(342,228)	-	-	-	-	-	(342,228)
Net cash provided (used) by noncapital financing							
	(342,228)	504,780	-	100,000	-	-	1,365,552
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchase of capital assets	(42,143)	-	(2,952,411)	(26,918)	-	-	(3,021,472)
Proceeds from sale of capital assets	-	(329,741)	-	(963)	-	-	(963)
Principal paid on capital debt	4,106	(155,459)	-	(105,668)	(431,303)	-	(431,303)
Interest paid on capital debt	(9,740)	-	-	(49,816)	-	-	(215,015)
Net cash provided (used) by capital and related financing activities							
	(47,777)	(485,200)	(2,952,411)	(183,365)	-	-	(3,668,753)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchases of investments	(404,410)	-	-	(141,168)	(6,305)	(220,977)	(772,860)
Sale of investments	-	2,695	232,361	-	1,386	(513)	235,056
Interest and dividends	16,269	36,017	39,916	15,093	(4,919)	(221,480)	108,168
Net cash provided (used) by investing activities							
	(388,141)	38,712	272,277	(126,075)	(4,919)	(221,480)	(429,636)
Net increase (decrease) in cash and cash equivalents							
	10,538	59,478	(269,899)	18,924	(5,946)	31,624	(155,271)
Balances-beginning of year							
	284,932	933,786	1,014,120	378,695	29,133	-	2,640,666
Balances-end of year							
	295,470	993,264	744,231	397,619	23,187	31,624	2,485,395
Reconciliation to Combining Statement of Net Position:							
Cash, including time deposits	\$ 295,470	\$ 40,281	\$ 744,231	\$ 98,585	\$ 23,187	\$ 31,624	\$ 1,233,378
Restricted cash, including time deposits-current	-	487,546	-	149,882	-	-	637,428
Restricted cash, including time deposits-noncurrent	-	465,437	-	149,152	-	-	614,589
Total cash and cash equivalents, end of year							
	\$ 295,470	\$ 993,264	\$ 744,231	\$ 397,619	\$ 23,187	\$ 31,624	\$ 2,485,395
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:							
Operating income (loss)	\$ 737,621	\$ (219,937)	\$ 2,944,944	\$ 75,338	\$ 12,179	\$ (1,025,037)	\$ 2,525,108
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation and amortization expense	8,836	214,619	66,375	125,549	-	-	415,379
Miscellaneous revenue	-	-	-	-	-	-	-
Change in assets and liabilities:							
Receivables, net	(1,786)	-	6,870	-	(11,140)	(26,433)	(32,489)
Inventories	-	-	(949,860)	(1,981)	-	-	(1,981)
Due from other governments	-	-	37,570	-	-	-	(949,860)
Due from other funds	39,099	-	-	-	-	-	76,669
Accounts and other payables	(30,010)	(1,588)	311,720	10,535	(2,658)	200,499	488,498
Customer meter deposits payable	7,706	-	(3,855)	-	-	-	3,851
Customer meter deposits payable	-	-	2,288	7,962	325	545	29,231
Accrued compensated absences	14,322	3,789	(5,807)	10,961	267	540	23,160
Accrued compensated absences	12,896	4,303	(5,807)	10,961	267	540	23,160
Net cash provided by operating activities							
	\$ 788,584	\$ 1,186	\$ 2,410,245	\$ 228,364	\$ (1,027)	\$ (849,886)	\$ 2,577,566
Non-cash Activities:							
Capital assets donated	-	-	-	-	-	-	-
Capital assets transferred to other funds	-	-	-	-	-	-	-
Total Non-cash Activities							
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2014

	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	\$ 922,930	\$ 46,902	\$ 682,590	\$ 858,675	\$ 113,695	\$ 539,977	\$ 3,164,769
Investments	6,440,395	327,296	4,065,439	5,992,010	793,387	3,605,478	21,224,005
Receivables:							
Accrued interest	10,019	509	6,324	9,322	1,235	5,609	33,018
Other receivables	10,110	197,812	88,391	-	-	373,780	670,093
Inventories	-	131,090	-	-	814,241	51,102	996,433
Total current assets	7,383,454	703,609	4,842,744	6,860,007	1,722,558	4,575,946	26,088,318
Non-current assets:							
Capital Assets:							
Nondepreciable	-	-	-	-	-	1,206,904	1,206,904
Depreciable, net of accumulated depreciation	-	-	-	13,485,512	-	2,842,067	16,327,579
Total non-current assets	-	-	-	13,485,512	-	4,048,971	17,534,483
Total assets	7,383,454	703,609	4,842,744	20,345,519	1,722,558	8,624,917	43,622,801
LIABILITIES							
Current Liabilities:							
Accounts payable	243,683	25,553	64,065	48,700	53,403	260,836	696,240
Salaries payable	-	11,839	4,015	939	64,214	1,777,757	258,764
Compensated absences	-	4,250	1,023	122	20,735	63,739	89,869
Claims and judgments	323,516	-	947,000	-	-	-	1,270,516
Total current liabilities	567,199	41,642	1,016,103	49,761	138,352	502,332	2,315,389
Non-current liabilities:							
Compensated absences	-	38,252	9,206	1,098	186,611	573,649	808,816
Capital lease obligation	-	-	-	-	-	-	-
Claims and judgments	107,838	-	1,498,000	-	-	-	1,605,838
Total non-current liabilities	107,838	38,252	1,507,206	1,098	186,611	573,649	2,414,654
Total liabilities	675,037	79,894	2,523,309	50,859	324,963	1,075,981	4,730,043
NET POSITION							
Net investment in capital assets	-	-	-	13,485,512	-	4,048,971	17,534,483
Unrestricted	6,708,417	623,715	2,319,435	6,809,148	1,397,595	3,499,965	21,358,275
Total Net Position	\$ 6,708,417	\$ 623,715	\$ 2,319,435	\$ 20,294,660	\$ 1,397,595	\$ 7,548,936	\$ 38,892,758

City of Edmond, Oklahoma
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2014

	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	\$ 9,394,858	\$ 3,358,682	\$ 1,553,855	\$ 2,894,684	\$ 8,626,937	\$ 16,661,410	\$ 42,490,426
Miscellaneous	-	-	682,923	-	-	-	682,923
Total operating revenues	<u>9,394,858</u>	<u>3,358,682</u>	<u>2,236,778</u>	<u>2,894,684</u>	<u>8,626,937</u>	<u>16,661,410</u>	<u>43,173,349</u>
OPERATING EXPENSES							
Personal services	-	737,747	243,718	56,561	4,126,477	11,119,515	16,284,018
Materials and supplies	622	2,056,073	10,405	753	1,092,357	877,917	4,038,127
Other services and charges	791,484	483,299	227,208	133,220	3,680,862	4,274,908	9,590,981
Insurance premium expense	252,236	-	666,889	-	-	-	919,125
Claims expense	7,141,197	-	1,376,182	-	-	-	8,517,379
Depreciation	-	-	-	1,975,826	-	412,759	2,388,585
Total operating expenses	<u>8,185,539</u>	<u>3,277,119</u>	<u>2,524,402</u>	<u>2,166,360</u>	<u>8,899,696</u>	<u>16,685,099</u>	<u>41,738,215</u>
Operating income (loss)	<u>1,209,319</u>	<u>81,563</u>	<u>(287,624)</u>	<u>728,324</u>	<u>(272,759)</u>	<u>(23,689)</u>	<u>1,435,134</u>
NON-OPERATING REVENUES (EXPENSES)							
Interest and investment revenue	43,999	2,391	28,451	37,281	8,087	31,261	151,470
Miscellaneous revenue	-	1,425	262,989	108,920	2,897	113,899	490,130
Gain (loss) on sale of capital assets	-	-	-	(50,150)	-	-	(50,150)
Total non-operating revenues (expenses)	<u>43,999</u>	<u>3,816</u>	<u>291,440</u>	<u>96,051</u>	<u>10,984</u>	<u>145,160</u>	<u>591,450</u>
Income (loss) before contributions and transfers	1,253,318	85,379	3,816	824,375	(261,775)	121,471	2,026,584
Capital contributions	-	-	-	14,518	-	-	14,518
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(510)	-	-	(510)
Change in net position	<u>1,253,318</u>	<u>85,379</u>	<u>3,816</u>	<u>838,383</u>	<u>(261,775)</u>	<u>121,471</u>	<u>2,040,592</u>
Total net position - beginning	5,455,099	538,336	2,315,619	19,456,277	1,659,370	7,427,465	36,852,166
Total net position - ending	<u>\$ 6,708,417</u>	<u>\$ 623,715</u>	<u>\$ 2,319,435</u>	<u>\$ 20,294,660</u>	<u>\$ 1,397,595</u>	<u>\$ 7,548,936</u>	<u>\$ 38,892,758</u>

CITY OF EDMOND, OKLAHOMA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2014

	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	\$ 9,384,748	\$ 3,284,158	\$ 2,411,376	\$ 3,003,604	\$ 8,778,965	\$ 16,566,563	\$ 43,431,414
Payments to suppliers	(876,349)	(2,546,235)	(914,579)	(263,933)	(4,995,089)	(5,045,043)	(14,641,288)
Payments to employees	-	(742,842)	(242,331)	(57,027)	(4,111,510)	(11,124,330)	(16,278,040)
Claims and judgments paid	(745,361)	-	(918,182)	-	-	-	(8,372,543)
Interfund payments	17,447	425	-	(425)	-	(12,380)	5,067
Net cash provided by (used in) operating activities	1,071,485	(4,991)	336,284	2,682,159	(327,614)	386,810	4,144,630
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Sale of capital assets	-	-	-	-	-	-	-
Purchase of capital assets	-	-	-	(1,547,510)	-	(702,734)	(2,250,244)
Net cash provided by (used in) capital and related financing activities	-	-	-	(1,547,510)	-	(702,734)	(2,250,244)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of investments	(1,174,723)	(10,038)	(454,233)	(1,204,341)	-	-	(2,843,335)
Sale of investments	41,277	2,130	25,419	33,150	7,287	109,860	300,636
Interest and dividends	(1,133,446)	(7,908)	(428,814)	(1,171,191)	248,065	28,250	(1,375,113)
Net cash provided by (used in) investing activities	(61,861)	(12,402)	(92,530)	(36,542)	(79,549)	(177,814)	(460,798)
Net increase (decrease) in cash and cash equivalents							
Balances-beginning of year	884,891	59,304	775,120	895,217	193,244	717,791	3,625,567
Balances-end of year	922,930	46,902	682,590	858,675	113,695	539,977	3,164,769
Reconciliation of Operating Income to Net Cash Provided by Operating Activities							
Operating Income (Loss)	\$ 1,209,319	\$ 81,563	\$ (287,624)	\$ 728,324	\$ (272,759)	\$ (23,689)	\$ 1,435,134
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation expense	-	-	-	1,975,826	-	412,759	2,388,585
Miscellaneous nonoperating revenue (expense)	-	1,425	262,989	108,920	2,897	113,899	490,130
Change in assets and liabilities:							
Receivables, net	-	-	-	-	149,131	-	149,131
Other receivable	(10,110)	(75,949)	(88,391)	-	(127,048)	(206,746)	(381,196)
Inventory	-	34,317	-	-	-	1,997	(90,734)
Deposits with TPA	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-
Due from other Funds	27,493	425	-	-	-	-	27,918
Accounts and other payables	(145,171)	(44,961)	447,238	(130,206)	(106,379)	73,421	93,942
Due to other Funds	(10,046)	-	-	(425)	26,544	(12,380)	(22,851)
Accrued compensated absences	-	(1,314)	2,072	(280)	-	27,549	54,571
Net cash provided by operating activities	1,071,485	(4,491)	336,284	2,682,159	(327,614)	386,810	4,144,630

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, 2014

<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	\$ 42,401	\$ 3,843	\$ 46,244
Investments	296,289	26,859	323,148
Other Receivables	<u>-</u>	<u>486</u>	<u>486</u>
Total assets	<u>\$ 338,690</u>	<u>\$ 31,188</u>	<u>\$ 369,878</u>
<u>LIABILITIES</u>			
Accounts payable	\$ -	\$ 16,859	\$ 16,859
Due to other governments	-	14,329	14,329
Refundable deposits	<u>338,690</u>	<u>-</u>	<u>338,690</u>
Total liabilities	<u>\$ 338,690</u>	<u>\$ 31,188</u>	<u>\$ 369,878</u>

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

For the fiscal year ended June 30, 2014

	BALANCE JUNE 30, 2013	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2014
SIDEWALK AND DRIVEWAY ESCROW				
Assets:				
Cash and cash equivalents	\$ 382,774	123,036	167,120	\$ 338,690
Total assets	\$ 382,774	123,036	167,120	\$ 338,690
Liabilities:				
Refundable deposits	\$ 382,774	\$ 167,120	\$ 123,036	\$ 338,690
Total liabilities	\$ 382,774	\$ 167,120	\$ 123,036	\$ 338,690
 CLEET FUND				
Assets:				
Cash and investments	\$ 25,475	\$ 238,428	\$ 233,201	\$ 30,702
Other receivables	845	\$ 486	845	\$ 486
Total Assets	\$ 26,320	\$ 238,914	\$ 234,046	\$ 31,188
Liabilities:				
Due to other governments	\$ 26,320	\$ 468,640	\$ 473,508	\$ 31,188
Total Liabilities	\$ 26,320	\$ 468,640	\$ 473,508	\$ 31,188
 TOTALS-ALL AGENCY FUNDS				
Assets:				
Cash and investments	\$ 408,249	\$ 361,464	\$ 400,321	\$ 369,392
Other receivables	845	\$ 486	-	\$ 486
Total Assets	\$ 409,094	\$ 361,950	\$ 400,321	\$ 369,878
Liabilities:				
Due to other governments	\$ 26,320	\$ 468,640	\$ 473,508	\$ 31,188
Refundable deposits	382,774	167,120	123,036	338,690
Total Liabilities	\$ 409,094	\$ 635,760	\$ 596,544	\$ 369,878

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, 2014

	OWRB/Bank of America Notes Payable Series 2005C and 2013 General Sales Revenue Note	Sales Tax and Utility Revenue Bonds Series 2005, 2010, 2012 2013, and 2014	Utility Revenue Bonds Series 2005 and 2014
GROSS REVENUES OF THE SYSTEM:			
Charges for services	\$ 118,920,220	\$ 118,920,220	\$ 118,920,220
Intergovernmental	76,652	76,652	76,652
Investment income	702,508	702,508	702,508
Miscellaneous income	175,443	175,443	175,443
Total Gross Revenues of the System	119,874,823	119,874,823	119,874,823
OPERATION AND MAINTENANCE EXPENSES:			
Personal services	7,895,916	7,895,916	7,895,916
Materials and supplies	2,563,722	2,563,722	2,563,722
Maintenance, operations and contractual services	84,540,181	84,540,181	84,540,181
Debt service on prior lien utility system revenue bonds	-	20,686,804	-
Total Operation and Maintenance Expenses	94,999,819	115,686,623	94,999,819
Total Gross Revenues of the System in Excess of Total Operation and Maintenance Expenses	24,875,004	4,188,200	24,875,004
Add: Pledged sales tax revenue	32,304,315	12,076,618	32,304,315
Net Revenues of the System plus pledged sales tax revenue	\$ 57,179,319	\$ 16,264,818	\$ 57,179,319
Maximum Debt Service Requirements on Liabilities	\$ 8,297,663	\$ 8,580,142	\$ 8,297,663
Computed Coverage	689%	190%	689%
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 2005, 2010, 2012, 2013 and 2014 series bonds in fiscal year 2021.
Utility System Revenue Bonds total debt service for the 2004, 2005 and 2014 series bonds and OWRB notes payable in fiscal year 2015.

**CITY OF EDMOND, OKLAHOMA
SCHEDULE OF RESERVE ACCOUNT BALANCES
JUNE 30, 2014**

	<u>REQUIRED RESERVES</u>	<u>RESERVE BALANCE JUNE 30, 2014</u>	<u>EXCESS BALANCE OVER REQUIRED RESERVES</u>
Required Balance:			
Series 2005 Utility Revenue Bonds	4,043,500	4,086,366	42,866
Series 2005 Sales Tax and Utility Revenue Bonds	2,356,006	2,411,860	55,854
Series 2010 Sales Tax and Utility Revenue Bonds	1,390,000	1,421,370	31,370
Series 2012 Sales Tax and Utility Revenue Bonds	1,325,500	1,355,971	30,471
Series 2013 Sales Tax and Utility Revenue Bonds	1,434,939	1,435,661	722
Series 2014 Sales Tax and Utility Revenue Bonds	2,496,505	2,533,669	37,164

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, 2014**

	HISTORIC PRESERVATION TRUST
ASSETS	
Cash and cash equivalents	\$ 88,510
Total assets	<u>\$ 88,510</u>
 LIABILITIES AND FUND BALANCES	
Fund Balances:	
Unreserved	\$ 88,510
Total liabilities and fund balances	<u>\$ 88,510</u>
 Reconciliation to Statement of Net Position:	
Fund balance	\$ 88,510
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>252,237</u>
Net position of component unit	<u>\$ 340,747</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, 2014

	HISTORIC PRESERVATION TRUST
Revenues:	
Investment income	\$ 244
Miscellaneous	2,631
Total Revenues	<u>2,875</u>
Expenditures:	
Current:	
Culture, parks and recreation	36,125
Total Expenditures	<u>36,125</u>
Revenues over (under) expenditures	(33,250)
Other financing sources:	
Payment from the City of Edmond	<u>25,000</u>
Net change in fund balance	(8,250)
Fund balances - beginning	96,760
Fund balances - ending	<u>\$ 88,510</u>
Reconciliation to Statement of Activities:	
Net Change in fund balance	\$ (8,250)
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	<u>(30,050)</u>
Change in net position - component unit	<u>\$ (38,300)</u>

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Invested in capital assets, net of related debt	\$ 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	\$ 200,795,158
Restricted	56,495,369	79,102,301	60,268,055	63,676,420	66,653,990	66,138,688	66,787,140	65,438,617	77,480,959	74,547,850
Unrestricted	18,020,922	20,871,764	22,342,098	22,118,829	4,246,686	(2,196,768)	16,285,449	17,858,558	17,186,870	19,574,722
Total governmental activities net assets	\$ 156,639,912	\$ 179,385,005	\$ 206,411,154	\$ 221,572,283	\$ 241,068,709	\$ 250,416,745	\$ 235,826,238	\$ 248,598,944	\$ 273,749,619	\$ 284,917,730
Business-type activities										
Invested in capital assets, net of related debt	\$ 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	\$ 166,264,500
Restricted	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	12,666,793
Unrestricted	36,272,522	35,419,323	51,072,155	55,106,883	61,950,616	63,999,452	61,237,819	62,638,338	63,641,836	65,352,440
Total business-type activities net assets	\$ 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	\$ 244,282,733
Primary government										
Invested in capital assets, net of related debt	\$ 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	\$ 367,059,658
Restricted	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	87,213,643
Unrestricted	54,293,444	56,291,087	73,414,253	77,225,712	66,197,302	61,802,684	77,523,268	80,496,896	80,828,706	84,927,162
Total primary government net assets	\$ 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	\$ 539,200,463

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Government activities:										
General government:	\$ 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	\$ 6,356,170
Public safety	24,035,130	26,728,378	33,046,090	36,253,944	36,973,162	37,861,256	39,468,587	38,482,564	41,599,381	43,468,774
Streets and highways	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	12,768,311
Cultural, parks and recreation	3,643,976	4,120,945	4,394,149	4,875,902	5,108,667	5,460,930	5,419,709	5,163,602	4,742,925	5,986,917
Health and welfare	1,135,963	1,194,613	1,334,982	1,429,278	1,788,220	2,568,303	2,879,920	3,154,842	3,173,294	1,629,424
Economic development	520,058	666,296	846,548	1,429,278	-	-	-	107,894	72,066	603,679
Interest on long-term debt	2,468,989	3,132,985	3,666,158	3,575,609	3,446,824	3,303,605	3,060,764	2,825,422	2,478,720	2,316,938
Total government activities expenses	46,665,543	48,156,942	54,553,155	57,371,599	62,835,517	70,796,426	66,047,306	67,502,652	70,785,806	73,130,213
Business-type activities:										
Electric operations	45,129,392	58,990,366	57,623,476	55,694,109	58,763,582	60,634,285	65,755,607	68,899,466	72,308,154	74,045,803
Water operations	11,494,331	13,719,684	13,081,626	14,909,423	15,248,010	15,676,576	16,360,858	16,769,702	16,804,561	19,666,782
Wastewater operations	3,594,586	4,268,955	4,649,588	5,554,642	5,744,638	5,614,980	5,351,923	5,719,033	6,495,234	6,766,403
Sanitation operations	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	7,101,930
Lake operations	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	1,332,453
Drainage operations	438,084	556,395	626,863	814,071	822,836	934,104	953,486	1,020,667	887,642	827,838
Golf course operations	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	1,970,350
Cooperative purchasing services	43,042	68,587	67,999	63,194	58,693	41,299	64,215	64,757	62,844	62,210
Transportation operations	-	-	-	-	-	-	-	-	-	1,568,426
Economic development (payment to EEDA)	382,050	393,511	405,305	417,459	430,000	442,900	412,000	440,000	470,000	-
Total business-type activities expenses	68,231,535	86,213,211	84,601,450	86,534,411	90,250,625	92,560,846	98,740,869	103,036,029	107,043,571	113,344,195
Total primary government expenses	\$ 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	\$ 186,474,408
Program Revenues										
Government activities:										
Charges for services:										
General government:	\$ 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	\$ 7,934,422
Public Safety	1,233,048	1,289,125	1,310,158	1,184,312	821,340	831,220	946,789	1,220,778	1,246,610	1,267,798
Streets and highways	99,960	107,304	90,300	7,650	104,770	228,097	7,200	84,870	11,670	10,200
Cultural, parks and recreation	284,663	404,770	419,224	538,322	538,937	514,150	719,757	528,606	536,743	518,039
Health and welfare	-	-	-	-	-	689,333	1,167,687	1,140,753	1,135,982	931,947
Operating grants and contributions	1,484,734	1,360,892	5,233,942	4,902,301	4,036,616	4,878,847	5,547,074	5,475,330	5,662,716	5,498,584
Capital grants and contributions	5,758,056	13,737,184	16,974,830	5,988,765	17,642,392	16,112,303	5,176,962	5,232,894	10,668,747	7,002,940
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	14,305,910	22,418,290	30,400,036	19,909,463	30,252,423	30,624,466	21,169,642	21,036,461	28,704,320	23,163,930

(Continued)

CITY OF EDMOND, OKLAHOMA
TABLE 2
(Continued)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charges for services:										
Electric operations	\$ 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	\$ 76,674,353
Water operations	12,061,865	17,111,308	16,065,410	15,876,990	16,132,835	15,309,866	20,660,467	22,701,466	22,891,181	22,931,346
Wastewater operations	5,688,575	5,988,079	6,368,712	6,887,906	6,562,672	6,231,244	7,150,976	8,554,554	9,923,751	11,423,965
Sanitation operations	5,456,330	5,783,171	6,089,940	6,221,070	7,005,326	7,246,382	7,409,205	7,577,025	7,813,513	8,065,999
Lake operations	643,897	719,833	694,523	640,316	770,288	764,675	868,456	890,719	846,471	963,845
Drainage operations	793,311	813,767	841,717	1,571,298	1,579,935	1,630,168	1,625,597	1,758,988	1,684,899	1,703,753
Golf course operations	1,512,383	1,674,485	1,634,283	1,731,994	1,809,868	1,711,166	1,879,253	1,997,414	2,012,065	1,997,086
Cooperative purchasing service	39,083	84,184	111,752	70,085	63,693	53,641	49,240	80,190	82,326	74,389
Transportation operations ¹	-	-	-	-	-	-	-	-	-	290,470
Operating grants and contributions	-	-	-	107,870	82,117	2,717	225,488	72,975	921,297	328,568
Capital grants and contributions	5,902,464	9,760,255	14,079,770	5,360,805	8,309,381	3,537,407	3,649,620	1,685,577	6,989,454	4,189,645
Total business-type activities program revenues	81,401,410	103,920,616	105,572,507	96,404,055	107,103,896	99,561,665	108,694,017	117,224,320	123,909,509	128,643,419
Total primary government program revenues	\$ 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	\$ 151,807,349
Net (Expense)/Revenue										
Government activities	\$ (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)	\$ (49,966,283)
Business-type activities	12,669,875	17,707,405	20,971,057	9,869,644	16,853,071	7,000,819	9,953,148	14,188,291	16,865,938	15,299,224
Total primary government net expense	\$ (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)	\$ (34,667,059)
General Revenues and Other Changes in Net Assets										
Government activities:										
Taxes:										
Sales and use taxes - General government	\$ 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	\$ 36,065,782
Sales and use taxes - Public safety	3,920,670	4,261,107	4,527,512	4,742,710	5,014,947	4,748,676	4,914,564	5,366,325	5,870,777	6,094,618
Sales and use taxes - Park and recreation	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	2,031,539
Sales and use taxes - Capital improvements	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	20,315,394
Ad valorem property taxes	-	110,200	106,031	91,149	-	-	-	-	-	-
Franchise and public service taxes	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	2,269,717
Hotel/motel taxes	282,807	293,962	336,159	417,905	364,232	345,208	344,968	391,664	421,979	443,663
Liquor taxes	30,550	31,350	37,650	-	-	-	-	-	-	-
Payment from City of Edmond	-	-	-	-	-	-	-	-	-	-
Intergovernmental revenue not restricted to specific	305,830	673,351	749,106	761,720	694,962	675,890	981,492	894,306	1,101,004	1,078,777
Investment income	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	825,927
Miscellaneous	189,943	225,107	228,030	284,237	216,763	252,382	242,196	293,668	346,998	450,357
Gain (loss) on sale of capital assets	-	-	-	-	(1,696,494)	-	-	-	-	-
Transfers-Internal activity	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	1,558,620
Total governmental activities	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	71,134,394
Business-type activities:										
Investment earnings	1,483,073	2,439,172	2,603,501	2,829,720	1,925,301	1,113,106	991,181	780,709	481,283	797,046
Miscellaneous	56,066	6,990	9,771	180,998	158,658	1,029,229	176,357	506,071	260,120	284,533
Special item - gain on asset impairment	-	-	1,130,316	294,193	(64,102)	-	-	-	-	-
Extraordinary item - release of obligation to federal government	-	-	10,409,927	-	-	-	-	-	-	-
Transfers - Internal activity	(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)	(1,558,620)
Total business-type activities	(1,107,191)	(702,221)	12,314,449	1,689,969	285,930	390,536	101,094	(2,188,446)	(2,063,677)	(477,043)
Total primary government	\$ 40,854,084	\$ 47,169,016	\$ 63,493,717	\$ 54,323,231	\$ 52,365,452	\$ 49,910,534	\$ 51,640,003	\$ 57,048,421	\$ 67,178,484	\$ 70,657,353
Change in Net Assets										
Government activities	\$ 9,600,642	\$ 22,093,585	\$ 27,026,149	\$ 15,161,126	\$ 19,496,428	\$ 9,348,038	\$ 6,861,245	\$ 12,770,676	\$ 25,150,675	\$ 21,168,111
Business-type activities	11,562,684	17,005,184	33,285,506	11,569,613	17,139,001	7,391,355	10,054,242	11,999,845	14,812,261	14,822,183
Total primary government	\$ 21,163,326	\$ 39,098,769	\$ 60,311,655	\$ 26,730,739	\$ 36,635,429	\$ 16,739,393	\$ 16,715,487	\$ 24,770,521	\$ 39,962,936	\$ 35,990,294

NOTE: Data is only presented for years including and subsequent to implementation of GASB 34.
¹ 2014 Transportation operations was established as a BTA instead of Governmental Activity

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 2,644,316	\$ 3,149,184	\$ 3,929,627	\$ 3,771,989	\$ 3,573,228	\$ 1,770,558	\$ -	\$ -	\$ -	\$ -
Unreserved	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	3,197,753
Restricted	-	-	-	-	-	-	-	-	-	578,249
Committed	-	-	-	-	-	-	2,702,404	1,643,231	1,822,138	1,434,645
Assigned	-	-	-	-	-	-	5,150,248	5,904,708	6,770,667	7,375,504
Unassigned	-	-	-	-	-	-	-	-	-	-
Total general fund	\$ 8,845,419	\$ 8,438,454	\$ 8,122,400	\$ 6,613,734	\$ 5,578,762	\$ 6,756,043	\$ 9,490,359	\$ 9,655,156	\$ 11,237,149	\$ 12,586,151
All Other Governmental Funds										
Reserved	\$ 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	71,339,026
Committed	-	-	-	-	-	-	2,879	3,613	7,352	11,733
Assigned	-	-	-	-	-	-	1,617,875	1,905,771	3,593,792	4,706,939
Unassigned	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Designated	7,703,977	22,627,713	23,989,752	24,031,157	22,314,064	32,566,108	-	-	-	-
Undesignated	31,751,472	46,432,370	41,902,706	35,556,974	35,121,329	-	-	-	-	-
Special revenue funds	4,979,560	10,222,120	3,454,075	5,184,515	4,202,565	9,733,245	-	-	-	-
Debt service funds	-	1,169	(3,701)	5,453	-	-	-	-	-	-
Capital project funds	5,609,261	1,773,794	2,371,829	2,606,709	1,619,906	19,253,710	-	-	-	-
Total all other governmental funds	\$ 58,182,671	\$ 82,265,817	\$ 80,214,586	\$ 74,614,730	\$ 70,587,786	\$ 68,867,835	\$ 66,699,669	\$ 65,240,784	\$ 78,428,258	\$ 76,057,698
GRAND TOTAL	\$ 67,028,090	\$ 67,028,090	\$ 90,704,271	\$ 88,336,986	\$ 81,228,464	\$ 76,166,548	\$ 75,623,878	\$ 74,895,940	\$ 89,665,407	\$ 88,643,849

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Sales and use taxes	\$ 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	\$ 64,507,333
Franchise and public service taxes	1,482,808	1,622,014	1,735,492	1,865,472	1,995,831	1,885,284	2,341,305	2,106,551	2,199,488	2,311,150
Ad valorem taxes	-	106,121	107,529	93,730	-	-	-	-	-	-
Hotel/motel taxes	282,807	293,962	336,159	417,905	364,232	345,208	344,968	391,664	421,979	443,663
Intergovernmental	2,230,231	8,142,917	13,106,317	8,251,646	7,292,287	9,707,740	6,776,753	10,805,328	14,086,717	10,904,286
Charges for services	3,636,375	3,824,794	4,532,811	5,121,590	4,980,864	6,209,535	6,750,908	6,633,164	6,816,347	6,801,451
Fines and forfeitures	1,896,419	2,061,344	2,368,946	2,424,600	2,375,687	2,097,681	2,436,202	2,068,170	2,053,931	2,099,735
Licenses and permits	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	1,608,680
Investment income	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	799,873
Miscellaneous	1,271,934	496,869	617,040	401,775	581,882	462,860	1,416,558	593,336	747,326	708,441
Total Revenues	\$ 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	\$ 90,184,612
Expenditures:										
General government	\$ 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	\$ 6,170,708
Public safety	23,169,172	25,775,741	32,337,759	35,466,386	35,183,104	36,047,474	37,953,732	37,732,090	40,600,947	42,576,993
Streets and highways	3,235,334	3,069,250	3,963,803	4,421,445	3,333,924	3,098,018	3,920,453	2,897,088	2,909,278	1,374,487
Cultural, Parks and Recreation	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	5,152,798
Health and welfare	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	4,436,186
Economic development	509,311	665,182	841,541	-	-	-	-	296,685	-	-
Capital Outlay	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	26,031,528
Debt service:										
Principal	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	5,988,514
Interest and fiscal charges	2,535,277	3,162,796	3,751,922	3,632,019	3,488,724	3,355,705	2,797,592	2,852,354	2,458,647	2,509,629
Total Expenditures	\$ 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	\$ 94,240,843
Excess of revenues over(under) expenditures	\$ (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)	\$ (4,056,231)
Other financing sources(uses)										
Transfers in	\$ 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	\$ 68,979,432
Transfers out	(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)	(67,435,112)
Capital contributions	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of judgment	258,610	-	-	-	-	-	-	-	-	-
Transfer to escrow agent	-	-	-	-	-	-	(13,667,116)	-	(12,477,058)	(12,376,172)
Bond issuance costs	-	(411,519)	-	-	-	-	-	-	-	-
Bond discount	-	-	-	-	-	-	-	-	-	-
Bond premium	-	994,477	-	-	-	-	-	-	1,325,224	1,221,619
Bond proceeds	-	30,000,000	-	-	-	-	13,900,000	-	26,965,000	12,644,906
Total other financing sources(uses)	\$ 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	\$ 3,034,673
Net change in fund balances	\$ (16,115,000)	\$ 23,686,352	\$ (2,367,285)	\$ (7,108,523)	\$ (5,061,913)	\$ (642,672)	\$ 566,351	\$ (1,294,086)	\$ 14,769,464	\$ (1,021,558)
Debt service as a percentage of noncapital expenditures	9.2%	12.8%	13.8%	12.3%	12.2%	13.7%	12.0%	10.7%	11.3%	12.7%

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

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

Fiscal Year	Ad Valorem Tax	Sales Tax	Use Tax	Franchise Tax	Liquor Tax	Hotel/Motel Tax	Totals
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
2014		60,946,182	3,561,151	2,228,284	41,433	443,663	67,220,713

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
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	\$ 45,419,073
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	21,837,857
Large Commercial & Industrial	2,571,921	1,788,194	974,507	963,824	859,249	846,672	879,907	855,677	920,361
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	6,578,831
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	\$ 74,756,122

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 NINE YEARS
TABLE 7

Taxpayer	2006			2007			2008			2009			2010			2011			2012			2013			2014					
	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%	1	\$ 2,307,101	3.1%			
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%	2	\$ 2,161,015	2.9%			
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%	3	\$ 1,078,747	1.4%			
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	\$ 779,495	1.1%	4	\$ 806,165	1.1%			
Integris Health Edmond	\$ -	-	0.0%	\$ -	-	0.0%	\$ -	-	0.0%	\$ -	-	0.0%	\$ -	-	0.0%	\$ -	-	0.0%	8	\$ 349,842	0.5%	5	\$ 479,408	0.7%	5	\$ 511,748	0.7%			
McCarthy/Bldg Co.	\$ -	-	0.0%	\$ -	-	0.0%	\$ -	-	0.0%	\$ -	-	0.0%	\$ -	-	0.0%	\$ -	-	0.0%	\$ -	-	0.0%	\$ -	-	0.0%	6	\$ 438,975	0.6%			
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%	7	\$ 389,113	0.5%			
OU Medical Center	5	\$ 389,020	0.6%	6	\$ 348,727	0.6%	6	\$ 334,020	0.6%	6	\$ 426,035	0.7%	7	\$ 395,136	0.6%	7	\$ 315,069	0.5%	6	\$ 373,020	0.5%	6	\$ 360,258	0.5%	8	\$ 373,712	0.5%			
Lowe's	9	\$ 285,047	0.4%	10	\$ 230,976	0.4%	10	\$ 206,106	0.4%	8	\$ 337,108	0.5%	6	\$ 406,365	0.6%	6	\$ 330,251	0.5%	7	\$ 363,185	0.5%	8	\$ 342,856	0.5%	9	\$ 363,000	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%	10	\$ 310,054	0.4%			
OSBI										9	\$ 315,726	0.5%																		
Oak Tree Partners LLC																														
Henderson Hills Baptist Church																														
Target	8	\$ 280,945	0.5%	9	\$ 258,601	0.4%	9	\$ 237,446	0.4%	10	\$ 299,380	0.5%	10	\$ 271,484	0.4%	10	\$ 255,308	0.4%	10	\$ 278,929	0.4%	10	\$ 276,202	0.4%						
Home Depot	10	\$ 195,826	0.3%	8	\$ 284,745	0.5%	8	\$ 257,523	0.4%																					
UFC Acquisition Corp.																														
Totals		\$ 6,808,472	10.9%		\$ 7,646,350	12.9%		\$ 7,492,789	13.0%		\$ 9,909,893	15.6%		\$ 9,282,267	15.0%		\$ 8,033,768	12.6%		\$ 8,721,511	12.1%		\$ 8,451,107	12.2%		\$ 8,739,630	11.7%			
Total Electric Revenue (see Table 6)		\$ 62,307,618			\$ 59,321,160			\$ 57,637,268			\$ 63,703,216			\$ 61,594,388			\$ 63,667,237			\$ 71,938,538			\$ 69,154,723			\$ 74,756,124				

Source: City of Edmond Utility Customer Service Department

**CITY OF EDMOND, OKLAHOMA
ELECTRICITY RATES
LAST NINE YEARS
TABLE 8**

Rate Code	Rate Schedule	Units	Edm.Elec. 1/13/2004 - 01/01/2007	Edm Elec 01/01/2007 - 01/01/2010	Edm Elec 01/01/2010 - 11/01/13	Edm Elec 11/01/2013 - 11/1/2014
13	<u>R-1 Residential</u>					
	Customer Charge	\$/mo	6.04	6.05	12.48	13.50
	Energy Charge					
	<i>Shoulder - May</i>					
	First 600 kWh	\$/kWh	0.0067	0.0792	0.0806	0.0822
	Add'l kWh over 600	\$/kWh	0.0035	0.0569	0.0806	0.0822
	<i>Summer (Jun-Sep)</i>					
	First 1,400 kWh	\$/kWh	0.0070	0.0795	0.0806	0.0822
	Add'l kWh over 1,400	\$/kWh		0.0807	0.0833	0.0849
	<i>Shoulder - Oct</i>					
	First 600 kWh	\$/kWh	0.0067	0.0792	0.0806	0.0822
	Add'l kWh over 600	\$/kWh	0.0035	0.0569	0.0806	0.0822
	<i>Winter (Nov-Apr)</i>					
	First 600 kWh	\$/kWh	0.0067	0.0792	0.0806	0.0822
	Add'l kWh over 600	\$/kWh	0.0021	0.0444	0.0452	0.0468
14	<u>LIHEAP-1 Low Income Home Energy Assistance Program Rider</u>					
	Customer Charge	\$/mo	created 1/1/2007	2.06	2.06	3.08
	Energy Charge					
	<i>Summer (Jun-Sept)</i>					
	First 600 kWh	\$/kWh	0.0629	0.0795	0.0806	0.0822
	Add'l kWh over 600	\$/kWh	0.0629	0.0807	0.0833	0.0849
	<i>Winter (Nov-Apr)</i>					
	First 600 kWh	\$/kWh	0.0629	0.0792	0.0806	0.0822
	Add'l kWh over 600	\$/kWh	0.0303	0.0444	0.0452	0.0468
	<i>Summer & Shoulder (May-Oct)</i>			same as R-1	same as R-1	same as R-2
06	<u>GS-1 General Service</u>					
	Customer Charge	\$/mo	10.20	11.16	23.04	30.00
	Energy Charge					
	<i>Summer (Jun-Oct)</i>					
	All kWh	\$/kWh	0.0817	0.0993	0.1003	0.1004
	<i>Winter (Nov-May)</i>					
	First 1000 kWh	\$/kWh	0.0726	0.0897	0.0864	0.0865
	Add'l kWh over 1000	\$/kWh	0.0388	0.0540	0.0480	0.0481

* Acceptance requires qualification by DHS prior to annual participation.

(Continued)

(Continued)

**CITY OF EDMOND, OKLAHOMA
ELECTRICITY RATES
LAST NINE YEARS
TABLE 8**

Rate Code	Rate Schedule	Units	Edm. Elec.	Edm Elec	Edm Elec	Edm Elec
			1/13/2004 - 01/01/2007	01/01/2007 - 01/01/2010	01/01/2010 - 11/01/13	11/01/2013 - 11/1/2014
05	<u>GS-TOU General Service Time-of-Use</u> Customer Charge TOU Meter Charge (Jun-Oct) Energy Charge <i>Summer</i> On-Peak Hours (2p-8p) <i>Summer</i> Off-Peak Hours <i>Winter</i> First 1000 kWh Addtl kWh over 1000	\$/mo	11.16	11.16	23.04	35
		\$/mo	10.23	10.23	0	0
		\$/kWh	0.2772	0.2899	0.2880	0.3350
		\$/kWh	0.0410	0.0540	0.0480	0.0481
		\$/kWh	0.0767	0.0897	0.0864	0.0865
		\$/kWh	0.0410	0.0540	0.0480	0.0481
		\$/mo	69.35	69.35	72.00	80.00
		\$/kWh	11.14	11.34	11.76	13.04
		\$/kWh	5.35	5.43	6.10	8.00
		\$/kWh	0.0257	0.0395	0.0403	0.0403
36	<u>PL-TOU Power & Light Time-of-Use</u> Customer Charge 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 Addtl kWh	\$/mo	69.35	69.35	72.00	100.00
		\$/mo	0.00	0	0	0
		\$/kW	1.14	1.15	1.21	1.52
		\$/kW	10.00	10.19	10.71	13.5
		\$/kW	5.35	5.43	5.70	6.70
		\$/kWh	0.0257	0.0395	0.0415	0.0415
		\$/kWh	0.0229	0.0365	0.0383	0.0383
		\$/kWh	0.0257	0.0395	0.0415	0.0415
		\$/kWh	0.0229	0.0365	0.0383	0.0383
		\$/kWh	0.0257	0.0395	0.0415	0.0415

(Continued)

(Continued)

**CITY OF EDMOND, OKLAHOMA
ELECTRICITY RATES
LAST NINE YEARS
TABLE 8**

Rate Code	Rate Schedule	Units	Edm.Elec. 1/13/2004 - 01/01/2007	Edm Elec 01/01/2007 - 01/01/2010	Edm Elec 01/01/2010 - 11/01/13	Edm Elec 11/01/2013 - 11/1/2014	
35	<u><i>LPL-TOU Large Power & Light Time-of-Use</i></u>						
	Customer Charge	\$/mo	147.98	147.98	73.50	600.00	
	Capacity Charge (new 25% ratchet)						
	Summer (Jun-Oct) mo. Max. Demand	\$/KW	0.40	0.42	5.21	6.5	
	On-Peak 2p-8p (except Sun.)*	\$/KW	7.43	7.81	0	0	
	Winter (Nov-May)	\$/KW	4.23	4.40	5.21	6.50	
	Energy Charge						
	First 2,000,000 kWh/month	\$/kWh	0.0251	0.0402	0	0	
	All Additional kWh/month	\$/kWh	0.0209	0.0365	0	0	
	* for OG&E summer On-Peak, all weekends and 3 holidays are exempt.						
	On Peak kWh/mo (June 1-Sept 30, 2-7:00 pm)	\$/kWh		0.1150		0.1302	
	Off-Peak kWh/mo	\$/kWh		0.0343		0.0325	
	Winter Season: All kWh	\$/kWh		0.0343		0.0325	
51	<u><i>PS-ND-1 Public Schools Non Demand</i></u>						
	Customer Charge	\$/mo	created 1/1/2007	11.90	12.29	50.00	
	Energy Charge						
	Summer (Jun-Oct)	\$/kWh	created 1/1/2007	0.0990	0.1003	0.1003	
	All kWh	\$/kWh					
	Winter (Nov-May)	\$/kWh	created 1/1/2007	0.0897	0.0874	0.0874	
	First 1000 kWh	\$/kWh					
	Add'l kWh over 1000	\$/kWh	created 1/1/2007	0.0537	0.0518	0.0577	
GPWR	<u><i>GPWR Green Power Wind Rider (for all standard rates)</i></u>						
	Wind Selection Charge	\$/kWh	0.018	0.0009	0.0027	0.0027	
	(Customer selects 100% or fixed 100kWh blocks subject to WSC. This WSC rate is added to, and monthly FCA is subtracted from, the standard rate calculation for customer's selected quantity of wind power kWh.)						
44	<u><i>OAL-1 Outdoor Security Lighting</i></u>						
	Base Charge	Existing Wood Pole		Monthly KWH	Monthly KWH	Monthly KWH	
	7,000 Mercury Vapor * (7 kKWh/mo)	8.49	created 1/1/2007	5.52	7.49	8.49	
	9,500 High Pressure Sodium (41kWh/mo)	6.86	created 1/1/2007	5.66	5.86	6.86	
	14,000 Metal Halide - Directional	13.91	created 1/1/2007	14.37	12.91	13.91	
	15,500 High Pressure Sodium	9.06	created 1/1/2007	8.24	8.06	9.06	
	25,000 High Pressure Sodium	12.62	created 1/1/2007	11.64	11.62	12.62	
	*Not available for new installations						
					(Continued)	(Continued)	

**CITY OF EDMOND, OKLAHOMA
ELECTRICITY RATES
LAST NINE YEARS
TABLE 8**

Rate Code	Rate Schedule	Units	Edm Elec.		Edm Elec		Edm Elec	
			1/13/2004 - 01/01/2007	01/01/2007 - 01/01/2010	01/01/2010 - 11/01/2013	11/01/2013 - 11/1/2014		
Additional Charges								
	Extension of Secondary Circuit and Wood Pole							
	30 foot pole	5.37		2.85	4.37	5.37		
	35 foot pole	7.24		4.32	6.24	7.24		
	40 foot pole	8.01		5.1	7.01	8.01		
	45 foot pole	8.97		5.72	7.97	8.97		
	50 foot pole	9.93		6.18	8.93	9.93		
	*with wiring requirement of 150 feet or less							
	Underground wiring additional	0		1.52	3.46	0		
	*If pole has to be hand set additional charge	0.00		170	354	0		
	Ornamental Lighting Fixtures							
	Base Charge			12.5				
	9,500 High Pressure Sodium on	22.84		12.5	18.84	22.84		
	24 foot fiberglass pole (41 KWh/mo)			41	41	41		
26	<u>PM-1 Municipal Water Pumping</u>							
	Customer Charge	\$/mo	0	10.23	23.04	50		
	Energy Charge	\$/KW	0.04445	0.0565	0.0634	0.0662		
	Summer (Jun-Oct)							
	Winter (Nov-May)	\$/KW	0.0433	0.0552	0.0480	0.0500		
99	<u>TSL-LED-1 Traffic Signal Lights</u>							
	Customer Charge	\$/mo		10.2	10.2	10.2		
	Energy Charge			Monthly KWH	Monthly KWH	Monthly KWH		
	Per intersection (250 KWh/mo)	19.98	created 1/1/2007	19.98	19.98	19.98		
OWD	<u>OWD-1 Outdoor Warning Device (7-1-08)</u>							
	Customer Charge			11.16	11.16	11.16		
	Energy Charge			n/c	n/c	n/c		
LM-1	<u>LM-1 Municipal Roadway & Area Lighting</u>							
	Base Charge							
	7,000 Lumens-MV Lamps *(71KWh/mo)	5.53		5.53	5.76	5.76		
	20,000 Lumens-MV Lamps *(161KWh/mo)	11.11		11.11	11.62	11.62		
	40,000 Lumens-MV Lamps *(272KWh/mo)	13.75		13.75	14.5	14.5		
	9,500 Lumens-High Pressure Sodium (41KWh/mo)	5.14		5.14	4.90	4.90		
	15,500 Lumens-High Pressure Sodium (71KWh/mo)	6.54		6.54	6.82	6.82		
	25,000 Lumens-HPS (Directional) (107KWh/mo)	11.22		11.22	10.85	10.85		
	25,000 Lumens-High Pressure Sodium (107KWh/mo)	10.42		10.42	9.89	9.89		
	14,000 Lumens-HMVLamps (Directional) (71KWh/mo)	13.02		13.02	9.50	9.50		
					(Continued)	(Continued)		

**CITY OF EDMOND, OKLAHOMA
ELECTRICITY RATES
LAST NINE YEARS
TABLE 8**

Rate Code	Rate Schedule	Units	Edm.Elec.	Edm Elec	Edm Elec
			1/13/2004 - 01/01/2007	01/01/2007 - 01/01/2010	01/01/2010- 11/01/13
Sign & Underpass Lighting Fixtures					
	7,000 Mercury Vapor *** (71 kWh/mo)		10.71	7.01	7.01
	9,500 High Pressure Sodium (41 kWh/mo)		8.75	7.01	7.01
	*Not available for new installations				
	**When installed on High Mast Lighting System				
	***These are available for new installations only as sign lighting				
Additional Charges					
Standard Wood Pole					
	Extension of Secondary Circuit and Wood Pole				
	30 foot pole		2.85	3.17	3.17
	35 foot pole		4.32	4.70	4.70
	40 foot pole		5.10	5.47	5.47
	45 foot pole		5.72	6.14	6.14
	50 foot pole		6.18	6.72	6.72
	*with wiring requirement of 150 feet or less				
	Each additional 5 feet		3.25	3.36	3.36
Standard Pole other than Wood					
	15 to 19 foot		4.63	5.09	5.09
	20 to 24 foot		4.94	5.47	5.47
	25 to 27 foot		6.19	6.82	6.82
	28 to 32 foot		7.2	7.58	7.58
	33 to 37 foot		10.82	11.52	11.52
	38 to 42 foot		15.45	16.22	16.22
	43 to 47 foot		20.48	21.31	21.31
Ornamental Type Fixtures					
	*7,000 Lumen MV w 19' Steel Pole (71 kWh/mo)		10.96	11.96	11.96
	9,500 HPS w 19' Steel Pole (41 kWh/mo)		10.57	11.52	11.52
	20,000 Lumen MV w 24' Steel Pole (161 kWh/mo)		18.26	19.26	19.26
	25,000 Lumen HPS w 24' Steel Pole (107 kWh/mo)		17.56	18.82	18.82

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>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>	<u>2014</u>
City	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.75%	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%	8.25%						

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013*	2,014
Agri, forestry, fishing hunting	94,900	136,158	(112,687)	55,375	98,379	42,304	31,739	56,292	20,050	28,889
Mining, oil and gas extraction	33,313	41,275	62,285	29,076	64,906	1,736	46,492	66,585	5,204	6,252
Utilities	2,283,891	2,666,243	2,854,686	2,787,641	2,962,614	2,904,097	2,807,077	2,969,951	2,185,463	3,609,167
Construction	10,517	26,862	39,045	28,500	36,612	36,107	32,830	69,507	50,217	75,608
Mfg-foods, textile, tobacco									110,738	254,580
Mfg-building, books, glass, brick, concrete	218,650	266,428	286,862	395,719	318,134	213,983	211,016	303,993	1,075,374	1,170,308
Mfg-iron/steel/sign/construction equipment, hardware									759,798	566,332
Wholesale trade-Automobiles, tires									62,456	69,034
Wholesale trade-Furniture, home furnishings									49,323	115,615
Wholesale trade-Lumber, brick, roofing, siding									215,711	199,677
Wholesale trade-Office & medical equipment, hardware, electrical appliances									631,941	708,417
Wholesale trade-Heat & Air, plumbing, farm, garden, transportation, industrial equipment									1,918,186	2,229,790
Wholesale trade-Sporting goods, office supplies, drugs, apparel	2,250,048	2,607,706	3,106,444	2,966,272	4,257,938	2,311,014	2,554,821	3,149,901	224,288	228,999
Wholesale trade-Grocery, meat, fish, fruit, dairy									119,956	111,759
Wholesale trade-Chemical, plastics, paint, books, florists, farm supplies									179,414	214,533
Retail trade-cars, boats, tire, parts	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	1,094,582
Retail trade-furn, household, computer, cameras	4,463,778	5,042,369	4,736,770	4,844,080	5,048,412	4,676,327	4,417,446	4,367,601	3,667,788	2,972,839
Retail trade-hardware, building materials, paint, nursery	3,249,189	2,876,881	2,865,971	2,956,101	3,217,337	3,391,516	3,801,497	4,475,165	5,730,617	7,226,993
Retail trade-grocery	4,086,620	4,379,635	4,726,865	5,199,041	5,296,659	5,306,478	5,613,523	6,193,801	917,293	5,860,279
Retail trade-wine, beer, liquor stores	3,344,484	3,617,962	4,036,836	4,196,902	4,408,032	4,515,923	4,697,973	5,197,419	1,447,945	838,136
Retail trade-health, pharmacies,	671,188	691,239	758,260	806,783	796,361	852,484	997,628	1,065,814	316,627	471,195
Retail trade-gasoline with conv. Stores	980,522	1,025,086	1,282,690	1,347,014	1,407,880	1,485,670	1,522,083	1,631,106	2,213,029	2,135,798
Retail trade-clothing, shoes, jewelry									1,751,700	1,721,282
Retail trade-sporting goods, hobby, sewing, musical	6,503,736	7,045,225	7,616,216	8,165,460	8,430,100	8,427,080	8,509,668	8,974,710	11,359,340	12,471,296
Retail trade-florist, office supplies, pet, art, vending, used merch.	14,016	17,726	14,693	18,522	33,001	59,514	69,007	62,873	1,975,995	2,145,195
Transportation and warehousing-towing, freight, trucking									168,612	179,183
Transportation and warehousing-warehousing and storage									19,378	26,904
Information-newspaper, cable, wireless	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	2,149,341
Finance and insurance	17,297	9,898	15,648	15,702	12,369	9,858	7,492	11,467	51,315	108,285
Real estate and rental and leasing	385,185	413,022	407,089	480,483	533,356	483,928	489,984	633,883	950,089	951,448
Professional, scientific, and technical services	16,324	20,810	16,400	17,679	23,696	22,068	25,167	25,149	440,391	282,425
Adm. & support and waste management and remediation services									39,309	33,548
Educational services									42,272	36,647
Health care and social assistance-doctors, chiropractors, eye, family services	212,786	255,982	260,538	248,418	259,991	248,369	255,986	272,925	23,351	21,599
Arts, Entertainment, and Recreation-golf, fitness, bowling, museums	139,121	131,631	137,266	163,301	163,467	155,084	148,431	117,573	448,675	764,894
Accommodation and Food Services -Hotels	233,032	276,657	282,723	352,794	308,276	285,609	304,701	355,175	476,835	611,217
Accommodation and Food Services -Restaurants, Bars	825,734	860,724	1,014,966	948,339	891,543	786,322	804,873	929,140	7,718,137	7,092,658
Other Services (Auto, Electronic repairs, Salons, funeral Public Administration-Regulation of Transportation Programs	335,411	367,984	400,294	376,616	392,206	401,687	459,313	472,940	692,889	702,250
Unclassified	103,186	201,097	177,054	256,191	192,498	323,703	530,895	677,950	(20,517)	(139)
	\$ 34,210,749	\$ 37,091,732	\$ 39,605,879	\$ 41,369,153	\$ 43,938,901	\$ 41,463,130	\$ 42,987,561	\$ 47,925,677	\$ 56,761,128	\$ 61,376,116

(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 revolving 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			
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
2014	67,821,392	-	37,895,094	17,521,569	0	123,238,055	3.79%	\$ 1,447

* 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
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%	-
2014	85,190 (7)	902,595,017	-	-	-	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 2014

(1) Oklahoma Department of Commerce Projection

(2) 2000 Census

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

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

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

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

(6) 2010 Census

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

**CITY OF EDMOND, OKLAHOMA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2014
TABLE 13**

Jurisdiction	Net (1) Debt Outstanding	Percentage (2) Applicable to City of Edmond	Amount Applicable to City of Edmond
Direct - City of Edmond	\$ 67,821,392	100.00%	\$67,821,392
Overlapping: Edmond School District	\$ 134,665,000	57.50%	77,433,921
Oklahoma County	48,605,000	13.99%	6,798,944
Total	<u><u>\$251,091,392</u></u>		<u><u>\$152,054,258</u></u>

(1) City of Edmond does not have any GO Bonds. Amount shown is direct debt for governmental activities.

(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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2013
Debt limit	\$ 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	\$ 90,259,502
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 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	\$ 90,259,502
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	\$ 902,595,017
Debt limit (10% of total assess value)	\$ 90,259,502
Debt applicable to limit:	
General obligation bonds	\$ -
Less: Street bonds outstanding	-
Total net debt applicable to limit	-
Legal debt margin	\$ 90,259,502

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>	
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 OW/RB 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 OW/RB 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 OW/RB 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 OW/RB 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 OW/RB 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 OW/RB 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 OW/RB 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 OW/RB Series 2005, 2006	124,463,512 144,078,716 144,078,716	109,885,068 90,796,258 90,796,258	14,578,444 53,282,458 53,282,458	8,552,264 8,443,233 8,443,233	1.70 6.31 6.31
2014	Sales Tax and Utility Revenue Bonds Series 2005, 2010, 2012, 2013, 2014 Utility Revenue Bonds Series 2005, 2014 OW/RB Series 2005C, 2013 General Sales Revenue Note	131,616,376 152,179,138 152,179,138	115,686,623 94,999,819 94,999,819	14,578,444 53,282,458 53,282,458	8,552,264 8,399,737 8,399,737	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)
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%
2013	85,190	3,247,783,560	38,124	35.0	46.5	23,484	3.7%

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 Eight Years Ago
TABLE 17**

<u>Employer</u>	<u>Product/Business</u>	<u>2006</u>			<u>2014</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	2,731	42.0%
University of Central Oklahoma	Higher Education	2	1,009	18.1%	2	1,302	20.0%
City of Edmond	Local Municipality	3	642	11.5%	3	661	10.2%
OU Medical Center ¹	Hospital	5	350	6.3%	4	362	5.6%
INTEGRIS Health Edmond	Hospital				4	362	5.6%
					5	325	5.0%
Adfitech	Quality Control for Mortgage Industry	7	250	4.5%	6	302	4.6%
Remy International ²	Auto Parts Manufacturing	4	430	7.7%	7	300	4.6%
Petra Industries	Electronic Distribution	8	189	3.4%	8	253	3.9%
Palco Products	Traffic, Decorative, & Utility Hardware	10	107	1.9%	9	155	2.4%
Innovative Healthcare Systems	Health Care Billing				9	155	2.4%
Cox Communications	Communication Services	9	147	2.6%	10	110	1.7%
Ben E. Keith ³	Food Distribution	6	250 *	4.5%			
Totals			<u>5,565</u>	100%		<u>6,501</u>	100%

Source: Edmond Economic Development Authority

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

¹Formerly Edmond Medical Center

²Formerly Unit Parts

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

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

<u>Function/Program</u>	<u>Fiscal</u> <u>Year</u> <u>2006</u>	<u>Fiscal</u> <u>Year</u> <u>2007</u>	<u>Fiscal</u> <u>Year</u> <u>2008</u>	<u>Fiscal</u> <u>Year</u> <u>2009</u>	<u>Fiscal</u> <u>Year</u> <u>2010</u>	<u>Fiscal</u> <u>Year</u> <u>2011</u>	<u>Fiscal</u> <u>Year</u> <u>2012</u>	<u>Fiscal</u> <u>Year</u> <u>2013</u>	<u>Fiscal</u> <u>Year</u> <u>2014</u>
General Government:									
Management Services	5	6	5	5	5	4	5	5	5
City Clerk/Governmental Relations	7	4	4	4	4	4	4	4	2
Finance	7	7	8	8	8	8	8	8	8
Treasurer	2	2	2	2	2	2	2	2	1
Human Resources	6	6	7	7	7	7	7	7	6
IT	15	16	16	16	16	16	16	16	17
Legal	7	7	8	8	8	8	8	8	8
Other	19	22	22	24	26	26	26	30	32
Engineering	14	14	14	14	14	14	14	14	17
Planning	6	6	6	6	6	6	6	7	7
CDBG	1	1	1	1	1	1	1	1	1
Building	15	15	15	15	15	15	15	15	15
Community Image	8	7	7	7	5	5	5	6	6
Convention & Visitors Bureau	2	2	2	2	2	2	2	2	2
Downtown Community Center	2	2	2	2	2	2	2	1	1
Total General Government	116	117	119	121	121	120	121	126	128
Public Safety and Judiciary:									
Police:									
Officers	105	111	114	114	114	114	114	114	114
Civilians	17	20	22	22	22	22	22	23	23
Animal Welfare	9	10	10	10	10	10	10	9	9
Fire:									
Firefighters & Officers	113	111	114	114	115	115	115	115	115
Civilians	3	5	6	7	7	7	7	7	10
Emergency Management	3	2	2	2	2	2	2	2	2
Central Communications/EM	20	21	24	24	24	24	24	24	24
Municipal court	8	8	8	8	8	8	8	8	8
Total Public Safety and Judiciary	278	288	300	301	302	302	302	302	305
Transportation:									
Streets	28	25	25	25	25	25	25	25	25
Traffic	5	5	5	5	5	5	5	5	5
Public Works Administration	6	12	14	14	14	12	12	13	13
	39	42	44	44	44	42	42	43	43
Cultural, Parks and Recreation:									
Parks and Recreations	41	44	40	41	41	42	42	42	42
Total Cultural, Parks and Recreation	41	44	40	41	41	42	42	42	42
Utilities:									
Electric	44	47	48	48	48	48	49	49	49
Water	43	42	43	42	42	42	42	42	42
Solid Waste	21	21	21	21	21	21	20	20	20
Wastewater	20	19	21	21	21	22	22	22	24
Drainage	5	5	5	5	5	5	5	5	5
Utility Customer Service	36	36	38	38	38	38	38	39	39
Central Warehousing	0	0	0	3	3	3	3	3	3
Total Public Works	169	170	176	178	178	179	179	180	182
Total Full-Time Budgeted Employees by Function/Program	643	661	679	685	686	685	686	693	700

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 Nine Fiscal Years
TABLE 19

<u>Function/Program</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
Police:									
Stations	1	1	1	1	1	1	1	1	1
Patrol units	115	124	126	138	139	144	147	147	148
Fire :									
Stations	5	5	5	5	5	5	5	5	5
Engines	7	6	6	6	5	5	5	5	5
Quint		1	1	1	2	2	2	2	2
Vehicles	22	25	26	29	29	29	29	29	35
Refuse Collection:									
Collection trucks	23	23	23	23	22	22	25	24	24
Streets:									
Street miles ¹	601	610	618	625	627	627	487	487	494
Streetlights	4,042	4,162	4,458	4,463	4,954	5,421	5,542	5,652	6,123
Traffic signals	84	82	91	95	96	99	99	99	99
Parks and Recreation:									
Acreage	4,821	4,821	4,821	4,949	4,960	4,960	4,960	4,960	4,960
Playgrounds	22	22	22	23	23	23	23	23	23
Baseball/softball diamonds	24	24	24	24	24	24	24	24	31
Soccer/football fields	13	13	13	13	16	16	16	16	16
Community Center	1	1	1	1	1	1	1	1	1
Pool	1	1	1	1	1	1	1	1	1
Golf course	1	1	1	1	1	1	1	1	1
Disc Golf courses	3	3	3	3	3	3	3	3	3
Splash Pad									1
Public Transportation:²									
Buses	3	3	3	3	8	8	12	12	12
Trolley	3	3	3	3	0	0	0	0	0
Cemetery:									
Plots Maintained ³	15,165	15,165	15,165	15,165	15,165	15,165	15,599	15,599	15,599
Vehicles & Machinery	3	3	4	4	4	4	4	4	4
Water:									
Water mains (miles)	432	463	474	480	484	493	500	502	507
Fire hydrants	3,626	3,882	3,982	4,092	4,129	4,315	4,392	4,388	4,473
Storage capacity (thousands of gallons)									
Clearwells and Tower	20,000	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	11,000
Wastewater:									
Sanitary sewers (miles) Force Main	24	22	22	22	22	22	22	22	22
Sanitary sewers (miles) Gravity Main	385	399	407	413	416	416	423	424	429
Storm sewers (miles)	87	95	100	105	107	111	115	118	118
Treatment capacity (thousands of gallons)	9,000	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

NOTE: Data is presented only for years including and subsequent to issuance of GASB 44

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

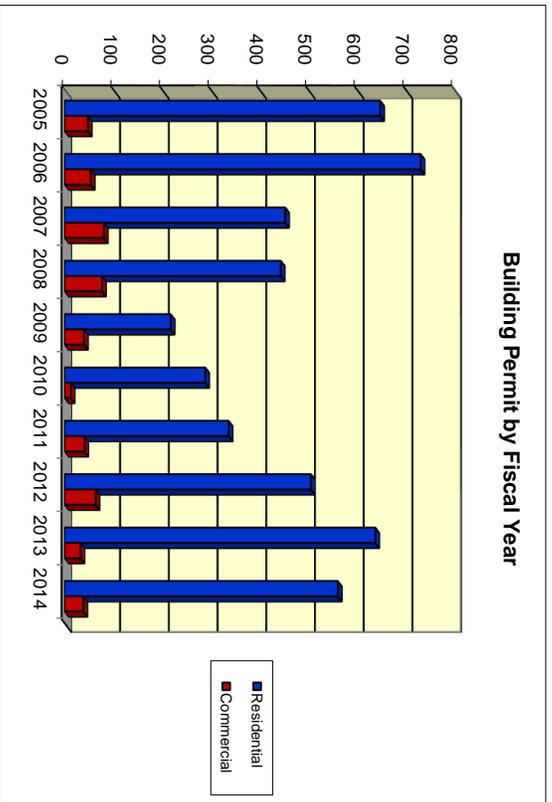
Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police									
Physical Arrests	2,953	2,683	2,364	2,071	2,543	2,658	2,728	2,931	2,336
Parking Violations	2,419	1,533	1,086	1,643	1,462	1,547	1,230	984	747
Traffic Violations	17,062	19,965	19,815	18,821	17,409	17,480	14,196	14,151	13,311
Fire									
Emergency Responses	4,052	4,518	5,020	5,692	5,745	5,890	6,793	5,984	6,810
Fires Extinguished	266	330	210	260	238	214	304	223	202
Inspections	988	1,080	883	1,191	1,057	937	1,096	904	1,062
Solid Waste Collection									
Solid Waste Collected (Tons Per Day)	244	238	258	259	255	262	242	218	241
Recyclables Collected (Tons Per Day)	11	11	12	11	11	10	8	8	18
Other Public Works									
Potholes Repaired:									
Asphalt Patching (Tons)	532	309	261	345	255	218	385	214	320
Concrete Patching (Cubic Yards)	126	171	91	106	160	117	140	128	89
Asphalt Repairs (Tons)	2,878	1,728	4,741	2,364	2,783	2,183	446	1,105	689
Concrete Repairs (Cubic Yards)	220	303	477	433	554	510	203	298	281
Parks & Recreation									
Athletic Field-Agreements									
EASI (# of Fields Used)	20	20	20	20	20	20	20	20	20
Edmond Soccer Club (# of Fields Used)	13	13	13	13	16	16	16	16	16
Miracle League of Edmond (# of Fields Used)	1	1	1	1	1	1	1	1	1
YMCA (# of Fields Used)	2	7	7	7	7	7	7	7	7
Edmond Round Up Arena	1	1	1	1	1	1	1	1	1
Edmond Rugby Club (# of Fields Used)			2	2	2	2	2	2	2
Edmond Lacrosse Club (# of Fields Used)			5	5	5	5	4	4	4
B & B Tennis (# of Courts Used)	14	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	1,570
MAC-Special Event Participants ¹	n/a	n/a	10,381	5,419	6,500	4,086	3,338	4,034	2,348
(MAC-Multi-Use Activity Center) Classes*									
Senior Center-Program Participants	50,927	48,369	69,361	68,034	60,181	38,772	42,240	42,753	3,394
-Sr. Center Lunch Program	21,247	22,471	19,726	17,080	11,266	9,486	9,669	9,541	45,256
Water									
New Connections	606	942	412	264	283	330	491	598	539
Water Main Breaks	73	97	60	44	57	73	45	58	53
Average Daily Produced (Thousands of Gallons)	11,000	10,230	10,130	10,340	9,440	10,709	11,409	10,712	9,704
Peak Daily Produced (Thousands of Gallons)	20,100	21,950	19,950	21,910	22,078	21,177	21,906	22,097	19,815
Wastewater									
Average Daily Sewage Treatment (Millions of Gallons)	7,000	7,000	7,300	6,850	7,180	6,900	7,400	7,000	7,300
Transit									
Citylink Bus Service-Revenue Mileage	0	0	0	0	228,920	220,219	279,388	283,188	283,175
Total Route Miles-Trolleys and Broncho ²	269,074	261,033	268,759	269,059	-	-	-	-	-
Passengers ³	64,587	69,622	61,069	66,033	109,000	179,220	235,005	265,000	277,475

¹ 2008, tracking of Programs and Special Events are being tracked separately
² Source: Various City Departments
³ Transit information provided by Metro Transit 2006-2009
Starting with 2014, Class participation has its own category instead of being merged with programs as in the past.

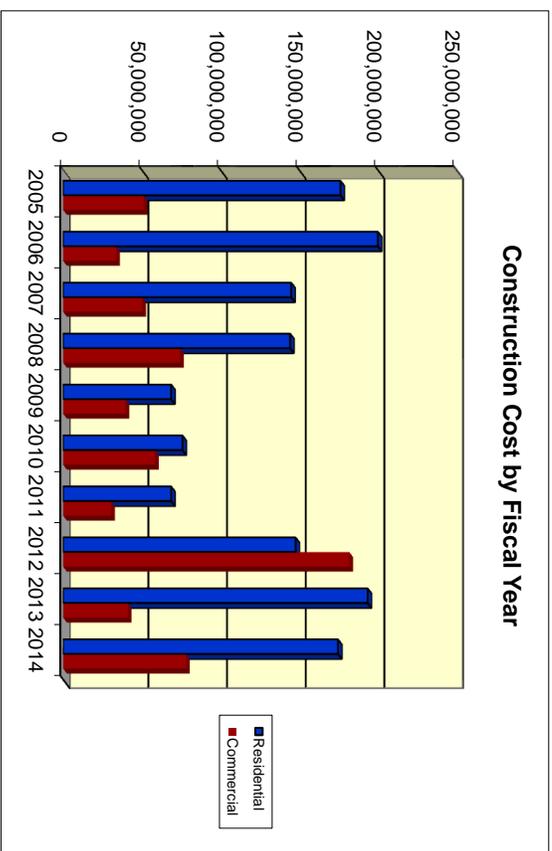
NOTE: Data is presented only for years including and subsequent to issuance of GASB 44

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
2014	561	174,720,033
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

Commercial Construction

Fiscal Year	Number of Permits	Construction Cost
2014	39	78,136,825
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

Source: City of Edmond Public Works Department Fiscal building permit reports

CITY OF EDMOND, OKLAHOMA
SINGLE AUDIT REPORTS
AND SUPPLEMENTARY SCHEDULES

June 30, 2014

CITY OF EDMOND, OKLAHOMA

TABLE OF CONTENTS

PAGE

SINGLE AUDIT REPORTS AND SUPPLEMENTARY SCHEDULES:

**Reports related to financial statements of the reporting entity
Required by GAO Government Auditing Standards:**

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 <i>Government Auditing Standards</i>	1
---	---

Reports related to Federal Assistance Programs Required by OMB Circular A-133:

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	3
Schedule of Expenditures of Federal Awards	5
Schedule of Findings and Questioned Costs	6
Summary Schedule of Prior Audit Findings and Questioned Costs	8



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, 2014, 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 23, 2014.

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 23, 2014



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, 2014. 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, 2014.

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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 23, 2014, 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.

Arlidge & Associates, P.C.

December 23, 2014

**CITY OF EDMOND, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

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-11-MC-40-0009 BC-12-MC-40-0009 BC-13-MC-40-0009	\$ 369,727 365,820 384,483	\$ 39,739 244,098 -
Total U.S. Dept. of Housing and Urban Development			1,120,030	283,837
U.S. Dept. of Justice:				
Passed through the Oklahoma District Attorney's Council: Local Law Enforcement Block Grant	16.592	N/A	20,271	20,542
Passed through the Oklahoma State Bureau of Investigation: Internet Crimes Against Children	16.543	OJJDP-OSBI	2,301	2,301
Bulletproof Vest Partnership Program	16.607	N/A	40,000	3,510
Total U.S. Dept. of Justice			62,572	26,353
U.S. Dept. of Agriculture:				
Passed through Oklahoma Department of Agriculture: Tree Inventory Audit	10.675	U&CF-10-02	10,000	-
Total U.S. Dept. of Agriculture			10,000	-
U.S. Dept. of Transportation:				
Passed through Central Oklahoma Transportation and Parking Authority: New Freedom Jobs Access and Reverse Commute Program	20.521 20.516	SAFETEA-LU SAFETEA-LU	85,946 75,200 161,146	85,946 75,200 161,146
Passed through the Oklahoma Highway Safety Office: State and Community Highway Safety State and Community Highway Safety	20.600 20.600 20.600 20.600 20.600 20.600 20.600 20.616	SE-13-03-04-15 K8-13-03-10-15 CE-13-03-12-15 STMC-13-02-01-15 K6-13-02-03-15 AL-14-03-03-16 OP-14-03-05-16 M9MT-14-02-01-16	40,000 33,500 3,000 35,000 15,000 41,000 39,000 51,200	15,317 12,306 1,121 2,123 8,277 17,588 21,165 20,715
Total U.S. Dept. of Transportation			418,846	259,758
U. S. Department of Homeland Security				
Passed through Oklahoma Department of Public Safety:				
Assistance to Firefighters Grant Assistance to Firefighters Grant	97.073 97.073	2011-CO-UASI 2012-CO-UASI	5,000 10,000	2,053 9,576
Passed through Oklahoma Department of Civil Emergency Management: Disaster Relief and Emergency Public Assistance Hazard Mitigation Assistance	97.036 97.036 97.039	FEMA OK-#1926 FEMA OK #4117 FEMA-1678-DR-OK	1,271,235 108,289 2,416,597	1,271,235 108,289 2,416,597
Passed through Oklahoma Office of Homeland Security: Emergency Management Performance Grants	97.042	PL 85-606	5,000	5,000
Total U.S. Department of Homeland Security			3,816,121	3,812,750
Total Federal Awards			\$ 5,427,569	\$ 4,382,698

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, 2014

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

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: Unmodified

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>
97.039	Hazard Mitigation 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, 2014

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, 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