

---

*CITY OF SHAWNEE  
SHAWNEE, OKLAHOMA*

---



---

*COMPREHENSIVE ANNUAL FINANCIAL REPORT  
AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORT  
FOR FISCAL YEAR ENDED  
JUNE 30, 2014*

---

**CITY OF SHAWNEE, OKLAHOMA**

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

**For the Fiscal Year Ended  
June 30, 2014**

Prepared by:  
Department of Finance

Cynthia R Sementelli  
Finance Director

THIS PAGE INTENTIONALLY LEFT BLANK

**CITY OF SHAWNEE, OKLAHOMA**  
**TABLE OF CONTENTS**  
**JUNE 30, 2014**

---

**Introduction Section:**

Letter of Transmittal.....	1-5
List of Principal Officials .....	6
City Governmental Organization Chart.....	7
Certificate of Achievement for Excellence in Financial Reporting.....	8

**Financial Section:**

Independent Auditor's Report.....	9-10
Management's Discussion and Analysis.....	11-20

**Basic Financial Statements:**

Statement of Net Position as of June 30, 2014.....	22
Statement of Activities for the year ended June 30, 2014.....	23
Balance Sheet - Governmental Funds as of June 30, 2014.....	24
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position as of June 30, 2014.....	25
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds for the year ended June 30, 2014.....	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities for the year ended June 30, 2014.....	27
Statement of Net Position - Proprietary Funds as of June 30, 2014.....	28
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds for the year ended June 30, 2014.....	29
Statement of Cash Flows - Proprietary Funds for the year ended June 30, 2014.....	30
Statement of Net Position - Fiduciary Fund as of June 30, 2014.....	31
Notes to the Basic Financial Statements.....	33-66

**Required Supplementary Information:**

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – (Budgetary Basis) Budget and Actual - for the year ended June 30, 2014.....	68
Notes to Required Supplementary Information on Budgetary Accounting and Control.....	69-70
Defined Benefit Pension Plan Funding Schedule.....	71
Other Post-Employment Benefits Schedule.....	72

**Other Supplementary Information:***General Fund Combining Schedules:*

Combining Balance Sheet - General Fund as of June 30, 2014 .....	74
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - General Fund for the year ended June 30, 2014.....	75
Budget and Actual General Fund Accounts.....	76-78

*Nonmajor Governmental Funds:*

Combining Balance Sheet - Nonmajor Governmental Funds as of June 30, 2014 .....	79-80
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds for the year ended June 30, 2014.....	81-82
Budget and Actual Nonmajor Governmental Funds.....	83-89
Budget and Actual Major Capital Project Fund.....	90-91

**Statistical Section:**

Net Position by Component.....	93
Changes in Net Position.....	94-95
Fund Balances, Governmental Funds.....	96-97
Sales & Use Tax Rates of Direct and Overlapping Governments.....	98
Sales Tax Collected by SIC Code.....	99

**CITY OF SHAWNEE, OKLAHOMA**  
**TABLE OF CONTENTS**  
**JUNE 30, 2014**

---

Water & Sewer Rates.....	100
Water Utility User Categories.....	101
Construction Permits.....	102
Ratios of Outstanding Debt by Type.....	103
Debt Coverage.....	104
Demographic and Economic Statistics.....	105
Ethnic Demographic Statistics.....	106
Principal Employers.....	107
Full-time Equivalent City Government Employees by Function/Program.....	108
Operating Asset Statistics by Function/Program.....	109
Operating Indicators by Function/Program.....	110

**CITY OF SHAWNEE, OKLAHOMA  
TABLE OF CONTENTS  
JUNE 30, 2014**

---

---

THIS PAGE INTENTIONALLY LEFT BLANK

---

## **Introductory Section**



**Mayor**

WES MAINORD



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

PO Box 1448  
Shawnee Oklahoma 74802-1448  
405-878-1610

**Commissioners**

PAM STEPHENS  
JOHN WINTERRINGER  
JAMES HARROD  
LINDA AGEE  
KEITH HALL  
STEVE SMITH

December 17, 2014

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

In accordance with State Statutes and the Charter of the City of Shawnee, Oklahoma, the Comprehensive Annual Financial Report for the fiscal year 2014 is submitted herewith. Responsibility for the accuracy of the data and the thoroughness and fairness of presentation in including all disclosures rests with the City of Shawnee. We believe the data, as presented is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs have been included.

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

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

**PROFILE OF THE CITY**

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

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

## GOVERNMENTAL STRUCTURE

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

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

## ECONOMIC CONDITION AND OUTLOOK

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

The City is almost solely dependent on sales and use tax to fund all general government operations. Approximately 64% of the City's General Fund revenues are provided by sales and use tax. This is lower this year than in the past because of two large grants that the city received; the COPS grant (funded 3 officers) and the SAFR grant (funded 6 firefighters). These taxes are directly affected by the state of the local economy and their use is often restricted by voter approval. As a result, it is a volatile revenue source from a budget perspective. Further, over the past 10 years, the City's sales tax has not kept up with the cost of salaries, goods and services.

Sales and use tax collected by the City during fiscal year 2013-2014 increased 2.1% or \$405,683 from the previous fiscal year. Current fiscal year sales tax collections received through November, 2014 are down \$76,344 over the same time last year. City staff continues to monitor revenues closely to communicate the current situation to the City Commission. The City also continues its proactive education of residents, contractors, and retailers that sales taxes are collected at the point of delivery. The City during this fiscal year did a sales tax campaign, SHOP SHAWNEE, for the education of our Citizens to show exactly where their tax dollars go and we are engaging partners like the Shawnee Economic Development Foundation and the Greater Shawnee Chamber of Commerce to ensuring their sales tax dollars are used for improvements to the City of Shawnee. Recent adoption of the City's 20 year Capital Improvement Plan has led staff and Commissioners to realize that if the City of Shawnee is going to be able to continue to provide the level of customer service our citizens desire, retail sales tax attraction and economic development need to be top priorities to increase City revenues.

As staff continues to identify possible reductions, the following critical needs within the City of Shawnee Finance will remain in the Fiscal Year 2014-2015 budget:

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

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

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

The City's fiscal year 2014-2015 budget estimates General Fund revenues of \$21,075,106 which the City did not use fund balance to balance the budget this year. As of July 1, 2013, we transitioned to a new pension choice plan which enabled us to balance the budget without fund balance. Also actions by the City Commission to increase the City's contribution towards health insurance and a cost of living increase of 1.5% was achieved within the budget due to the savings of the pension choice plans. With implementation of the salary survey and adjustment to employee salaries a few years ago it had no impact to our budget but has significantly slowed down the employee turnover and this allows the City to have a more stable work environment. Regardless, FY 2015 budget included an unassigned fund balance of greater than 10%.

### **MAJOR INITIATIVES**

As of June 30, 2014, the City has fulfilled their obligation to the Oklahoma Department of Transportation for Kickapoo Street and the project is underway. Total for the project is \$11 million with \$ 4 million coming from the City and the remaining from the Oklahoma Department of Transportation. Estimated time of completion is sometime in 2015.

During fiscal year the City secured a \$3,000,000 loan for the municipal pool. With local contributions and the loan the city is underway to building a \$4.2 million aquatic center. This projected started during the summer of 2014 and will be completed by April 2015 in order to open for next season.

The City purchased 8 vehicles and equipment to support its services and upgrade its fleet. Police and Fire Departments purchased necessary equipment such as rifles, e-ticket machines, radios and bunker gear, a grass rig apparatus and a tag reader that cross references State and Local databases for use in the PD to assist with warrant initiatives.



During Fiscal year 2012 -2013 the Fire Department applied for the SAFER Grant which would allow the City to hire 6 additional firefighters. During the summer of 2013 we received notification that we received the grant and added 6 new firefighters in October 2013. With the additional staff it will decrease the overtime and increase the manning of each shift which will enhance the safety of the fire department and our citizens.

The City expended over \$329,000 on Community Development Block Grant (CDBG) housing rehabilitation and emergency construction for eligible citizens.

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

During fiscal year 2013-2014, the City supported the Shawnee Civic and Cultural Development Authority (Expo Center) with \$520,800 from the general fund for the employees, \$50,000 from the economic development fund and \$100,000 for capital improvements on top of the \$2,365,000 bond for the parking lot and upgrade of the electrical.

The City provided \$196,000 in financial support through a contract with the Shawnee Economic Development Foundation for services provided by that entity. The City passed through \$578,000 in hotel/motel surcharges to the Shawnee Tourism and Visitors Bureau, whose programs increase tourism in the City

The City supported the multi-county library system by paying \$74,000 for utilities and janitorial services for the City-owned building. The City provided \$70,400 for management of the Senior Citizens Center and paid the YMCA \$36,000 to manage the Community Center.

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

Scope includes:

1. Project Management
2. Project Initiation and Data Collection
3. Develop Water Supply and Treatment CIP
4. Develop Water Distribution System CIP
5. Develop Collections System CIP
6. Develop Wastewater Treatment CIP
7. Prepare Comprehensive Master Plan Report

In the budget for 2014-2015 SMA continued with annual pipe bursting of sewer line and water lines, rehabbing clarifiers and screw pumps, purchased new equipment such a new forklift, tapping machine, and a skid steer. We also purchased a special trailer with equipment for the purpose of maintaining the SMA water valves. In addition, we hired a GIS Manager to direct the electronic collection of our water and sewer system data.

## AWARDS and ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the first time the city has received the award since June 30, 2006. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.


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

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

Respectfully submitted,



Brian McDougal  
City Manager



Cynthia R Sementelli  
Finance Director

City of Shawnee, Oklahoma

List of Principal Officials

June 30, 2014

Mayor and City Council

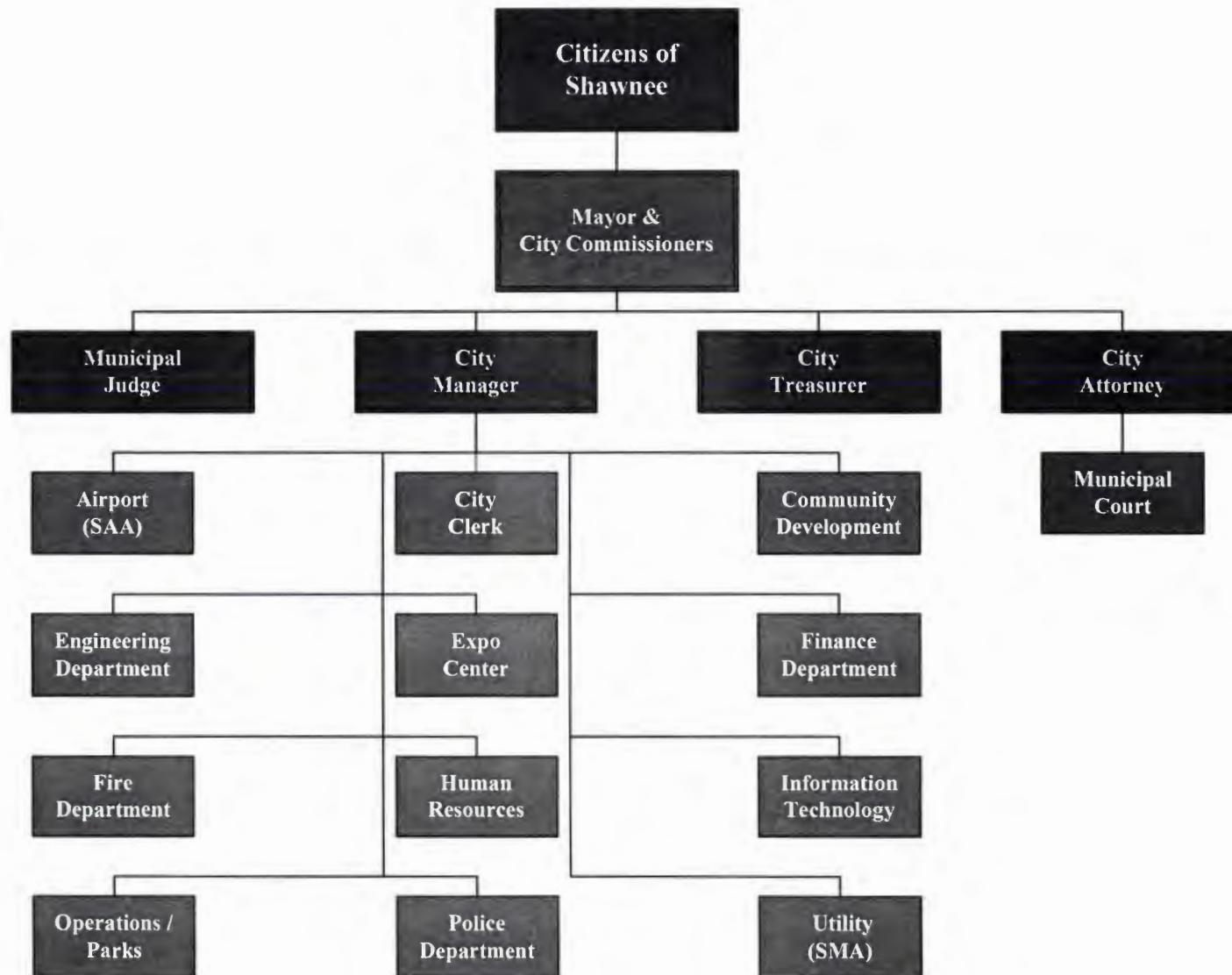
Wes Mainord	Mayor
James Harrod	Vice Mayor
Keith Hall	Councilmember
Steve Smith	Councilmember
Pam Stevens	Councilmember
John Winterringer	Councilmember
Linda Agee	Councilmember

Administration

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

# City of Shawnee Administrative Organizational Chart

Updated January 23, 2013





Government Finance Officers Association

---

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

---

Presented to

**City of Shawnee  
Oklahoma**

---

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is fluid and cursive.

Executive Director/CEO



## **Financial Section**

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Shawnee, 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 did not audit the financial statements of Shawnee Civic and Cultural Development Authority which represent 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Shawnee Civic and Cultural Development Authority, are based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 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 funding schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

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

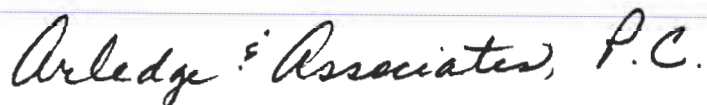
The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 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 17, 2014



As Management of the City of Shawnee, we offer readers this narrative overview and analysis of the financial activities of the City of Shawnee for the fiscal year ended June 30, 2014. We encourage readers to use this information in conjunction with the City's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

- The City's total net position increased by \$3.7 million or 4.2% from the prior year and the assets and deferred outflows of the City continued to exceed its liabilities and deferred inflows at June 30, 2014, by \$92.4 million (net position).
- Of the \$92.4 million in net position, \$77.4 million is the net investment in capital assets. Another \$12.1 million is restricted for capital projects, debt service, economic development, and public safety. The current unrestricted net position for governmental activities is approximately \$362,000 and unrestricted net position of the business-type activities is \$2.6 million. Thus, the City has approximately \$2.9 million in unrestricted net position available to spend at the City's discretion.
- At June 30, 2014, the City's governmental funds reported combined ending fund balances of \$19.4 million. Of this amount, \$12.6 million is restricted by outside sources and enabling legislation, and \$.3 million is assigned to projects by management.
- At June 30, 2014, enterprise funds reported \$44.0 million of net position. Of this amount, \$2.6 million is unrestricted, \$38.9 million is the net investment in capital assets, and \$2.5 million is restricted for debt service.
- The Shawnee Municipal Authority (SMA) issued the 2013 Sales Tax Revenue Note for \$3,040,000 to finance capital improvements including the construction of water park. The note is secured with a pledge of seven-eighths of one percent (0.875%) sales tax.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

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



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

*Governmental funds* - Most of the City's basic services are reported in governmental funds, which focus on near-term inflows and outflows of spendable resources, as well as spendable resources available at the end of the fiscal year. These funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic service it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following the Governmental Fund financial statements.

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

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

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

#### **Notes to the Financial Statements**

The Notes to the Financial Statements on pages 33-65 provide additional information that is essential to gain understanding of the data provided in the government-wide and fund financial statements.

#### **Other Information**

The City has included other information (OI), on pages 1-8, the letter of transmittal and the 10-year statistical tables beginning on page 93. The Required Supplementary Information (RSI) section, starting on page 68, reports the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – and the related Notes to the Required Supplementary Information on Budgetary Accounting and Control for the fiscal year ended June 30, 2014. Also

**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**CITY OF SHAWNEE, OKLAHOMA**  
**JUNE 30, 2014**

reported here is the City's Defined Benefit Pension Plan Funding Schedules at June 30, 2014, and actuarial information related to the City's Other Postemployment Benefits (OPEB).

Other Supplementary Information (SI) is provided on pages 73-90. Other Supplementary Information contains combining schedules on general fund and combining statement of non-major governmental funds.

## THE CITY AS A WHOLE

For the year ended June 30, 2014, Net position for the governmental activities and business-type activities increased \$3.7 million. The results indicate the City, as a whole, improved its financial condition from the prior year.

Following is a summary of net position for the City of Shawnee as of June 30, 2014 and June 30, 2013:

TABLE 1  
NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2014	2013		2014	Restated, 2013		2014	Restated, 2013	
Current assets	\$ 22,317	\$ 17,420	28%	\$ 7,786	\$ 8,814	-12%	\$ 30,103	\$ 26,234	15%
Capital assets, net	40,944	37,764	8%	59,371	59,299	0%	100,315	97,063	3%
<b>Total assets</b>	<b>63,261</b>	<b>55,184</b>	<b>15%</b>	<b>67,157</b>	<b>68,113</b>	<b>-1%</b>	<b>130,418</b>	<b>123,297</b>	<b>6%</b>
Deferred outflows	-	-	-	686	798	-14%	686	798	-14%
Current liabilities	4,003	3,536	13%	4,546	3,405	34%	8,549	6,941	23%
Non-current liabilities	10,775	6,652	62%	19,295	21,775	-11%	30,070	28,427	6%
<b>Total liabilities</b>	<b>14,778</b>	<b>10,188</b>	<b>45%</b>	<b>23,841</b>	<b>25,180</b>	<b>-5%</b>	<b>38,619</b>	<b>35,368</b>	<b>9%</b>
Net position									
Net investment capital assets	38,530	37,074	4%	38,890	37,686	3%	77,420	74,760	4%
Restricted	9,590	7,819	23%	2,533	1,092	132%	12,123	8,911	36%
Unrestricted	363	103	252%	2,579	4,953	-48%	2,942	5,056	-42%
<b>Total net position</b>	<b>\$ 48,483</b>	<b>\$ 44,996</b>	<b>8%</b>	<b>\$ 44,002</b>	<b>\$ 43,731</b>	<b>1%</b>	<b>\$ 92,485</b>	<b>\$ 88,727</b>	<b>4%</b>

As shown in Table 1 above, the largest portion of the City's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. This year the net investment in capital assets amounted to \$77.4 million. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net position, \$12.1 million, represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position, may be used to meet the government's ongoing obligations to citizens and creditors. The total unrestricted net position is a positive amount, the governmental unrestricted net position having a balance of \$361,918, or a 252% increase over the prior year, primarily due to an increase in operational transfers from the SMA. The business-type activities has a positive unrestricted net position of \$2.6 million due to charges for services exceeding cost in the water and wastewater functions. The airport function had significant capital grants received in the current year for taxiway improvements. The lake function did not cover its cost in fiscal year 2014 due to tornado damage in late FY 2013 to docks and other facilities at the lake that kept the lake facilities closed and activities limited during FY 2014 as repairs were made.



**Changes in Net Position:**

Table 2 (shown on the next page) summarizes the City's changes in net position for fiscal year 2012-2013 compared to fiscal year 2013-2014.

Fiscal year 2013-2014 governmental and business-type activities increased the City's net position by \$3.7 million compared to an increase of \$4.5 million from the previous fiscal year. Fiscal year 2013-2014 tax revenues totaled \$20.9 compared to \$20.6 million fiscal year 2012-2013 as the local economy began to show a slight improvement. Sales and use tax and franchise taxes were up slightly over the previous year. Capital grant and contributions decreased 37% over the prior year, as the city completed several grant funded projects. The most significant capital grant related to capital grants for construction and improvements at the airport totaling \$1.9 million in FY 2013. Transfer to governmental funds from the SMA increased 311% due to the movement of loan proceeds in the prior year which were not recurring.

**TABLE 2**  
**CHANGES IN NET POSITION (In Thousands)**

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2014	2013		2014	Restated, 2013		2014	Restated, 2013	
<b>Revenues</b>									
Charges for service	\$ 1,112	\$ 1,353	-18%	\$ 13,602	\$ 14,246	-5%	\$ 14,714	\$ 15,599	-6%
Operating grants and contributions	3,801	2,381	60%	7	10	-30%	3,808	2,391	59%
Capital grants and contributions	861	50	1621%	396	1,955	-80%	1,257	2,005	-37%
Taxes	20,894	20,609	1%	-	-	-	20,894	20,609	1%
Intergovernmental revenue	317	327	-3%	-	-	-	317	327	-3%
Investment income	56	41	37%	58	45	29%	114	86	33%
Miscellaneous	351	341	3%	592	14	4129%	943	355	166%
<b>Total revenues</b>	<b>27,392</b>	<b>25,102</b>	<b>9%</b>	<b>14,655</b>	<b>16,270</b>	<b>-10%</b>	<b>42,047</b>	<b>41,372</b>	<b>2%</b>
<b>Expenses</b>									
General government	3,230	3,522	-8%	-	-	-	3,230	3,522	-8%
Public safety	14,702	14,441	2%	-	-	-	14,702	14,441	2%
Streets	3,574	3,385	6%	-	-	-	3,574	3,385	6%
Culture and recreation	1,426	1,083	32%	-	-	-	1,426	1,083	32%
Community development	709	667	6%	-	-	-	709	667	6%
Economic development	1,288	1,401	-8%	-	-	-	1,288	1,401	-8%
Water	-	-	-	5,927	5,735	3%	5,927	5,735	3%
Wastewater	-	-	-	2,817	2,877	-2%	2,817	2,877	-2%
Sanitation	-	-	-	2,047	1,650	24%	2,047	1,650	24%
Administration	-	-	-	554	585	-5%	554	585	-5%
Airport	-	-	-	1,535	1,417	8%	1,535	1,417	8%
Lake	-	-	-	480	250	92%	480	250	92%
<b>Total expenses</b>	<b>24,929</b>	<b>24,499</b>	<b>2%</b>	<b>13,360</b>	<b>12,514</b>	<b>7%</b>	<b>38,289</b>	<b>37,013</b>	<b>3%</b>
Excess (deficiency) before transfers	2,463	603	308%	1,295	3,756	-66%	3,758	4,359	-14%
Transfers	1,024	249	311%	(1,024)	(249)	311%	-	-	-
<b>Change in net position</b>	<b>3,487</b>	<b>852</b>	<b>309%</b>	<b>271</b>	<b>3,507</b>	<b>-92%</b>	<b>3,758</b>	<b>4,359</b>	<b>-14%</b>
<b>Beginning net position, restated</b>	<b>44,996</b>	<b>44,144</b>	<b>2%</b>	<b>43,731</b>	<b>40,224</b>	<b>9%</b>	<b>88,727</b>	<b>84,368</b>	<b>5%</b>
<b>Ending net position</b>	<b>\$ 48,483</b>	<b>\$ 44,996</b>	<b>8%</b>	<b>\$ 44,002</b>	<b>\$ 43,731</b>	<b>1%</b>	<b>\$ 92,485</b>	<b>\$ 88,727</b>	<b>4%</b>



### Governmental Activities

The City's governmental activities (as shown in Table 2 above) increased net position by \$3.5 million representing a 309% increase in net position. The increase is due to the transfer of debt proceeds to the capital project fund from the SMA.

Increases in capital grants in the Governmental activities are due to public safety equipment donations from the LESO program.

Culture and recreation expenses increased due to expanded programs and repairs to facilities from the May 2013 tornado.

### Business-type Activities

The business-type activities' increase in net position of approximately \$271,000 represents a 92% decrease from the change in net position of the prior year. Capital grants decreased due to the completion of airport projects.

Lake operational cost increased due to significant cleanup cost from tornado damage. Sanitation costs increased due to changes in the sanitation contract related to a recycling program. Transfers to governmental activities increased due to transfer of debt proceeds.

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

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	<u>2014</u>	<u>2013</u>		<u>2014</u>	<u>2013</u>	
General government	\$ 3,230	\$ 3,522	-8%	\$ (2,876)	\$ (3,126)	-8%
Public safety	14,702	14,441	2%	(11,396)	(11,942)	-5%
Streets	3,574	3,385	6%	(3,049)	(3,105)	-2%
Culture, parks and recreation	1,426	1,083	32%	(347)	(1,079)	-68%
Community development	709	667	6%	(226)	(94)	140%
Economic development	1,288	1,401	-8%	(1,261)	(1,369)	-8%
<b>Total</b>	<u>\$ 24,929</u>	<u>\$ 24,499</u>	2%	<u>(\$19,155)</u>	<u>\$ (20,715)</u>	-8%

Tables 3 and 4 summarize the total cost of providing services from governmental activities and business-type activities for fiscal years 2014 and 2013. Total costs of services provided by governmental activities totaled \$24.9 and \$24.5 million for fiscal years 2014 and 2013, respectively.

Total costs of services provided by business-type activities totaled \$13.4 million for fiscal year 2014 and \$12.5 million for fiscal year 2013.

**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	Restated 2013		2014	Restated 2013	
Water	\$ 5,927	\$ 5,735	3%	\$ 1,121	\$ 2,182	-49%
Wastewater	2,817	2,877	-2%	1,135	1,081	5%
Sanitation	2,047	1,650	24%	(121)	146	-183%
Administration	554	586	-5%	(554)	(586)	-5%
Airport	1,535	1,417	8%	(548)	1,025	-153%
Lake	480	250	92%	(387)	(151)	156%
<b>Total</b>	<u>\$ 13,360</u>	<u>\$ 12,515</u>	<u>7%</u>	<u>\$ 646</u>	<u>\$ 3,697</u>	<u>-83%</u>

#### 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 \$19.4 million. The enterprise funds reported combined net position of \$44.0 million. The fund balance constraints and net position restrictions are listed below:

##### Governmental Funds:

##### Fund Balance:

Nonspendable	\$1,500	
Restricted	12,604,440	
Assigned	<u>305,382</u>	
Total governmental fund balance constraints		<u>\$12,911,322</u>

##### Proprietary Funds:

##### Net Position Restrictions:

Debt service	\$2,533,205	
Total proprietary fund net position restrictions		<u>\$2,533,205</u>

**Other Fund Highlights Include:**

- For the year ended June 30, 2014, the General Fund's total fund balance increased by \$302,475 or 4.7 percent.
- General fund fire department total expenditures include \$924,174 and police department total expenditures include \$343,935 for pension payments made on behalf of the City by the State. The total amount of \$1,268,109 has been included as both revenue and expenditures of the City for the year ended June 30, 2014.
- The Street Improvement Fund's total fund balance increased by \$1.3 million because sales tax collections exceeded street improvements in the current year.
- The Capital Improvement Fund's total fund balance increased by \$3.1 million because the city issued debt of \$2,065,746 and the proceeds had not been spent at June 30.
- The Shawnee Municipal Authority reported a net income of \$1,843,321 before contributed capital, transfers in, and transfers out.

**General Fund Budgetary Highlights**

Fiscal year 2014 General Fund revenues of \$17.9 million were \$294,295 above budgeted revenues of \$17.6 million. This resulted from grants and intergovernmental revenues exceeding budgeted amounts.

Fiscal year 2014 General Fund expenditures were .13% above budgeted expenditures.

**CAPITAL ASSETS & DEBT ADMINISTRATION**

**Capital Assets**

At the end of June 30, 2014, the City had \$100.3 million invested in capital assets including land, buildings, machinery and equipment, park facilities, water, sewer and stormwater systems, roads and bridges, net of accumulated depreciation. This represents a net increase of \$3.2 million from last year.

Below are details regarding the change in the City's capital assets for the year ending June 30, 2014.<sup>1</sup>

---

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

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

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$ 2,262	\$ 2,262	\$ 1,482	\$ 1,481	3,744	3,743
Buildings	6,306	5,935	8,509	9,502	14,815	15,437
Machinery, furniture and equipment	5,047	3,997	2,595	2,969	7,642	6,966
Infrastructure	22,886	21,794	33,457	32,104	56,343	53,898
Water rights	-	-	12,968	12,968	12,968	12,968
Construction in progress	4,443	3,776	361	274	4,804	4,050
<b>Totals</b>	<b>\$ 40,944</b>	<b>\$ 37,764</b>	<b>\$ 59,372</b>	<b>\$ 59,298</b>	<b>\$ 100,316</b>	<b>\$ 97,062</b>

This year's more significant capital asset additions include various water, wastewater and street improvement projects as well as upgrades to various city buildings, improvements to the runways and taxiways at the airport.

### Debt Administration

At year-end, the City had \$31.6 million in long-term debt outstanding, which represents a \$3.0 million increase from the prior year. The City, through its blended component unit, the SMA, issued a sales tax revenue note payable for the construction of an aquatic facility for the year ended June 30, 2014. These debts are further detailed below as follows: <sup>2</sup>

**TABLE 6**  
**Long-Term Debt**  
**(In Thousands)**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>		<b>Total</b>
	<b>Activities</b>		<b>Activities</b>				<b>Percentage</b>
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<b>Change</b>
Accrued absences	\$ 2,011	\$ 1,880	\$ 245	\$ 290	\$ 2,256	\$ 2,170	4.0%
Notes payable	3,341	690	20,075	21,612	23,416	22,302	5.0%
Claims and judgments payable	3,833	4,067	-	-	3,833	4,067	-5.8%
Capital leases	2,066	-	-	-	2,066	-	100.0%
<b>Totals</b>	<b>\$ 11,251</b>	<b>\$ 6,637</b>	<b>\$ 20,320</b>	<b>\$ 21,902</b>	<b>\$ 31,571</b>	<b>\$ 28,539</b>	<b>10.6%</b>

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

<sup>2</sup> For more detailed information on long-term debt activity please refer to page 48, Note III.E. Long-Term Debt



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

Grants coordinator  
Sales tax collection monitoring or outsourcing of function  
Additional park personnel to staff the new municipal pool  
Purchasing  
Director of internal operations  
Director of external operations

Total FY 2014-2015 General Fund revenues are estimated at \$19.8 million, including \$2.1 million in transfers from other funds. As noted above, however, sales tax collections, representing approximately 68% percent of the total General Fund revenues are slightly above what was budgeted for.

Total FY 2014-2015 Municipal Authority Utility Revenues are projected at \$15.7 million. This is higher than the previous year due to a rate increase that took place in November 2013. The additional revenue will help fund necessary capital improvements and pay the debt service on the thirty inch waterline and pumps and controls loans.

In March of 2014, the City signed a sales tax rebate agreement with Hunt Properties in Dallas, TX to attract a 400,000 square foot mall facility. The new development will eventually be 400,000 square feet of new retail outlets. Phase I will include \$20 million in new buildings and public improvements such as water and sewer extensions, landscaping, lighting, parking and associated drives which will generate excise tax revenue based on the point of delivery. Phase I is also anticipated to generate \$1,000,000 in new sales tax per year. Under the terms of the agreement the developer is rebated back some of the new sales tax generated. It remains to be seen, however if the Phase I generates its projected sales; if so, the City should see an additional \$400,000 in the coming first full year of sales.

---

## CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

---

---

## **BASIC FINANCIAL STATEMENTS**

**City of Shawnee, Oklahoma**  
**Statement of Net Position**  
**June 30, 2014**

	Governmental Activities	Business-type Activities	Total	Civic & Cultural Development Authority
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,100,633	\$ 5,609,747	\$ 15,710,380	\$ 169,761
Investments	5,905,016	2,278,218	8,183,234	-
Interest receivable	1,631	-	1,631	-
Accounts receivable, net of allowance	564,621	2,388,151	2,952,772	41,082
Notes receivable, net of allowance	645,277	-	645,277	-
Internal balances	2,512,892	(2,512,892)	-	-
Due from other governmental agencies	2,586,051	-	2,586,051	-
Inventories	-	23,264	23,264	-
Prepaid items	1,500	-	1,500	-
Capital assets:				
Land, construction in progress, and water rights	6,704,824	14,810,254	21,515,078	-
Other capital assets, net of depreciation	34,238,877	44,561,002	78,799,879	4,564,784
Unamortized bond issuance costs	-	-	-	-
Total Assets	<u>63,261,322</u>	<u>67,157,744</u>	<u>130,419,066</u>	<u>4,775,627</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Deferred amount on refunding	-	686,292	686,292	-
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	1,460,280	951,851	2,412,131	20,272
Accrued interest payable	20,786	179,378	200,164	-
Due to depositors	-	995,168	995,168	22,990
Due to bondholders	38,880	-	38,880	-
Unearned income	645,277	-	645,277	-
Long-term liabilities				
Due within one year	1,838,011	2,419,395	4,257,406	17,056
Due in more than one year	10,775,212	19,295,651	30,070,863	8,726
Total liabilities	<u>14,778,446</u>	<u>23,841,443</u>	<u>38,619,889</u>	<u>69,044</u>
<b>NET POSITION</b>				
Net investment in capital assets	38,529,546	38,890,334	77,419,880	4,539,002
Restricted for:				
Debt service	140,460	2,533,205	2,673,665	1,589
Public safety	656,521	-	656,521	-
Capital projects	7,580,368	-	7,580,368	-
Economic development	946,696	-	946,696	-
Other	267,367	-	267,367	-
Unrestricted	361,918	2,579,054	2,940,972	165,992
Total net position	<u>\$ 48,482,876</u>	<u>\$ 44,002,593</u>	<u>\$ 92,485,469</u>	<u>\$ 4,706,583</u>

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

**City of Shawnee, Oklahoma**  
**Statement of Activities**  
**Year Ended June 30, 2014**

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			Component Unit Civic & Cultural Development Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary government</b>								
Governmental Activities								
General government	\$ 3,230,079	\$ 163,616	\$ 190,299	\$ -	\$ (2,876,164)	\$ -	\$ (2,876,164)	\$ -
Public safety	14,701,782	743,581	1,765,487	796,624	(11,396,090)	-	(11,396,090)	-
Streets	3,574,272	37,373	423,816	63,969	(3,049,114)	-	(3,049,114)	-
Culture and recreation	1,425,889	43,338	1,035,746	-	(346,805)	-	(346,805)	-
Community development	708,657	96,825	385,928	-	(225,904)	-	(225,904)	-
Economic development	1,287,972	27,367	-	-	(1,260,605)	-	(1,260,605)	-
Total governmental activities	24,928,651	1,112,100	3,801,276	860,593	(19,154,682)	-	(19,154,682)	-
Business-type activities:								
Water	5,927,333	7,047,846	-	-	-	1,120,513	1,120,513	-
Wastewater	2,817,439	3,952,233	-	-	-	1,134,794	1,134,794	-
Sanitation	2,046,895	1,926,114	-	-	-	(120,781)	(120,781)	-
Administration	553,597	-	-	-	-	(553,597)	(553,597)	-
Airport	1,535,208	583,745	7,124	396,650	-	(547,689)	(547,689)	-
Lake	479,545	92,583	-	-	-	(386,962)	(386,962)	-
Total business-type activities	13,360,017	13,602,521	7,124	396,650	-	646,278	646,278	-
Total primary government	\$ 38,288,668	\$ 14,714,621	\$ 3,808,400	\$ 1,257,243	\$ (19,154,682)	646,278	(18,508,404)	
<b>Component Unit</b>								
Civic & Cultural Development	\$ 1,973,972	\$ 1,234,673	\$ 658,755	\$ -	\$ -	-	-	(80,544)
<b>General revenues:</b>								
Taxes:								
Sales and use taxes					18,346,711	-	18,346,711	-
Franchise taxes and public service taxes					1,626,635	-	1,626,635	-
Hotel/motel taxes					578,275	-	578,275	-
Property tax					54,312	-	54,312	-
Payment in lieu of taxes					23,687	-	23,687	-
Other					263,725	-	263,725	-
Intergovernmental revenue not restricted to specific programs					316,870	-	316,870	-
Unrestricted investment earnings					55,541	57,785	113,326	236
Miscellaneous					351,461	591,569	943,030	-
Transfers					1,023,788	(1,023,788)	-	-
Total general revenues and transfers					22,641,005	(374,434)	22,266,571	236
Change in net position					3,486,323	271,844	3,758,167	(80,308)
Net position - beginning, restated					44,996,553	43,730,749	88,727,302	4,786,891
Net position - ending					\$ 48,482,876	\$ 44,002,593	\$ 92,485,469	\$ 4,706,583

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



**City of Shawnee, Oklahoma**  
**Balance Sheet – Governmental Funds**  
**June 30, 2014**

	General Fund	Capital Improvement Fund	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 932,298	\$ 4,312,556	\$ 2,295,937	\$ 2,440,096	\$ 9,980,887
Investments	1,135,160	1,050,974	3,718,882	-	5,905,016
Interest receivable	1,087	211	238	95	1,631
Receivable from other governments	157,176	-	10,000	54,562	221,738
Due from other funds	3,764,206	65,000	-	4,023	3,833,229
Taxes receivable, net	1,766,100	283,138	319,674	175,163	2,544,075
Court fines receivable, net	210,520	-	-	-	210,520
Other receivables	132,111	-	-	688,201	820,312
Prepaid items	1,500	-	-	-	1,500
Total assets	<u>\$ 8,100,158</u>	<u>\$ 5,711,879</u>	<u>\$ 6,344,731</u>	<u>\$ 3,362,140</u>	<u>\$ 23,518,908</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 855,783	\$ 191,590	\$ 167,557	\$ 221,196	\$ 1,436,126
Accrued payroll payable	23,202	-	-	-	23,202
Due to other funds	284,820	1,202,538	-	389,156	1,876,514
Due to bondholders	38,280	-	-	-	38,280
Unearned revenue	-	-	-	645,277	645,277
Total liabilities	<u>1,202,085</u>	<u>1,394,128</u>	<u>167,557</u>	<u>1,255,629</u>	<u>4,019,399</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred revenue	<u>118,973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,973</u>
<b>Fund balances:</b>					
Nonspendable	1,500	-	-	-	1,500
Restricted	-	4,317,751	6,177,174	2,109,515	12,604,440
Assigned	305,382	-	-	-	305,382
Unassigned (deficit)	6,472,218	-	-	(3,004)	6,469,214
Total fund balances	<u>6,779,100</u>	<u>4,317,751</u>	<u>6,177,174</u>	<u>2,106,511</u>	<u>19,380,536</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 8,100,158</u>	<u>\$ 5,711,879</u>	<u>\$ 6,344,731</u>	<u>\$ 3,362,140</u>	<u>\$ 23,518,908</u>

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

**City of Shawnee, Oklahoma**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**June 30, 2014**

Total fund balance, governmental funds	\$	19,380,536
--	----	------------

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		40,943,701
---	--	------------

Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds.		118,973
---	--	---------

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

Interest payable		(20,786)
Net pension obligations		(74,973)
Other post employment benefits		(1,287,692)
Accrued compensated absences		(2,011,379)
Note payable		(3,340,631)
Capital lease payable		(2,065,746)

Internal service funds are used by management to charge costs of certain activities that benefit multiple funds, such as self-insurance, to individual funds. The assets and liabilities of the internal service funds are reported in governmental activities:

Internal service fund net position		(3,159,127)
------------------------------------	--	-------------

Net Position of Governmental Activities in the Statement of Net Position	\$	48,482,876
--	----	------------

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

**City of Shawnee, Oklahoma**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds**  
**Year Ended June 30, 2014**

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Street Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes	\$ 14,283,966	\$ 2,222,125	\$ 2,508,849	\$ 2,145,854	\$ 21,160,794
Intergovernmental	2,320,434	58,490	-	320,388	2,699,312
Licenses and permits	168,986	-	-	775	169,761
Charges for services	224,169	-	-	1,550	225,719
Fees and fines	645,432	-	-	10,036	655,468
Investment earnings	18,781	5,445	30,578	737	55,541
Miscellaneous	213,071	2,044,826	5,479	146,268	2,409,644
Total revenues	<u>17,874,839</u>	<u>4,330,886</u>	<u>2,544,906</u>	<u>2,625,608</u>	<u>27,376,239</u>
<b>EXPENDITURES</b>					
Current:					
General government	3,080,038	-	-	-	3,080,038
Engineering	415,147	-	-	-	415,147
Equipment and building maintenance	438,176	-	-	-	438,176
Police	5,949,244	-	-	3,114	5,952,358
Fire	5,337,455	-	-	-	5,337,455
Municipal court	536,695	-	-	-	536,695
Emergency management	329,579	-	-	-	329,579
Streets	1,164,885	-	-	327,232	1,492,117
Parks and recreation	711,216	-	-	2,545	713,761
Culture and recreation	157,673	-	-	-	157,673
Animal control/E911	817,423	-	-	105,722	923,145
Cemetery	190,676	-	-	-	190,676
Library	88,424	-	-	-	88,424
Economic development	534,346	-	-	1,245,304	1,779,650
Capital Outlay	51	4,935,186	1,702,753	24,197	6,662,187
Debt Service:					
Principal	-	389,365	-	-	389,365
Interest and other charges	-	53,703	-	-	53,703
Total expenditures	<u>19,751,028</u>	<u>5,378,254</u>	<u>1,702,753</u>	<u>1,708,114</u>	<u>28,540,149</u>
Excess (deficiency) of revenues over expenditures	<u>(1,876,189)</u>	<u>(1,047,368)</u>	<u>842,153</u>	<u>917,494</u>	<u>(1,163,910)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from long-term debt	-	5,105,746	-	-	5,105,746
Transfers in	2,178,664	150,000	600,000	-	2,928,664
Transfers out	-	(1,076,212)	(100,000)	(728,664)	(1,904,876)
Total other financing sources and uses	<u>2,178,664</u>	<u>4,179,534</u>	<u>500,000</u>	<u>(728,664)</u>	<u>6,129,534</u>
Net change in fund balances	302,475	3,132,166	1,342,153	188,830	4,965,624
Fund balances - beginning	6,476,625	1,185,585	4,835,021	1,917,681	14,414,912
Fund balances - ending	<u>\$ 6,779,100</u>	<u>\$ 4,317,751</u>	<u>\$ 6,177,174</u>	<u>\$ 2,106,511</u>	<u>\$ 19,380,536</u>

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

**City of Shawnee, Oklahoma**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of**  
**Governmental Funds to the Statement of Activities**  
**Year Ended June 30, 2014**

Net change in fund balances - total governmental funds: \$ 4,965,624

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

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

Capital asset purchases capitalized	6,444,881
Depreciation expense	(3,265,194)

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

Change in deferred revenue	14,947
----------------------------	--------

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Increase in accrued compensated absences	(131,356)
Increase in other post employment benefits	(203,759)
Principal paid on long-term debt	389,365
Note proceeds	(3,040,000)
Lease proceeds	(2,065,746)

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

Change in accrued interest payable	(19,895)
------------------------------------	----------

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

Total change in net position of governmental activities - proprietary funds	397,456
---	---------

Change in net position of governmental activities	\$ 3,486,323
---	--------------

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

**City of Shawnee, Oklahoma**  
**Statement of Net Position – Proprietary Funds**  
**June 30, 2014**

	<b>Enterprise Funds</b>			
	<b>Shawnee Municipal Authority</b>	<b>Shawnee Airport Authority</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 2,972,693	\$ 276,826	\$ 3,249,519	\$ 119,746
Investments	1,105,617	-	1,105,617	-
Restricted:				
Cash and cash equivalents	2,104,384	-	2,104,384	-
Due from other funds	165,930	-	165,930	556,177
Accounts receivable, net	1,852,550	21,081	1,873,631	-
Assessments receivable	2,641	-	2,641	-
Other receivables	-	511,879	511,879	-
Inventories	-	23,264	23,264	-
Total current assets	8,203,815	833,050	9,036,865	675,923
Non-current assets:				
Restricted:				
Cash and cash equivalents	255,844	-	255,844	-
Investments	1,172,601	-	1,172,601	-
Capital assets:				
Land, construction in progress, and water rights	14,049,566	760,688	14,810,254	-
Other capital assets, net of accumulated depreciation	36,334,154	8,226,848	44,561,002	-
Total non-current assets	51,812,165	8,987,536	60,799,701	-
Total assets	60,015,980	9,820,586	69,836,566	675,923
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Unamortized loss on refunding	686,292	-	686,292	-
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	858,640	25,954	884,594	2,248
Salaries payable	65,206	2,051	67,257	-
Accrued interest payable	179,378	-	179,378	-
Due to other funds	1,539,201	1,139,621	2,678,822	-
Deposits subject to refund	995,168	-	995,168	-
Compensated absences	47,377	1,613	48,990	-
Claims and judgments	-	-	-	715,542
Notes payable	2,370,405	-	2,370,405	-
Total current liabilities	6,055,375	1,169,239	7,224,614	717,790
Non-current liabilities:				
Compensated absences, net of current portion	189,508	6,452	195,960	-
Claims and judgments, net of current portion	-	-	-	3,117,260
Net pension obligation	41,463	2,156	43,619	-
Other post employment benefits	259,263	-	259,263	-
Notes payable, net of current portion	18,796,809	-	18,796,809	-
Total non-current liabilities	19,287,043	8,608	19,295,651	3,117,260
Total liabilities	25,342,418	1,177,847	26,520,265	3,835,050
<b>NET POSITION</b>				
Net investment in capital assets	29,902,798	8,987,536	38,890,334	-
Restricted for debt service	2,533,205	-	2,533,205	-
Unrestricted (deficit)	2,923,851	(344,797)	2,579,054	(3,159,127)
Total net position	\$ 35,359,854	\$ 8,642,739	\$ 44,002,593	\$ (3,159,127)

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

**City of Shawnee, Oklahoma**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds**  
**Year Ended June 30, 2014**

	Shawnee Municipal Authority	Shawnee Airport Authority	Total	Internal Service Fund
<b>REVENUES</b>				
Water	\$ 6,880,072	\$ -	\$ 6,880,072	\$ -
Sewer	3,880,121	-	3,880,121	-
Sanitation	1,926,114	-	1,926,114	-
Rents and royalties	6,400	226,674	233,074	-
Fuel sales	-	356,176	356,176	-
Miscellaneous	530,330	895	531,225	650,000
Total operating revenues	<u>13,223,037</u>	<u>583,745</u>	<u>13,806,782</u>	<u>650,000</u>
<b>OPERATING EXPENSES</b>				
General government	553,597	-	553,597	-
Lake	453,996	-	453,996	-
Water	4,042,035	-	4,042,035	-
Wastewater	1,910,957	-	1,910,957	-
Sanitation	1,769,624	-	1,769,624	-
Line maintenance	341,648	-	341,648	-
Airport	-	551,030	551,030	-
Claims expense	-	-	-	303,066
Depreciation	2,092,471	984,178	3,076,649	-
Total operating expenses	<u>11,164,328</u>	<u>1,535,208</u>	<u>12,699,536</u>	<u>303,066</u>
Operating income (loss)	<u>2,058,709</u>	<u>(951,463)</u>	<u>1,107,246</u>	<u>346,934</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest and investment revenue	57,785	-	57,785	-
Miscellaneous revenue	387,308	7,124	394,432	50,522
Interest expense	(660,481)	-	(660,481)	-
Total non-operating revenue (expenses)	<u>(215,388)</u>	<u>7,124</u>	<u>(208,264)</u>	<u>50,522</u>
Income (loss) before contributions and transfers	<u>1,843,321</u>	<u>(944,339)</u>	<u>898,982</u>	<u>397,456</u>
Capital contributions	-	396,650	396,650	-
Transfers in	1,076,212	-	1,076,212	-
Transfers out	(2,100,000)	-	(2,100,000)	-
Change in net position	819,533	(547,689)	271,844	397,456
Total net position - beginning, restated	34,540,321	9,190,428	43,730,749	(3,556,583)
Total net position - ending	<u>\$ 35,359,854</u>	<u>\$ 8,642,739</u>	<u>\$ 44,002,593</u>	<u>\$ (3,159,127)</u>

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



**City of Shawnee, Oklahoma**  
**Statement of Cash Flows – Proprietary Funds**  
**Year Ended June 30, 2014**

	Shawnee Municipal Authority	Shawnee Airport Authority	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 13,758,775	\$ 1,073,352	\$ 14,832,127	\$ 700,522
Payments to suppliers and employees	(8,284,703)	(550,838)	(8,835,541)	-
Claims and judgments paid	-	-	-	(597,320)
Receipts of customer meter deposits	222,625	-	222,625	-
Refunds of customer meter deposits	(163,300)	-	(163,300)	-
Interfund receipts	(162,605)	-	(162,605)	-
Interfund payments	(1,934)	(510,771)	(512,705)	-
Net cash provided by operating activities	<u>5,368,858</u>	<u>11,743</u>	<u>5,380,601</u>	<u>103,202</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	1,076,212	-	1,076,212	-
Transfers to other funds	(2,100,000)	-	(2,100,000)	-
Net cash provided by (used in) noncapital financing activities	<u>(1,023,788)</u>	<u>-</u>	<u>(1,023,788)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(3,641,227)	(11,743)	(3,652,970)	-
Principal paid on debt	(1,537,251)	-	(1,537,251)	-
Interest and fiscal agent fees paid on debt	(670,989)	-	(670,989)	-
Net cash provided by (used in) capital and related financing activities	<u>(5,849,467)</u>	<u>(11,743)</u>	<u>(5,861,210)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(4,168)	-	(4,168)	-
Interest and dividends	57,785	-	57,785	-
Net cash provided by investing activities	<u>53,617</u>	<u>-</u>	<u>53,617</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(1,450,780)	-	(1,450,780)	103,202
Balances - beginning of year	<u>6,783,701</u>	<u>276,826</u>	<u>7,060,527</u>	<u>16,544</u>
Balances - end of year	<u>\$ 5,332,921</u>	<u>\$ 276,826</u>	<u>\$ 5,609,747</u>	<u>\$ 119,746</u>
<b>Reconciliation to Statement of Net Position:</b>				
Cash and cash equivalents	\$ 2,972,693	\$ 276,826	\$ 3,249,519	\$ 119,746
Restricted cash and cash equivalents - current	2,104,384	-	2,104,384	-
Restricted cash and cash equivalents - noncurrent	255,844	-	255,844	-
Total cash and cash equivalents, end of year	<u>\$ 5,332,921</u>	<u>\$ 276,826</u>	<u>\$ 5,609,747</u>	<u>\$ 119,746</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 2,058,709	\$ (951,463)	\$ 1,107,246	\$ 346,934
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	2,092,471	984,178	3,076,649	-
Miscellaneous revenue	387,308	403,774	791,082	50,522
Loss on disposal	503,881	-	503,881	-
Change in assets and liabilities:				
Due from other funds	(162,605)	-	(162,605)	-
Due from other governments	-	(104,880)	(104,880)	-
Due to other funds	(1,934)	(510,771)	(512,705)	-
Accounts receivable	142,881	(20,503)	122,378	-
Other receivable	-	211,216	211,216	-
Assessments receivable	5,549	-	5,549	-
Inventory	-	21,763	21,763	-
Accounts payable	270,552	(2,635)	267,917	(60,277)
Accrued payroll payable	(19,752)	776	(18,976)	-
Deposits subject to refund	59,325	-	59,325	-
Claims and judgments liability	-	-	-	(233,977)
Other post employment benefits	57,958	-	57,958	-
Accrued compensated absences	(25,485)	(19,712)	(45,197)	-
Net cash provided by operating activities	<u>\$ 5,368,858</u>	<u>\$ 11,743</u>	<u>\$ 5,380,601</u>	<u>\$ 103,202</u>

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

**City of Shawnee, Oklahoma**  
**Statement of Net Position – Fiduciary Fund**  
**As of June 30, 2014**

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

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



THIS PAGE INTENTIONALLY LEFT BLANK

## I. Organization

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

## II. Summary of significant accounting policies

### A. Reporting entity

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

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

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

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

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

**Discretely presented component unit.** Shawnee Civic & Cultural Development Authority (SCCDA) was created January 5, 1976, to acquire by lease and to operate, regulate and administer all physical properties, real or personal which shall be of public use or of civic and/or cultural benefit or incident to carry out an authority or proper function of the City of Shawnee, the beneficiary of the SCCDA. The governing body consists of seven members; the City Manager of the City of Shawnee, four (4) citizens representing the general public to be selected by the governing board of the Beneficiary, and two (2) residents of Pottawatomie County appointed by the Commissioners of Pottawatomie County and approved by the SCCDA trustees. Any issuance of debt requires a two-thirds approval of the City Commission.

NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2014

---

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

The SCCDA has adopted a December 31 year-end to better represent its business cycle. Accordingly, the financial information contained in these financial statements for the SCCDA is as of December 31, 2013 and for the year then ended.

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

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

#### **B. Government-wide and fund financial statements**

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

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

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

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

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



**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2014**

---

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

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

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

The City reports the following fund types:

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

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

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

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

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

The funds of the financial reporting entity are described below:

**The City reports the following major governmental funds:**

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

---

**The City reports the following major proprietary funds:**

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

**The City also reports the following fund type:**

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

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

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

**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2014**

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

**The City maintains one fiduciary fund:**

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

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

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

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



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

**1. Deposits and investments**

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

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

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

**2. Receivable and payable**

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

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

**3. Restricted assets**

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

**4. Inventories**

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

## 5. *Capital Assets*

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

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

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

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

## 6. *Compensated absences*

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

## 7. *Long-term obligations*

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statements of Net Position. Bond premiums and discounts are unearned and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of bond premium or discount. Deferred amount on refundings are amortized over the shorter of the life of the new debt or the remaining life of the refunded debt. Deferred amounts are shown as deferred inflows or outflows.

## 8. Fund equity

### *Government-Wide and Proprietary Fund Financial Statements:*

Net Position is displayed in three components:

- a. *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. *Restricted Net Position* - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted Net Position* - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

### *Governmental Fund Financial Statements:*

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

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



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

## E. REVENUES, EXPENDITURES AND EXPENSES

### 1. Sales Tax

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

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

### *Property Tax*

Under State statutes, municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonded debt approved by voters and any court-assessed judgments. For the year ended June 30, 2014, the City did not levy a tax.

### *Program Revenues*

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

General government	Licenses and permits and state operating and capital grants
Public safety	Fines and forfeitures, court cost and fees, fire protection fees, animal control fees, and operating and capital grants
Streets	Permits, motor fuel and commercial vehicle revenue, capital and operating grants
Culture and recreation	Lake permits, park and recreation fees, state operating and capital grants
Community development	Zoning charges and Community Development Block Grants
Economic development	Rental fees and grants

---

*Pledge of Future Revenues*

*Sales Tax Pledge* - The City has pledged seven-eighths of one penny (or .875%) of future sales tax revenues to repay \$1,480,000 and \$2,365,000 of Series 2011A and 2011B Sales Tax Revenue Notes and \$3,040,000 of Series 2013 Sales Tax Revenue Note. Proceeds from the notes provided financing for capital assets. The notes are payable from pledged sales tax revenues. The notes are payable through fiscal year 2017 and 2020, respectively. The total principal and interest payable for the remainder of the life of these notes is \$3,599,765. Pledged sales taxes received in the current year were \$5,017,689. Debt service payments of \$1,064,948 for the current fiscal year were 22.2 % of pledged sales taxes.

*Utility Revenues Pledge* - The City has also pledged future gross water and wastewater revenues to repay \$1,073,279 of 1997A Series OWRB Notes Payable, \$7,780,000 of 2010A OWRB notes Payable, \$1,485,000 of 2010 OWRB Notes Payable, and \$12,070,000 of 2013 OWRB Notes Payable. Proceeds from the notes provided financing for utility system capital assets. The notes are payable through 2026, 2016, 2031, and 2022, respectively. The total principal and interest payable for the remainder of the life of these notes is \$22,317,418. The notes are payable from the above-mentioned utility revenues. The debt service payments on the notes this year were \$1,582,806 which was 14.7% of pledged utility revenues of \$10,760,193.

*Expenditures and Expenses*

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

**F. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES**

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

*Fund Financial Statements:*

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

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



**NOTES TO FINANCIAL STATEMENTS**  
**CITY OF SHAWNEE, OKLAHOMA**  
**YEAR ENDED JUNE 30, 2014**

*Government-Wide Financial Statements:*

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

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

**G. USE OF ESTIMATES**

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

**III. Detailed notes on all funds**

**A. Deposits and investments** – The City held the following deposits/investments at June 30, 2014:

**PRIMARY GOVERNMENT:**

*Schedule of Deposits and Investments by Type*

Type	Fair Value	Credit Rating	Maturities in Years			
			On Demand	Less Than One	1 - 5	6 - 10
Demand accounts	\$ 4,082,075	n/a	\$ 4,082,075	\$ -	\$ -	\$ -
Time deposits	7,010,633	n/a	-	2,296,617	4,714,016	-
Money market mutual fund	11,478,826	AAAm	-	11,478,826	-	-
Money market mutual fund	154,097	not available	-	154,097	-	-
FNMA	1,172,601	AAA	-	1,172,601	-	-
Sub-total	23,898,232		\$ 4,082,075	\$ 15,102,141	\$ 4,714,016	\$ -
Cash on hand	2,250					
Total Investments and Deposits	\$ 23,900,482					
Reconciliation to Statement of Net Assets:						
Cash and cash equivalents	\$ 15,710,380					
Investments	8,183,234					
Agency fund cash and cash equivalents	6,868					
	\$ 23,900,482					

NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2014

---

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City requires that all deposits be collateralized by either FDIC insurance or pledged collateral. At June 30, 2014 the City's deposits were fully insured.

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

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

The City complied with this policy in all material respects.

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

*Concentration of Credit Risk.* Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from this consideration.

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

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

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

The City complied with this policy in all material respects.

**NOTES TO FINANCIAL STATEMENTS**  
**CITY OF SHAWNEE, OKLAHOMA**  
**YEAR ENDED JUNE 30, 2014**

**COMPONENT UNIT:**

The SCCDA was not exposed to custodial credit risk at June 30, 2014. The \$169,761 of cash and cash equivalents was invested in cash deposits and interest-bearing certificate of deposit fully insured by Federal Depository Insurance (FDIC) or direct obligations of the U.S. government. The SCCDA does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. There is no limit placed on the amount it may invest in any one issuer and is exposed to concentration of credit risk by being 100% invested in money market funds.

**B. Receivables**

Receivables as of June 30, 2014, for the City of Shawnee's governmental funds, including the applicable allowances for uncollectible accounts are as follows:

	Accounts Receivable	Less: Allowance for Uncollectible Accounts	Net Accounts Receivable
Governmental Activities:			
Taxes	\$ 2,544,075	\$ -	\$ 2,544,075
Due from other governments	221,738	-	221,738
Court fines	2,105,198	(1,894,678)	210,520
Other	819,616	-	819,616
Total Governmental Activities	<u>\$ 5,690,627</u>	<u>\$ (1,894,678)</u>	<u>\$ 3,795,949</u>
Reconciliation to Statement of Net Position:			
Accounts receivable, net			\$ 564,621
Due from other governmental agencies			2,586,051
Notes receivable, net			645,277
Total			<u>\$ 3,795,949</u>
Business-Type Activities:			
Utilities	<u>\$ 3,496,332</u>	<u>\$ (1,108,181)</u>	<u>\$ 2,388,151</u>

**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2014**

**C. Restricted assets**

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

Type of Restricted Assets	Current	Noncurrent		Total
	Cash and Cash Equivalents	Cash and Cash Equivalents	Investments	
Due to Depositors	\$ 820,246	\$ -	\$ -	\$ 820,246
Trustee Accounts:				
OWRB 2013 Debt Service Account	1,151,615	-	-	1,151,615
OWRB 2010 Debt Service Account	112,717	-	-	112,717
OWRB 2010A Debt Service Account	19,806	-	-	19,806
OWRB 2013 Debt Service Reserve	-	255,844	1,172,601	1,428,445
Total Restrictd Assets	<u>\$ 2,104,384</u>	<u>\$ 255,844</u>	<u>\$ 1,172,601</u>	<u>\$ 3,532,829</u>

**D. Capital Assets**

The following is a summary of changes in capital assets during fiscal year 2014 for the primary government:

**PRIMARY GOVERNMENT:**

	Balance at July 1, 2013	Additions	Disposals	Balance at June 30, 2014
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 2,261,793	\$ -	\$ -	\$ 2,261,793
Construction in progress	3,776,206	1,910,333	1,243,508	4,443,031
Total capital assets not being depreciated	<u>6,037,999</u>	<u>1,910,333</u>	<u>1,243,508</u>	<u>6,704,824</u>
Other capital assets:				
Buildings	12,615,248	1,078,791	-	13,694,039
Machinery, furniture and equipment	14,438,006	2,439,678	192,459	16,685,225
Infrastructure	43,844,821	2,259,587	-	46,104,408
Total other capital assets at historical cost	<u>70,898,075</u>	<u>5,778,056</u>	<u>192,459</u>	<u>76,483,672</u>
Less accumulated depreciation for:				
Buildings	6,679,967	708,550	-	7,388,517
Machinery, furniture and equipment	10,441,021	1,389,706	192,459	11,638,268
Infrastructure	22,051,072	1,166,938	-	23,218,010
Total accumulated depreciation	<u>39,172,060</u>	<u>3,265,194</u>	<u>192,459</u>	<u>42,244,795</u>
Other capital assets, net	<u>31,726,015</u>	<u>2,512,862</u>	<u>-</u>	<u>34,238,877</u>
Governmental activities capital assets, net	<u>\$ 37,764,014</u>	<u>\$ 4,423,195</u>	<u>\$ 1,243,508</u>	<u>\$ 40,943,701</u>



**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2014**

	Balance at July 1, 2013	Additions	Disposals	Balance at June 30, 2014
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,481,715	\$ -	\$ -	\$ 1,481,715
Water rights	12,967,959	-	-	12,967,959
Construction in progress	273,968	150,253	63,641	360,580
Total capital assets not being depreciated	14,723,642	150,253	63,641	14,810,254
Other capital assets:				
Buildings	18,995,518	11,743	-	19,007,261
Machinery, furniture and equipment	6,508,967	136,967	48,721	6,597,213
Utility property	55,703,958	3,417,647	663,000	58,458,605
Total other capital assets at historical cost	81,208,443	3,566,357	711,721	84,063,079
Less accumulated depreciation for:				
Buildings	9,493,856	1,004,377	-	10,498,233
Machinery, furniture and equipment	3,539,866	511,534	48,721	4,002,679
Utility property	23,599,547	1,560,738	159,120	25,001,165
Total accumulated depreciation	36,633,269	3,076,649	207,841	39,502,077
Other capital assets, net	44,575,174	489,708	503,880	44,561,002
Business-type activities capital assets, net	\$ 59,298,816	\$ 639,961	\$ 567,521	\$ 59,371,256

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

Governmental Activities:

General government	\$ 198,972
Culture and recreation	560,880
Community development	42,988
Public safety	1,016,207
Public works	1,446,147
	<u>\$ 3,265,194</u>

Business-Type Activities:

Water	\$ 851,128
Wastewater	906,482
Sanitation	282,776
Administration	26,536
Lake	25,549
Airport	984,178
	<u>\$3,076,649</u>

**COMPONENT UNIT:**

	Balance, January 1, 2013	Increases	Decreases	Balance, December 31, 2013
<b>Shawnee Civic and Cultural Development Authority:</b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 10,182,603	\$ 72,249	\$ -	\$ 10,254,852
Equipment	649,908	35,506	-	685,414
Total capital assets, being depreciated	10,832,511	107,755	-	10,940,266
Less accumulated depreciation	(6,089,008)	(286,474)	-	(6,375,482)
Governmental activities capital assets, net	\$ 4,743,503	\$ (178,719)	\$ -	\$ 4,564,784



NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2014

---

**E. Long-term debt**

Long-term liabilities of the City of Shawnee as of June 30, 2014, are summarized as follows:

**Governmental activities**

**Sales Tax Revenue Notes:**

\$1,480,000 2011A Sales Tax Revenue Note, to a financial institution, dated December 15, 2011, payable semi-annually each June and December, interest at 1.55%, through December 1, 2016. The Shawnee Municipal Authority collects funding from the capital improvement fund in the form of sales tax transferred to liquidate this liability. Debt is divided between governmental and business type activities with 65% governmental and 35% business type. \$ 495,631

\$3,040,000 2013 Sales Tax Revenue Note, to a financial institution, dated August 15, 2013, payable semi-annually each September and March, interest at 2.43%, through September 1, 2020. The Shawnee Municipal Authority collects funding from the capital improvement fund in the form of sales tax transferred to liquidate this liability. 2,845,000

Total sales tax revenue notes payable \$ 3,340,631

Current portion \$ 399,365

Noncurrent portion 2,941,266

\$ 3,340,631

**Capital Lease Payable:**

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

Current portion \$ 320,828

Noncurrent portion 1,744,918

\$ 2,065,746

**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2014**

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

\$	2,011,379
Current portion	\$ 402,276
Noncurrent portion	1,609,103
	\$ 2,011,379

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

\$	3,832,802
Current portion	\$ 715,542
Noncurrent portion	3,117,260
	\$ 3,832,802

**Business-type Activities**

Notes payable:

\$12,070,000 Series 2013A OWRB FAP Loan dated April 1, 2013, payable in semiannual installments ranging from \$330,000 to \$1,470,000, interest from 2.4% to 5.4% through September 15, 2022, to refund the 2003 note. The Shawnee Municipal Authority typically has been used to liquidate this liability. \$ 11,475,000

\$1,073,279 1997A SFR Promissory Note to Oklahoma Water Resources Board, dated September, 2, 1997, payable in annual installments to \$57,000, with no interest and a 0.05% administrative fee. The Shawnee Municipal Authority typically has been used to liquidate this liability. 141,221

\$7,780,000 2010 Promissory Note to Oklahoma Water Resources Board, dated June 25, 2010, payable in semiannual installments of approximately \$194,500, Interest at 3.15%. The Shawnee Municipal Authority typically pays this liability. 5,876,862

\$1,485,000 2010A Promissory Note to Oklahoma Water Resources Board, dated October 14, 2010, payable in semiannual installments of approximately \$63,120, Interest at 2.76%. The Shawnee Municipal Authority typically pays this liability. 1,062,395

**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2014**

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

269,369

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

1,250,000

Total notes payable before bond premium

\$ 20,074,847

Bond premium

1,092,367

Total notes payable

\$ 21,167,214

Current portion

\$ 2,370,405

Noncurrent portion

18,796,809

\$ 21,167,214

Accrued compensated absences. The Shawnee Municipal and Airport Authorities typically have been used to liquidate this liability.

\$ 244,950

Current portion

\$ 48,990

Noncurrent portion

195,960

\$ 244,950

**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2014**

Long-term liability transactions for the year ended June 30, 2014 and changes therein were as follows:

<u>Type of Debt</u>	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Capital lease payable	\$ -	\$ 2,065,746	\$ -	\$ 2,065,746	\$ 320,828
Notes payable	689,996	3,040,000	389,365	3,340,631	399,365
Claims and judgments	4,066,779	-	233,977	3,832,802	715,542
Accrued compensated absences	1,880,023	131,356	-	2,011,379	402,276
Total Governmental Activities	<u>\$ 6,636,798</u>	<u>\$ 5,237,102</u>	<u>\$ 623,342</u>	<u>\$ 11,250,558</u>	<u>\$ 1,838,011</u>
				Add: OPEB obligation	1,287,692
				Add: Net Pension obligation	74,973
					<u>\$ 12,613,223</u>
<b>Business-Type Activities:</b>					
Notes Payable	\$ 21,612,098	\$ -	\$ 1,537,251	\$ 20,074,847	\$ 2,370,405
Accrued compensated absences	290,147	-	45,197	244,950	48,990
Total Business-Type Activities	<u>21,902,245</u>	<u>-</u>	<u>1,582,448</u>	<u>\$ 20,319,797</u>	<u>2,419,395</u>
				Add: OPEB obligation	259,263
				Add: Net Pension obligation	43,619
				Add: Unamortized premium	1,092,367
					<u>\$ 21,715,046</u>
<b>Total Long-Term Debt</b>	<u>\$ 28,539,043</u>	<u>\$ 5,237,102</u>	<u>\$ 2,205,790</u>	<u>\$ 34,328,269</u>	<u>\$ 4,257,406</u>

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

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>		<u>Governmental Activities</u>	
	<u>Notes Payable</u>		<u>Capital Lease</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 399,365	\$ 73,595	\$ 320,828	\$ -
2016	621,500	60,524	270,574	50,254
2017	530,750	47,133	278,367	42,461
2018	440,000	35,843	286,383	34,444
2019	450,000	25,090	294,631	26,196
2020-2024	899,016	16,949	614,963	26,692
	<u>\$ 3,340,631</u>	<u>\$ 259,134</u>	<u>\$ 2,065,746</u>	<u>\$ 180,047</u>



**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2014**

Fiscal Year Ending June 30	Business-Type Activities	
	Notes Payable	
	Principal	Interest
2015	\$ 2,370,405	\$ 460,080
2016	2,424,124	557,254
2017	2,149,035	492,065
2018	1,440,493	442,289
2019	1,481,398	428,186
2020-2024	6,917,251	1,097,920
2025-2029	2,287,077	303,249
2030-2032	1,005,064	33,794
	<u>\$ 20,074,847</u>	<u>\$ 3,814,837</u>

### Water Agreement

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

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

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

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



**NOTES TO FINANCIAL STATEMENTS**  
**CITY OF SHAWNEE, OKLAHOMA**  
**YEAR ENDED JUNE 30, 2014**

**Interfund receivables, payables, and transfers**

The composition of interfund balances as of June 30, 2014 is as follows:

Receivable Fund	Payable Fund	Amount	Nature of Interfund Balance
* General	* SMA	\$ 1,253,766	Construction projects
* General	Library Fund	8,160	Negative pooled cash
General	Sister Cities	1,250	Negative pooled cash
Worker's Comp Fund	* General	273,383	Self insurance funding
Worker's Comp Fund	* SMA	282,794	Self insurance funding
* General	Capital Improvement	1,202,538	Negative pooled cash
* General	CDBG & Home Grants Fund	227,894	Negative pooled cash
* SMA	Hotel/Motel Fund	161,262	Posting correction
* General Fund	Shawnee Airport Authority	1,074,621	Negative pooled cash
SMA	Water	2,641	Revenue posted to incorrect fund
* SMA	* General	2,027	Posting correction
Capital Improvement Fund	Shawnee Airport Authority	65,000	Federal grant match on future projects
		<u>\$ 4,555,336</u>	

**Reconciliation to Fund Financial Statements:**

	Due From	Due to	Net Interfund Balances
Governmental Funds	\$ 3,833,229	\$ 1,876,514	\$ 1,956,715
Proprietary Funds	165,930	2,678,822	(2,512,892)
Internal Service Funds	556,177	-	556,177
	<u>\$ 4,555,336</u>	<u>\$ 4,555,336</u>	<u>\$ -</u>

\* Denotes major fund.

A summary of interfund transfers for the fiscal year ended June 30, 2014 is as follows:

Transfer From	Transfer To	Amount	Purpose of Transfer
* SMA	* General	\$ 1,120,833	Operating subsidy
Police Tax Fund	* General	356,832	A Restricted sales tax transfer
Fire Tax Fund	* General	356,832	A Restricted sales tax transfer
* Street Improvement Fund	* General	100,000	Engineering services for capital projects
* SMA	* General	229,167	Debt service
* Capital Improvement Fund	* SMA	1,076,212	Debt service
* SMA	* Capital Improvement Fund	150,000	Capital cost
* SMA	* Street Improvement	600,000	Capital cost
Economic Development Fund	* General Fund - Sister Cities	15,000	A Sister Cities program support
Total		<u>\$ 4,004,876</u>	

**Reconciliation to Fund Financial Statements:**

	Transfers In	Transfers Out	Net Transfers
Governmental Funds	\$ 2,928,664	\$ (1,904,876)	\$ 1,023,788
Proprietary Funds	1,076,212	(2,100,000)	(1,023,788)
	<u>\$ 4,004,876</u>	<u>\$ (4,004,876)</u>	<u>\$ -</u>

\* Denotes major fund.

Sum A Non Major transfer in \$ 728,664

**NOTES TO FINANCIAL STATEMENTS**  
**CITY OF SHAWNEE, OKLAHOMA**  
**YEAR ENDED JUNE 30, 2014**

**G. Net Position/Fund Equity**

*Government-Wide and Proprietary Fund Financial Statements*

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

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

Fund	Restricted By	Amount
<b>Governmental Activities:</b>		
Tax Increment Financing Fund	Enabling legislation	\$ 518,957
		<u>\$ 518,957</u>
Cemetery Fund	Statutory requirements	\$ 175,716
E911 Fund	Statutory requirements	553,185
Drug Forfeiture Fund	Statutory requirements	7,899
		<u>\$ 736,800</u>
CDBG Fund	External sources	\$ 194,495
Gifts and Contributions	External sources	91,651
Police Sales Tax Fund	External sources	47,661
Fire Sales Tax Fund	External sources	47,776
Hotel/Motel Fund	External sources	36,251
Economic Development Fund	External sources	196,993
94 Street Improvement Fund	External sources	77,667
Capital Projects Fund	External sources	1,325,527
Street Improvement Fund	External sources	6,177,174
Debt Service Fund	External sources	140,460
		<u>\$ 8,335,655</u>
Total Governmental Restricted		<u>\$ 9,591,412</u>
<i>Reconciliation to Statement of Net Position:</i>		
Restricted for:		
Debt service		\$ 140,460
Public Safety		656,521
Capital projects		7,580,368
Economic development		946,696
Other		267,367
Total Governmental Restricted		<u>\$ 9,591,412</u>
<b>Business Type Activities:</b>		
Debt Service Reserves	Enabling legislation	\$ 2,533,205

NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2014

*Governmental Fund Financial Statements:*

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

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

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

	General Fund	Street Improvement Fund	Capital Improvement Fund	Other Governmental Funds	Total
Fund Balance:					
Nonspendable:					
Prepaid items	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500</u>
Restricted for:					
Street improvements	-	6,177,174	-	77,667	6,254,841
Fire operations	-	-	-	47,776	47,776
Police operations	-	-	-	47,661	47,661
Debt service	-	-	-	161,264	161,264
Capital improvements	-	-	4,317,751	-	4,317,751
Culture and rec programs	-	-	-	91,651	91,651
Cemetery improvements	-	-	-	175,716	175,716
Police - drug programs	-	-	-	7,899	7,899
Emergency operations	-	-	-	553,185	553,185
Economic development	-	-	-	946,696	946,696
Sub-total restricted	<u>-</u>	<u>6,177,174</u>	<u>4,317,751</u>	<u>2,109,515</u>	<u>12,604,440</u>
Assigned for:					
Community development	264,729	-	-	-	264,729
Senior citizens programs	21,147	-	-	-	21,147
Animal shelter	19,506	-	-	-	19,506
Sub-total assigned	<u>305,382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>305,382</u>
Unassigned (deficit)	6,472,218	-	-	(3,004)	6,469,214
TOTAL FUND BALANCE	<u>\$ 6,779,100</u>	<u>\$ 6,177,174</u>	<u>\$ 4,317,751</u>	<u>\$ 2,106,511</u>	<u>\$ 19,380,536</u>

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

Capital Improvement Fund	\$366,863
Street Improvement Fund	\$863,116

NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2014

*Prior Year Restatement:*

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

	SMA Enterprise Funds and Business- Type Activities
Beginning net position as previously reported	\$ 43,431,887
Overstatement of interest payable	298,862
Beginning net position as restated	<u>\$ 43,730,749</u>

#### H. Postemployment Healthcare Plan

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

*Funding Policy.* The contribution requirements of plan members and the City are established by the City Council. Annual health insurance premium amounts are established by the third party insurance provider. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2014, the actuarially expected City contribution in the form of net age adjustment was \$124,000 to the Plan. Plan members receiving benefits contributed \$224,633 of the total premiums, through their payment of the full carrier determined premium in FY 2014.

*Annual OPEB Cost and Net OPEB Obligation.* The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of thirty years. The following table shows the components of the City's annual OPEB cost, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the year ended June 30, 2014:



**NOTES TO FINANCIAL STATEMENTS**  
**CITY OF SHAWNEE, OKLAHOMA**  
**YEAR ENDED JUNE 30, 2014**

Normal cost	\$ 218,238
Amortization of Actuarial Accrued Liability (AAL)	176,292
Annual Required Contribution (with Interest)	394,530
Interest on Net OPEB Obligation	35,824
Adjustment to the ARC	(44,635)
Annual OPEB cost (expense)	385,719
Employer Contributions of FY 14	(124,000)
Net OPEB obligation—beginning of year	1,285,236
Net OPEB obligation—end of year	<u>\$1,546,955</u>

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

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/09	\$333,228	23.1%	\$256,228
6/30/10	\$333,228	26.7%	\$500,456
6/30/11	\$349,530	25.2%	\$761,986
6/30/12	\$349,530	25.2%	\$1,023,518
6/30/13	\$385,718	32.1%	\$1,285,236
6/30/14	\$385,718	32.1%	\$1,546,955

*Funded Status and Funding Progress.* As of July 1, 2012, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability (AAL) for benefits was \$3.91 million, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$3.91 million. The covered payroll (annual payroll of active employees covered by the plan) was \$10.40 million, and the ratio of the UAAL to the covered payroll was 37.4 percent. Because the plan is a substantive plan there are no plan assets.

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

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

NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2014

In the July 1, 2012, actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 3.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the Plan at the valuation date, and an annual healthcare cost trend rate of 8.5 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after ten years. Inflation rate assumed is 3%. The UAAL is being amortized over 30 years based on a level percent-of-pay open-period basis. The remaining amortization period at July 1, 2012, was thirty years. As of the date of this valuation, there are no plan assets. Retiree premiums are paid as they come due from general operating assets of the City.

#### IV. Other Information

##### A. Risk management

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

##### Claims Liability Analysis

The claims liabilities related to the above noted risk of loss that is retained is determined in accordance with Generally Accepted Accounting Principles, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. For the internal service self-insurance workers' compensation fund, changes in the claims liability for the City from July 1, 2012 to June 30, 2014, are as follows:

##### CLAIMS LIABILITY ANALYSIS

Claims liability, June 30, 2012	\$ 4,066,779
Claims and changes in estimates	785,826
Claims payments	<u>(785,826)</u>
Claims liability, June 30, 2013	4,066,779
Claims and changes in estimates	303,066
Claims payments	<u>(537,043)</u>
Claims liability, June 30, 2014	<u><u>\$ 3,832,802</u></u>



**B. Commitments and contingent liabilities**

***Grant Program Involvement***

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

The Oklahoma Housing Finance Agency requires the City to maintain records supporting the banked program income that is necessary for participation in the Home Grant Program. As of June 30, 2014, the City's records indicate that the City's program income match of the Home Grant Program totaled \$645,277.

***Litigation***

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

***Construction Commitments***

The following construction project commitments were outstanding at June 30, 2014:

<b>Fund/Project</b>	<b>Balance Remaining at June 30, 2014</b>
A/C City Hall	\$ 107,815
Scanning System	41,719
Sidewalk Handicap ADA	86,013
Asphalt rehabilitation	401,791
Fire Truck	289,955

***Sales Tax Rebate Agreement***

The city has entered into an agreement with the developer of the Shawnee Marketplace, a retail development, for an economic development incentive in the form of a sales tax rebate. The development will have approximately 125,000 square feet of retail space. Under the terms of the agreement, the city agrees to provide the developer, in the form of a rebate, an amount not to exceed \$3,750,000 in sales tax generated from the Project. The rebate will be provided based upon 2% of taxable sales generated from the project for six years, then 1.5% of sales for an additional three year for a total of nine years with a maximum of \$3,750,000, whichever comes first. The city only has to rebate the sales tax generated. The developer is not entitled to a rebate on occupants that relocated from another location within the city limits to the development. As of June 30, 2014, the project was under construction and no sales tax was being generated from the development.

**C. Employee retirement systems and pensions plans**

The City of Shawnee participates in the Oklahoma State Police Pension and Retirement System and the Oklahoma State Firefighters' Pension and Retirement System, both of which are cost-sharing multiple-employer defined benefit pension plans administered by the State of Oklahoma. Copies of the State of Oklahoma sponsored multiple-employer plans and a schedule of funding progress is available, for each from the respective Plan. The State of Oklahoma is responsible for any funding deficiencies. Additionally, for other City employees not covered by the other plans, the City of Shawnee maintains the Oklahoma Municipal Retirement Fund, an agent multiple employer defined benefit pension plan.

Oklahoma State Police Pension and Retirement System (OPPRS)

Plan Description – The OPPRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The ability to establish and amend benefit provisions is delegated to the administrators of the OPPRS. The OPPRS issues a publicly available financial report that includes financial statements and required supplementary information for the police employees of the City. That report may be obtained by writing to the Oklahoma State Police Pension and Retirement System, 1001 N.W. 63<sup>rd</sup> Street, Suite 305, Oklahoma City, Oklahoma 73116-7335, or by calling (405) 840-3555.

Funding Policy – Plan members are required to contribute 8.0% of their annual covered salary, and the City of Shawnee contributes 13.0% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by the state legislature. Contributions to the OPPRS for the year ended June 30, 2014, for employees and employer were \$228,357 and \$379,367, respectively, on covered payroll of \$2,854,463. The state made on-behalf payments for the police pension system of \$343,935. These on-behalf payments were recognized as both revenue and expenditures in the current fiscal year.

The required employer contributions and actual employer contributions made to OPPRS for the current and past three fiscal years are as follows:

<u>Fiscal year</u>	<u>Required</u>	<u>Contributed</u>
2013-2014	\$379,367	\$379,367
2012-2013	\$388,270	\$388,270
2011-2012	\$352,202	\$352,202

Oklahoma State Firefighters' Pension and Retirement System (OFPRS)

Plan Description – The OFPRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The ability to establish and amend benefit provisions is delegated to the administrators of the OFPRS. The OFPRS issues a publicly available financial report that includes financial statements and required supplementary information for the firefighting employees of the City. That report may be obtained by writing to the Oklahoma State Firefighters' Pension and Retirement System, 4545 North Lincoln Boulevard, Suite 265, Oklahoma City, Oklahoma 73105-3414, or by calling (405) 525-7813.



NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2014

---

Funding Policy – Plan members are required to contribute 9.0% of their annual covered salary, and the City of Shawnee contributes 14.0% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by the state legislature. Contributions to the OFPRS for the year ended June 30, 2014, for employees and employer were \$261,220 and \$420,918, respectively, on covered payroll of \$3,080,578. The state made on-behalf payments for the fire pension system of \$924,174. These on-behalf payments were recognized as both revenue and expenditures in the current fiscal year.

The required employer contributions and actual employer contributions made to OFPRS for the current and past three fiscal years are as follows:

<u>Fiscal year</u>	<u>Required</u>	<u>Contributed</u>
2013-2014	\$420,918	\$420,918
2012-2013	\$390,966	\$390,966
2010-2011	\$388,916	\$388,916

Oklahoma Municipal Retirement Fund Employee Retirement System of Shawnee, Oklahoma

Plan Description – The City maintains a defined benefit retirement plan, the Oklahoma Municipal Retirement Fund Employee Retirement System of Shawnee, Oklahoma (the Plan), which covers employees not covered by other plans, hired prior to July 1, 2013. The Plan operates as a trust maintained by the Oklahoma Municipal Retirement Fund (OMRF). The OMRF board of trustees retains BankOne as custodian to hold the Plan's assets which are invested by various professional managers. OMRF issues separate plan financial statements which may be obtained by contacting the Oklahoma Municipal Retirement Fund, 100 N., Broadway, Oklahoma City, OK 73102.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2014

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

Funding Policy – The amount shown below as the actuarial accrued liability is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the Plan on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits, and is independent of the funding method used to determine contributions to the Plan.

The actuarial accrued liability was computed as part of an actuarial valuation performed as of July 1, 2013. Significant actuarial assumptions used in the valuation include 1) a rate of return on the investment of present and future assets of 7.5% compounded annually, and 2) future salary increases based on the age of the employee.

The Plan's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increases gradually over time so sufficient assets will be available to pay benefits when due. Required contributions are determined using the aggregate entry age normal cost method. Unfunded actuarial accrued liabilities are being amortized as a level percentage of payroll over a closed period of thirty years.

Significant actuarial assumptions used for the Plan are as follows:

Rate of return on investments	7.5% compounded annually
Projected salary increases	5.1% average (a high scale at younger age levels, becoming progressively lower as age advances)
Inflation rate	3% per annum
Post-retirement benefits increases method	Entry age normal cost
Mortality rates – before and after retirement	1994 Mortality Table with projected mortality improvement

For the year ended June 30, 2014, employees were required to contribute 4.25% of annual compensation while the City contributed 18.12%, the actuarially required contribution rate. Contributions to the Plan for the year ended June 30, 2014, for employees and employer were \$139,787 and \$842,919, respectively. For the year ended June 30, 2014, the City's covered payroll was \$4,592,230. Covered payroll refers to all compensation paid by the City of Shawnee to active employees covered by the Plan on which contributions are based.

The actuarially determined contributions for both the employee and the employer for the current and past three fiscal years are as follows:



**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2014**

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2013-2014	\$ 842,919	100%	\$ 118,592
2012-2013	\$ 1,589,995	100%	\$ 118,592
2011-2012	1,465,281	102.6%	132,100

The following schedule shows the change in net pension obligation based on the actuarially required contributions to the plan compared to the actual contributions made by the city:

Annual required contributions (ARC)	\$ 842,919
Interest on NPO	9,577
ARC Adjustment	(9,577)
Annual pension cost for 2014 plan year	\$ 842,919
Actual contributions made	(842,919)
Increase/(decrease) in net pension obligation	-
Beginning of year net pension obligation	118,592
End of year net pension obligation	<u>\$ 118,592</u>

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

The schedule of funding progress for the Plan for the current year is as follows:

Accrual Valuation Date	Value of Assets Available for Benefits	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Percentage Funded	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
1/1/2012	\$ 27,767,179	\$ 34,023,402	\$ 6,256,223	81.6%	\$ 6,218,306	100.6%
1/1/2013	\$ 29,570,473	\$ 35,992,625	\$ 6,422,152	82.2%	\$ 6,633,471	96.8%
1/1/2014	\$ 31,743,185	\$ 36,710,576	\$ 4,967,391	86.5%	\$ 4,119,267	120.6%

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

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

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

NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2014

---

Funding Policy – Benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to participate upon employment, and must make a mandatory minimum pre-tax contribution of 4.25%. Employees are allowed to contribute in excess of the 4.25%; however, these contributions are not pre-tax. Beginning July 1, 2013, by City ordinance, the City, as the employer, is required to make variable contributions to the Plan, based on employees years of service. Employer contributions for employees hired prior to July 1, 2013 were as follows: zero to five years of service 5%, five to ten years of service 10%, and ten or more years of service 15%. Employer contributions for employees hired after July 1, 2013 were as follows: zero to five years of service 3%, five to ten years of service 6%, and ten or more years of service 9%. The employee is fully vested after 7 years of service. City contributions for, and interest forfeited by, employees who leave employment prior to fully vesting are allocated back to remaining eligible participants. The authority to establish and amend the provisions of the Plan rests with the City Commission. Contributions to the Plan for the year ended June 30, 2014, for employees who were hired prior to July 1, 2013 and employer were \$137,601 and \$151,313, respectively on covered wages of \$3,308,328. Contributions for employees hired after July 1, 2013 and employer were \$29,073 and \$20,479, respectively on covered wages of \$643,234.

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

CMO and DH Plan Description – Effective May 1, 2008, the City has also provided a defined contribution plan and trust known as the City of Shawnee Department Head and City Manager Retirement Plan and Trust (the DH Plan) in the form of The Oklahoma Municipal Retirement Fund Master Defined Contribution Plan (OMRF). The DH Plan is administered by JP Morgan Chase Bank of Oklahoma City, Oklahoma. The DH Plan is available to all full-time employees defined as Department Head or City Manager except those participating in the state of Oklahoma fire or police program. Separate audited GAAP – basis financial statements are not available.

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

Funding Policy – ~~Benefits depend solely on amounts contributed to the DH Plan plus investment earnings.~~ Employees are eligible to participate upon employment, and must make a mandatory minimum pre-tax contribution of 3.75% with the police and fire chief contributing 8%. Employees are allowed to contribute in excess of the 8%; however, these contributions are not pre-tax. By City ordinance, the City, as the employer, is required to make at least 5% contributions to the DH Plan and could be higher, based on availability of funds. The employee is fully vested upon employment. The authority to establish and amend the provisions of the DH Plan rests with the City Commission. Contributions to the DH Plan for the year ended June 30, 2014, for employees and employer were \$56,092 and \$63,996, on covered wages of \$1,278,381.



Oklahoma Municipal Retirement Fund Defined Contribution Special Incentive Plan

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

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

Funding Policy – Benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees do not contribute to the plan. By City ordinance, the City, as the employer, is required to make a \$5,000 contribution for each of the five plan years during the period beginning July 1, 2013 and ending July 30, 2018, provided that the employee will be entitled to the employer contribution only if he or she was employed on the last day of the applicable plan year in the same or higher position as he/she had on the effective date of the plan. The employee is fully vested upon five years of service beginning on July 1, 2013, service prior to July 1, 2013 will not be counted. The authority to establish and amend the provisions of the Plan rests with the City Commission. Contributions to the Plan for the year ended June 30, 2014, were not made until July 2014 totaling \$55,000.

City of Shawnee 457 Deferred Compensation Plan (DC Plan)

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

Funding Policy – DC Plan participants may contribute up to \$15,000 of eligible compensation per year. During the year ended June 30, 2014, employees contributed \$245,748 to the DC Plan.

ICMA Retirement Deferred Compensation Plan (the ICMA Plan)

In addition to the above plans, the City of Shawnee offers a retirement plan through ICMA which is totally employee funded. Employee contributions to the ICMA Plan for the year ended June 30, 2014, were \$3,120. Separately audited financial statements are not available.

**D. New Accounting Pronouncements**

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

NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2014

---

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

Statement No. 69, *Government Combinations and Disposals of Government Operations* – GASB No. 69 was issued in January 2013, and establishes accounting and financial reporting standards related to government combinations and disposals of government operations. Government combinations can include a variety of transactions, including mergers, acquisition, and transfers of operations. A disposal of a government's operations results in the removal of specific activities of a government. The requirement of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis.

---

Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – GASB No. 71 was issued in November 2013, and addresses issue in Statement No. 68, *Accounting and Financial Reporting for Pension*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employer and nonemployer contributing entities. The requirements of this Statement should be implemented with Statement 68.

---

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF SHAWNEE, OKLAHOMA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
(BUDGETARY BASIS) BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u> <u>Budgetary Basis</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 14,668,913	\$ 14,303,293	\$ 14,283,966	\$ (19,327)
Licenses and permits	231,690	238,500	159,036	(79,464)
Intergovernmental	1,927,205	1,836,019	2,320,434	484,415
Charges for services	196,929	196,215	224,169	27,954
Fees and fines	838,949	870,500	640,787	(229,713)
Investment earnings	17,200	19,000	18,781	(219)
Miscellaneous	161,567	98,800	209,449	110,649
Total revenues	18,042,453	17,562,327	17,856,622	294,295
<b>EXPENDITURES</b>				
<b>Departmental:</b>				
<i>General Government:</i>				
City manager	532,365	518,411	425,681	92,730
City attorney	247,172	210,040	418,257	(208,217)
Human resources	406,108	409,363	349,201	60,162
City clerk	321,012	323,771	269,649	54,122
Accounting	558,036	562,114	500,398	61,716
Municipal court	576,381	578,756	536,695	42,061
Information services	392,533	395,903	356,699	39,204
Engineering	530,235	535,484	415,147	120,337
Equipment services	354,607	358,763	362,757	(3,994)
Building maintenance	81,268	81,718	75,419	6,299
Total General Government	3,999,717	3,974,323	3,709,903	264,420
<i>Public Safety:</i>				
Police administration	509,161	510,789	487,109	23,680
Police operations	4,633,132	4,676,067	4,781,763	(105,696)
Dispatch	662,403	670,556	592,536	78,020
Criminal investigations	600,709	605,476	583,049	22,427
Unzer Center	95,018	95,493	88,622	6,871
Animal Control	246,766	248,863	226,285	22,578
Code Compliance	787,808	794,301	760,153	34,148
Fire suppression	4,223,672	4,257,993	4,612,119	(354,126)
Fire prevention	585,772	590,905	581,508	9,397
Emergency Management	320,905	322,996	329,579	(6,583)
Fire Training	187,674	187,676	143,814	43,862
L.E.P.C	5,550	5,550	5,562	(12)
Total Public Safety	12,858,570	12,966,665	13,192,099	(225,434)
<i>Street:</i>				
Street	845,509	851,635	907,785	(56,150)
Traffic control	281,915	284,038	257,151	26,887
Total Street	1,127,424	1,135,673	1,164,936	(29,263)
<i>Culture and Recreation:</i>				
Expo Operations	496,940	504,114	515,724	(11,610)
Municipal auditorium	10,000	10,000	16,623	(6,623)
Senior citizens	79,291	79,291	99,767	(20,476)
Community center	45,000	45,000	41,283	3,717
Cemetery	196,079	197,863	190,676	7,187
Parks	697,953	703,633	711,216	(7,583)
Total Culture and Recreation	1,525,263	1,539,901	1,575,289	(35,388)
Total Expenditures	19,510,974	19,616,562	19,642,227	(25,665)
Excess (deficiency) of revenues over expenditures	(1,468,521)	(2,054,235)	(1,785,605)	268,630
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,200,000	2,233,738	2,163,664	(70,074)
Transfers out	(50,640)	-	-	-
Interaccount transfer out	(74,000)	(74,000)	(74,000)	-
Total other financing sources and uses	2,075,360	2,159,738	2,089,664	(70,074)
Net change in fund balances	606,839	105,503	304,059	198,556
Fund balances - beginning	4,364,533	4,364,553	6,184,754	1,820,201
Fund balances - ending	\$ 4,971,372	\$ 4,470,056	\$ 6,488,813	\$ 2,018,757



**CITY OF SHAWNEE, OKLAHOMA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
ON BUDGETARY ACCOUNTING AND CONTROL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**BUDGETARY ACCOUNTING AND CONTROL**

**Budget Law**

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

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

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

General Fund –	
City attorney	\$208,217
Equipment services	3,994
Police operations	105,696
Fire suppression	354,126
Emergency management	6,583
LEPC	12
Street	56,150
Expo operations	11,610
Municipal auditorium	6,623
Senior citizens	20,476
Parks	7,583

**CITY OF SHAWNEE, OKLAHOMA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**ON BUDGETARY ACCOUNTING AND CONTROL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**(Continued)**

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

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

**Budgetary Accounting**

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

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

	General Fund
Total revenue - budgetary basis	\$ 20,020,286
Total expenses - budgetary basis	(19,716,227)
Change in fund balance - budgetary basis	304,059
Add change in fund balance of accounts combined for reporting purposes:	
Revolving Oil and Gas account	9,950
Spay and Neuter account	2,890
Library account	(14,424)
Change in fund balance - GAAP basis	<u>\$ 302,475</u>

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

**CITY OF SHAWNEE, OKLAHOMA  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION PLAN  
FUNDING SCHEDULES  
June 30, 2014**

**I. Schedule of Funding Progress**

<u>Accrual Valuation Date</u>	<u>Value of Assets Available for Benefits</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Percentage Funded</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll</u>
1/1/2014	\$ 31,743,185	\$ 36,710,576	\$ 4,967,391	86.50%	\$ 4,119,267	120.6%
1/1/2013	29,570,473	35,992,625	6,422,152	82.16%	6,633,471	96.8%
1/1/2012	27,767,179	34,023,402	6,256,223	81.61%	6,218,306	100.6%
1/1/2011	26,348,831	32,167,742	5,818,911	81.91%	5,424,459	107.3%
1/1/2010	24,764,099	30,823,183	6,059,084	80.34%	5,792,921	104.6%
1/1/2009	24,092,460	30,145,970	6,053,510	79.92%	5,724,277	105.8%
1/1/2008	24,813,645	28,447,562	3,633,917	87.23%	5,772,950	62.9%
1/1/2007	23,176,682	25,754,610	2,577,928	90.00%	5,378,234	47.9%
1/1/2006	21,914,001	23,744,809	1,830,808	92.30%	4,952,709	37.0%
1/1/2005	21,548,548	22,838,766	1,290,218	94.40%	4,767,083	27.1%

**II. Schedule of Employer Contributions**

<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2014	\$1,546,955	100%
2013	1,589,995	100%
2012	1,465,281	103%

**III. Notes to Required Supplementary Information Pension Plan Funding Schedules**

Covered payroll is the total annualized rate of pay as of the valuation date based on actual pay for the preceding year.

Actuarial method is "Entry Age Normal".

CITY OF SHAWNEE, OKLAHOMA  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POST EMPLOYMENT BENEFITS  
June 30, 2014

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

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



## **SUPPLEMENTARY INFORMATION**

**City of Shawnee, Oklahoma**  
**Combining Balance Sheet – General Fund Accounts**  
**June 30, 2014**

	General Fund	Revolving Oil & Gas	Spay and Neuter	Library	Senior Citizens	Sister Cities	Total General Fund
<b>ASSETS</b>							
Cash and cash equivalents	\$ 626,846	\$ 264,729	\$ 19,576	\$ -	\$ 21,147	\$ -	\$ 932,298
Investments	1,135,160	-	-	-	-	-	1,135,160
Interest receivable	1,087	-	-	-	-	-	1,087
Receivable from other governments	157,176	-	-	-	-	-	157,176
Due from other funds	3,764,206	-	-	-	-	-	3,764,206
Taxes receivable, net	1,766,100	-	-	-	-	-	1,766,100
Court fines receivable, net	210,520	-	-	-	-	-	210,520
Other receivables	132,111	-	-	-	-	-	132,111
Prepaid items	1,500	-	-	-	-	-	1,500
Total assets	<u>7,794,706</u>	<u>264,729</u>	<u>19,576</u>	<u>-</u>	<u>21,147</u>	<u>-</u>	<u>8,100,158</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable	850,028	-	70	5,685	-	-	855,783
Accrued payroll payable	23,202	-	-	-	-	-	23,202
Due to other funds	275,410	-	-	8,160	-	1,250	284,820
Due to bondholders	38,280	-	-	-	-	-	38,280
Total liabilities	<u>1,186,920</u>	<u>-</u>	<u>70</u>	<u>13,845</u>	<u>-</u>	<u>1,250</u>	<u>1,202,085</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred revenue	<u>118,973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,973</u>
<b>Fund balances:</b>							
Nonspendable	1,500	-	-	-	-	-	1,500
Assigned	-	264,729	19,506	-	21,147	-	305,382
Unassigned (deficit)	6,487,313	-	-	(13,845)	-	(1,250)	6,472,218
Total fund balances	<u>6,488,813</u>	<u>264,729</u>	<u>19,506</u>	<u>(13,845)</u>	<u>21,147</u>	<u>(1,250)</u>	<u>6,779,100</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 7,794,706</u>	<u>\$ 264,729</u>	<u>\$ 19,576</u>	<u>\$ -</u>	<u>\$ 21,147</u>	<u>\$ -</u>	<u>\$ 8,100,158</u>

**City of Shawnee, Oklahoma**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – General Fund Accounts**  
**Year Ended June 30, 2014**

	General Fund	Revolving Oil & Gas	Spay and Neuter	Library	Senior Citizens	Sister Cities	Total General Fund
<b>REVENUES</b>							
Taxes	\$ 14,283,966	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,283,966
Intergovernmental	2,320,434	-	-	-	-	-	2,320,434
Licenses and permits	159,036	9,950	-	-	-	-	168,986
Charges for services	224,169	-	-	-	-	-	224,169
Fees and fines	640,787	-	4,645	-	-	-	645,432
Investment earnings	18,781	-	-	-	-	-	18,781
Miscellaneous	209,449	-	-	-	-	3,622	213,071
Total revenues	<u>17,856,622</u>	<u>9,950</u>	<u>4,645</u>	<u>-</u>	<u>-</u>	<u>3,622</u>	<u>17,874,839</u>
<b>EXPENDITURES</b>							
Current:							
General government	3,080,038	-	-	-	-	-	3,080,038
Engineering	415,147	-	-	-	-	-	415,147
Equipment and building maintenance	438,176	-	-	-	-	-	438,176
Police	5,949,244	-	-	-	-	-	5,949,244
Fire	5,337,455	-	-	-	-	-	5,337,455
Municipal court	536,695	-	-	-	-	-	536,695
Emergency management	329,579	-	-	-	-	-	329,579
Streets	1,164,885	-	-	-	-	-	1,164,885
Parks and recreation	711,216	-	-	-	-	-	711,216
Culture and recreation	157,673	-	-	-	-	-	157,673
Animal control/E911	815,668	-	1,755	-	-	-	817,423
Cemetery	190,676	-	-	-	-	-	190,676
Library	-	-	-	88,424	-	-	88,424
Economic development	515,724	-	-	-	-	18,622	534,346
Capital Outlay	51	-	-	-	-	-	51
Total expenditures	<u>19,642,227</u>	<u>-</u>	<u>1,755</u>	<u>88,424</u>	<u>-</u>	<u>18,622</u>	<u>19,751,028</u>
Excess (deficiency) of revenues over expenditures	<u>(1,785,605)</u>	<u>9,950</u>	<u>2,890</u>	<u>(88,424)</u>	<u>-</u>	<u>(15,000)</u>	<u>(1,876,189)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in - interaccount	-	-	-	74,000	-	-	74,000
Transfers out - interaccount	(74,000)	-	-	-	-	-	(74,000)
Transfers in	2,163,664	-	-	-	-	15,000	2,178,664
Total other financing sources and uses	<u>2,089,664</u>	<u>-</u>	<u>-</u>	<u>74,000</u>	<u>-</u>	<u>15,000</u>	<u>2,178,664</u>
Net change in fund balances	304,059	9,950	2,890	(14,424)	-	-	302,475
Fund balances (deficit) - beginning	6,184,754	254,779	16,616	579	21,147	(1,250)	6,476,625
Fund balances (deficit) - ending	<u>\$ 6,488,813</u>	<u>\$ 264,729</u>	<u>\$ 19,506</u>	<u>\$ (13,845)</u>	<u>\$ 21,147</u>	<u>\$ (1,250)</u>	<u>\$ 6,779,100</u>

**City of Shawnee, Oklahoma**  
**Budget versus Actual – General Fund Accounts**  
**Year Ended June 30, 2014**

	Revolving Oil & Gas Fund				Spay and Neuter Fund			
	Budgeted Amounts		Actual Amounts,	Variance with Final	Budgeted Amounts		Actual Amounts,	Variance with Final
	Original	Final	Budgetary Basis	Budget - Positive (Negative)	Original	Final	Budgetary Basis	Budget - Positive (Negative)
<b>REVENUES</b>								
Licenses and permits	\$ 10,250	\$ 10,500	\$ 9,950	\$ (550)	\$ -	\$ -	\$ -	\$ -
Fees and fines	-	-	-	-	7,000	7,000	4,645	(2,355)
Investment earnings	100	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	10,350	10,500	9,950	(550)	7,000	7,000	4,645	(2,355)
<b>EXPENDITURES</b>								
Departmental:								
Animal Control	-	-	-	-	5,500	5,300	1,755	3,545
Economic Development	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-
Fire Prevention	11,000	10,350	-	10,350	-	-	-	-
Senior Citizens	-	-	-	-	-	-	-	-
Total Expenditures	11,000	10,350	-	10,350	5,500	5,300	1,755	3,545
Total Expenditures	11,000	10,350	-	10,350	5,500	5,300	1,755	3,545
Excess (deficiency) of revenues over expenditures	(650)	150	9,950	9,800	1,500	1,700	2,890	1,190
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	-	-
Net change in fund balances	(650)	150	9,950	9,800	1,500	1,700	2,890	1,190
Fund balances (deficit) - beginning	254,279	254,279	254,779	500	16,810	16,810	16,616	(194)
Fund balances (deficit) - ending	\$ 253,629	\$ 254,429	\$ 264,729	\$ 10,300	\$ 18,310	\$ 18,510	\$ 19,506	\$ 996

(continued)



**City of Shawnee, Oklahoma**  
**Budget versus Actual -- General Fund Accounts**  
**Year Ended June 30, 2014**

	Library Fund				Senior Citizens Fund			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and fines	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-	-
<b>EXPENDITURES</b>								
Departmental:								
Animal Control	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Library	83,800	83,800	88,424	(4,624)	-	-	-	-
Fire Prevention	-	-	-	-	-	-	-	-
Senior Citizens	-	-	-	-	600	600	-	600
Total Expenditures	83,800	83,800	88,424	(4,624)	600	600	-	600
Total Expenditures	83,800	83,800	88,424	(4,624)	600	600	-	600
Excess (deficiency) of revenues over expenditures	(83,800)	(83,800)	(88,424)	(4,624)	(600)	(600)	-	600
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	74,000	74,000	74,000	-	-	-	-	-
Total other financing sources and uses	74,000	74,000	74,000	-	-	-	-	-
Net change in fund balances	(9,800)	(9,800)	(14,424)	(4,624)	(600)	(600)	-	600
Fund balances - beginning	15,827	15,827	279	(15,548)	21,219	21,219	21,147	(72)
Fund balances - ending	\$ 6,027	\$ 6,027	\$ (14,145)	\$ (20,172)	\$ 20,619	\$ 20,619	\$ 21,147	\$ 528

(continued)

**City of Shawnee, Oklahoma**  
**Budget versus Actual – General Fund Accounts**  
**Year Ended June 30, 2014**

	<b>Sister Cities Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Fees and fines	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	\$ 16,000	\$ 16,000	\$ 3,622	\$ (12,378)
Total revenues	16,000	16,000	3,622	(12,378)
<b>EXPENDITURES</b>				
Departmental:				
Animal Control	-	-	-	-
Economic Development	31,000	31,000	18,622	12,378
Library	-	-	-	-
Fire Prevention	-	-	-	-
Senior Citizens	-	-	-	-
Total Expenditures	31,000	31,000	18,622	12,378
Total Expenditures	31,000	31,000	18,622	12,378
Excess (deficiency) of revenues over expenditures	(15,000)	(15,000)	(15,000)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	15,000	15,000	15,000	-
Total other financing sources and uses	15,000	15,000	15,000	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	1,191	1,191	(1,250)	(2,441)
Fund balances (deficit) - ending	\$ 1,191	\$ 1,191	\$ (1,250)	\$ (2,441)

**City of Shawnee, Oklahoma**  
**Combining Balance Sheet – Nonmajor Governmental Funds**  
**June 30, 2014**

	Street and Alley Fund	E-911 Fund	Economic Development Fund	Hotel/Motel Fund	Police Sales Tax Fund	Fire Sales Tax Fund	CDBG/Home Grants Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 8,068	\$ 554,296	\$ 160,432	\$ 246,973	\$ 1,960	\$ 2,075	\$ 433,790
Interest receivable	-	-	27	-	34	34	-
Receivable from other governments	-	-	-	-	-	-	54,562
Due from other funds	-	-	-	-	-	-	-
Taxes receivable, net	-	-	36,534	47,295	45,667	45,667	-
Other receivables	23,156	17,355	-	-	-	-	645,277
Total assets	<u>31,224</u>	<u>571,651</u>	<u>196,993</u>	<u>294,268</u>	<u>47,661</u>	<u>47,776</u>	<u>1,133,629</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	34,228	18,466	-	96,755	-	-	65,963
Due to other funds	-	-	-	161,262	-	-	227,894
Unearned revenue	-	-	-	-	-	-	645,277
Total liabilities	<u>34,228</u>	<u>18,466</u>	<u>-</u>	<u>258,017</u>	<u>-</u>	<u>-</u>	<u>939,134</u>
Fund balances:							
Restricted	-	553,185	196,993	36,251	47,661	47,776	194,495
Unassigned (deficit)	(3,004)	-	-	-	-	-	-
Total fund balances	<u>(3,004)</u>	<u>553,185</u>	<u>196,993</u>	<u>36,251</u>	<u>47,661</u>	<u>47,776</u>	<u>194,495</u>
Total liabilities and fund balances	<u>\$ 31,224</u>	<u>\$ 571,651</u>	<u>\$ 196,993</u>	<u>\$ 294,268</u>	<u>\$ 47,661</u>	<u>\$ 47,776</u>	<u>\$ 1,133,629</u>

(continued)

**City of Shawnee, Oklahoma**  
**Combining Balance Sheet – Nonmajor Governmental Funds**  
**June 30, 2014**

	<b>Cemetery Care Fund</b>	<b>Gifts and Contribution Fund</b>	<b>Tax Increment Financing Fund</b>	<b>Drug Forfeiture Fund</b>	<b>1994 Street Improvement Fund</b>	<b>Debt Service Fund</b>	<b>Total Other Governmental Funds</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 178,954	\$ 90,174	\$ 516,544	\$ 7,899	\$ 77,667	\$ 161,264	\$ 2,440,096
Interest receivable	-	-	-	-	-	-	95
Receivable from other governments	-	-	-	-	-	-	54,562
Due from other funds	-	4,023	-	-	-	-	4,023
Taxes receivable, net	-	-	-	-	-	-	175,163
Other receivables	-	-	2,413	-	-	-	688,201
Total assets	<u>178,954</u>	<u>94,197</u>	<u>518,957</u>	<u>7,899</u>	<u>77,667</u>	<u>161,264</u>	<u>3,362,140</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable and accrued liabilities	3,238	2,546	-	-	-	-	221,196
Due to other funds	-	-	-	-	-	-	389,156
Unearned revenue	-	-	-	-	-	-	645,277
Total liabilities	<u>3,238</u>	<u>2,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,255,629</u>
<b>Fund balances:</b>							
Restricted	175,716	91,651	518,957	7,899	77,667	161,264	2,109,515
Unassigned (deficit)	-	-	-	-	-	-	(3,004)
Total fund balances	<u>175,716</u>	<u>91,651</u>	<u>518,957</u>	<u>7,899</u>	<u>77,667</u>	<u>161,264</u>	<u>2,106,511</u>
Total liabilities and fund balances	<u>\$ 178,954</u>	<u>\$ 94,197</u>	<u>\$ 518,957</u>	<u>\$ 7,899</u>	<u>\$ 77,667</u>	<u>\$ 161,264</u>	<u>\$ 3,362,140</u>



**City of Shawnee, Oklahoma**  
**Combing Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds**  
**Year Ended June 30, 2014**

	Street and Alley Fund	E-911 Fund	Economic Development Fund	Hotel/Motel Fund	Police Sales Tax Fund	Fire Sales Tax Fund	CDBG/Home Grants Funds
<b>REVENUES</b>							
Taxes	\$ 291,136	\$ 218,592	\$ 286,727	\$ 578,275	\$ 358,406	\$ 358,406	\$ -
Fees and fines	-	-	-	-	-	-	-
Licenses and permits	775	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	320,388
Charges for services	-	-	-	-	-	-	-
Investment earnings	-	-	228	-	225	284	-
Miscellaneous	5,830	-	-	-	-	-	106,728
Total revenues	<u>297,741</u>	<u>218,592</u>	<u>286,955</u>	<u>578,275</u>	<u>358,631</u>	<u>358,690</u>	<u>427,116</u>
<b>EXPENDITURES</b>							
Current:							
Police	-	-	-	-	-	-	-
Streets	327,232	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Animal Control/E911	-	105,722	-	-	-	-	-
Economic development	-	-	229,667	558,088	-	-	457,549
Capital Outlay	-	14,975	-	-	-	-	1,234
Total Expenditures	<u>327,232</u>	<u>120,697</u>	<u>229,667</u>	<u>558,088</u>	<u>-</u>	<u>-</u>	<u>458,783</u>
Excess (deficiency) of revenues over expenditures	<u>(29,491)</u>	<u>97,895</u>	<u>57,288</u>	<u>20,187</u>	<u>358,631</u>	<u>358,690</u>	<u>(31,667)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers out	-	-	(15,000)	-	(356,832)	(356,832)	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>(356,832)</u>	<u>(356,832)</u>	<u>-</u>
Net change in fund balances	(29,491)	97,895	42,288	20,187	1,799	1,858	(31,667)
Fund balances (deficit) - beginning	26,487	455,290	154,705	16,064	45,862	45,918	226,162
Fund balances (deficit) - ending	<u>\$ (3,004)</u>	<u>\$ 553,185</u>	<u>\$ 196,993</u>	<u>\$ 36,251</u>	<u>\$ 47,661</u>	<u>\$ 47,776</u>	<u>\$ 194,495</u>

(continued)

**City of Shawnee, Oklahoma**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds**  
**Year Ended June 30, 2014**

	Cemetery Care Fund	Gifts and Contribution Fund	Tax Increment Financing Fund	Drug Forfeiture Fund	1994 Street Improvement Fund	Debt Service Fund	Total Other Governmental Funds
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ 54,052	\$ -	\$ -	\$ 260	\$ 2,145,854
Fees and fines	-	-	-	10,036	-	-	10,036
Licenses and permits	-	-	-	-	-	-	775
Intergovernmental	-	-	-	-	-	-	320,388
Charges for services	1,550	-	-	-	-	-	1,550
Investment earnings	-	-	-	-	-	-	737
Miscellaneous	3,025	5,998	-	-	-	23,687	146,268
Total revenues	<u>4,575</u>	<u>5,998</u>	<u>54,052</u>	<u>10,036</u>	<u>-</u>	<u>23,947</u>	<u>2,625,608</u>
<b>EXPENDITURES</b>							
Current:							
Police	-	-	-	3,114	-	-	3,114
Streets	-	-	-	-	-	-	327,232
Parks and recreation	-	2,545	-	-	-	-	2,545
Animal Control/Trill	-	-	-	-	-	-	105,722
Economic development	-	-	-	-	-	-	1,245,304
Capital Outlay	7,988	-	-	-	-	-	24,197
Total Expenditures	<u>7,988</u>	<u>2,545</u>	<u>-</u>	<u>3,114</u>	<u>-</u>	<u>-</u>	<u>1,708,114</u>
Excess (deficiency of revenues over expenditures)	<u>(3,413)</u>	<u>4,453</u>	<u>54,052</u>	<u>6,922</u>	<u>-</u>	<u>23,947</u>	<u>917,494</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers out	-	-	-	-	-	-	(728,664)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(728,664)</u>
Net change in fund balances	(3,413)	4,453	54,052	6,922	-	23,947	188,830
Fund balances (deficit) - beginning	179,129	87,198	64,905	977	77,667	137,317	1,917,681
Fund balances (deficit) - ending	<u>\$ 175,716</u>	<u>\$ 91,651</u>	<u>\$ 118,957</u>	<u>\$ 7,899</u>	<u>\$ 77,667</u>	<u>\$ 161,264</u>	<u>\$ 2,106,511</u>

**City of Shawnee, Oklahoma**  
**Budget versus Actual – Nonmajor Funds**  
**Year Ended June 30, 2014**

	Street And Alley Fund				E-911 Fund			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes	\$ 307,000	\$ 307,000	\$ 291,136	\$ (15,864)	\$ 250,000	\$ 250,000	\$ 218,592	\$ (31,408)
Licenses and permits	1,000	1,000	775	(225)	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Miscellaneous	6,360	6,360	5,830	(530)	-	-	-	-
Total revenues	314,360	314,360	297,741	(16,619)	250,000	250,000	218,592	(31,408)
<b>EXPENDITURES</b>								
Departmental:								
Streets	365,000	365,000	327,232	37,768	-	-	-	-
Animal Control/911	-	-	-	-	198,500	198,500	105,772	92,728
Economic Development	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-
Park and Recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	14,975	(14,975)
Total Expenditures	365,000	365,000	327,232	37,768	198,500	198,500	120,747	77,753
Total Expenditures	365,000	365,000	327,232	37,768	198,500	198,500	120,747	77,753
Excess (deficiency) of revenues over expenditures	(50,640)	(50,640)	(29,491)	21,149	51,500	51,500	97,845	46,345
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	50,640	50,640	-	(50,640)	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources and uses	50,640	50,640	-	(50,640)	-	-	-	-
Net change in fund balances	-	-	(29,491)	(29,491)	51,500	51,500	97,845	46,345
Fund balances (deficit) - beginning	-	-	26,487	26,487	426,735	426,735	455,290	28,555
Fund balances (deficit) - ending	\$ -	\$ -	\$ (3,004)	\$ (3,004)	\$ 478,235	\$ 478,235	\$ 553,135	\$ 74,900

(continued)

**City of Shawnee, Oklahoma**  
**Budget versus Actual – Nonmajor Funds**  
**Year Ended June 30, 2014**

	Economic Development Fund				Hotel/Motel Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final	Budgetary Basis	Budget - Positive (Negative)	Original	Final	Budgetary Basis	Budget - Positive (Negative)
<b>REVENUES</b>								
Taxes	\$ 275,000	\$ 275,000	\$ 286,727	\$ 11,727	\$ 585,333	\$ 585,333	\$ 578,275	\$ (7,058)
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	-	-
Investment earnings	3,000	300	228	(72)	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	278,000	275,300	286,955	11,655	585,333	585,333	578,275	(7,058)
<b>EXPENDITURES</b>								
Departmental:								
Streets	-	-	-	-	-	-	-	-
Animal Control/911	-	-	-	-	-	-	-	-
Economic Development	246,000	246,000	229,667	16,333	583,440	583,440	558,088	25,352
Cemetery	-	-	-	-	-	-	-	-
Park and Recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures	246,000	246,000	229,667	16,333	583,440	583,440	558,088	25,352
Total Expenditures	246,000	246,000	229,667	16,333	583,440	583,440	558,088	25,352
Excess (deficiency) of revenues over expenditures	32,000	29,300	57,288	27,988	1,893	1,893	20,187	18,294
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(15,000)	(15,000)	(15,000)	-	-	-	-	-
Total other financing sources and uses	(15,000)	(15,000)	(15,000)	-	-	-	-	-
Net change in fund balances	17,000	14,300	42,288	27,988	1,893	1,893	20,187	18,294
Fund balances (deficit) - beginning	149,526	149,526	265,806	116,280	60,330	60,330	16,064	(44,266)
Fund balances - ending	\$ 166,526	\$ 163,826	\$ 308,094	\$ 144,268	\$ 62,223	\$ 62,223	\$ 36,251	\$ (25,972)

(continued)



**City of Shawnee, Oklahoma**  
**Budget versus Actual – Nonmajor Funds**  
**Year Ended June 30, 2014**

	Police Sales Tax Fund				Fire Sales Tax Fund			
	Budgeted Amounts		Actual Amounts.	Variance with Final	Budgeted Amounts		Actual Amounts.	Variance with Final
	Original	Final	Budgetary Basis	Budget - Positive (Negative)	Original	Final	Budgetary Basis	Budget - Positive (Negative)
<b>REVENUES</b>								
Taxes	\$ 355,967	\$ 361,253	\$ 358,406	\$ (2,847)	\$ 355,967	\$ 361,253	\$ 358,406	\$ (2,847)
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	-	-
Investment earnings	350	360	225	(135)	350	390	284	(106)
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	356,317	361,613	358,631	(2,982)	356,317	361,643	358,690	(2,953)
<b>EXPENDITURES</b>								
Departmental:								
Streets	-	-	-	-	-	-	-	-
Animal Control/911	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-
Park and Recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	356,317	361,613	358,631	(2,982)	356,317	361,643	358,690	(2,953)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(355,967)	(361,253)	(356,832)	4,421	(355,967)	(361,253)	(356,832)	4,421
Total other financing sources and uses	(355,967)	(361,253)	(356,832)	4,421	(355,967)	(361,253)	(356,832)	4,421
Net change in fund balances	350	360	1,799	1,439	350	390	1,858	1,468
Fund balances (deficit) - beginning	44,727	44,727	45,862	1,135	44,727	44,727	45,918	1,191
Fund balances - ending	\$ 45,077	\$ 45,087	\$ 47,661	\$ 2,574	\$ 45,077	\$ 45,117	\$ 47,776	\$ 2,659

(continued)

**City of Shawnee, Oklahoma**  
**Budget versus Actual – Nonmajor Funds**  
**Year Ended June 30, 2014**

	CDBG/Home Grants Fund			
	Budgeted Amounts		Actual Amounts,	Variance with Final
	Original	Final	Budgetary Basis	Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	427,046	320,388	(106,658)
Charges for services	-	-	-	-
Fees and fines	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	51,000	106,728	55,728
Total revenues	-	478,046	427,116	(50,930)
<b>EXPENDITURES</b>				
Departmental:				
Streets	-	-	-	-
Animal Control/911	-	-	-	-
Economic Development	-	665,642	457,549	208,093
Cemetery	-	-	-	-
Park and Recreation	-	-	-	-
Capital outlay	-	1,234	1,234	-
Total Expenditures	-	666,876	458,783	208,093
Total Expenditures	-	666,876	458,783	208,093
Excess (deficiency) of revenues over expenditures	-	(188,830)	(31,667)	157,163
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	-	(188,830)	(31,667)	157,163
Fund balances (deficit) - beginning	-	226,162	226,162	-
Fund balances - ending	\$ -	\$ 37,332	\$ 194,495	\$ 157,163

	Cemetery Care Fund			
	Budgeted Amounts		Actual Amounts,	Variance with Final
	Original	Final	Budgetary Basis	Budget - Positive (Negative)
	\$ -	\$ -	\$ -	\$ -
	-	-	-	-
	-	-	-	-
	1,500	-	1,550	1,550
	-	-	-	-
	500	-	-	-
	3,000	-	3,025	3,025
	5,000	-	4,575	4,575
	-	-	-	-
	-	-	-	-
	-	-	-	-
	69,778	-	-	-
	-	-	-	-
	-	-	7,988	(7,988)
	69,778	-	7,988	(7,988)
	-	-	-	-
	69,778	-	7,988	(7,988)
	(64,778)	-	(3,413)	(3,413)
	-	-	-	-
	-	-	-	-
	-	-	-	-
	(64,778)	-	(3,413)	(3,413)
	170,255	170,255	179,129	8,874
	\$ 105,477	\$ 170,255	\$ 175,716	\$ 5,461

(continued)

**City of Shawnee, Oklahoma**  
**Budget versus Actual – Nonmajor Funds**  
**Year Ended June 30, 2014**

	Gifts and Contribution Fund				Tax Increment Financing Fund			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 90,000	\$ 90,000	\$ 54,052	\$ (35,948)
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Miscellaneous	74,000	-	6,998	6,998	-	-	-	-
Total revenues	74,000	-	6,998	6,998	90,000	90,000	54,052	(35,948)
<b>EXPENDITURES</b>								
Departmental:								
Streets	-	-	-	-	-	-	-	-
Animal Control/911	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	500	-	500
Park and Recreation	8,000	-	2,545	(2,545)	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures:	8,000	-	2,545	(2,545)	-	500	-	500
Total Expenditures	8,000	-	2,545	(2,545)	-	500	-	500
Excess (inefficiency) of revenues over expenditures	66,000	-	4,453	4,453	90,000	89,500	54,052	(35,448)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	-	-
Net change in fund balances	66,000	-	4,453	4,453	90,000	89,500	54,052	(35,448)
Fund balances (deficit) - beginning	120,085	120,085	87,198	(32,887)	378,071	378,071	464,905	86,834
Fund balances - ending	\$ 186,085	\$ 120,085	\$ 91,651	\$ (28,434)	\$ 468,071	\$ 467,571	\$ 518,957	\$ 51,386

(continued)

**City of Shawnee, Oklahoma**  
**Budget versus Actual – Nonmajor Funds**  
**Year Ended June 30, 2014**

	Drug Forfeiture Fund				1994 Street Improvement Fund			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fees and fines	-	-	10,036	10,036	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	-	-	10,036	10,036	-	-	-	-
<b>EXPENDITURES</b>								
Departmental:								
Police	-	-	3,114	(3,114)	-	-	-	-
Streets	-	-	-	-	-	-	-	-
Animal Control/911	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-
Park and Recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures	-	-	3,114	(3,114)	-	-	-	-
Total Expenditures	-	-	3,114	(3,114)	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	6,922	6,922	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	6,922	6,922	-	-	-	-
Fund balances (deficit) - beginning	465	465	977	512	77,667	77,667	77,667	-
Fund balances - ending	\$ 465	\$ 465	\$ 7,899	\$ 7,434	\$ 77,667	\$ 77,667	\$ 77,667	\$ -

(continued)



**City of Shawnee, Oklahoma**  
**Budget versus Actual – Nonmajor Funds**  
**Year Ended June 30, 2014**

	Debt Service Fund			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 260	\$ 260
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fees and fines	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	23,687	23,687
Total revenues	-	-	23,947	23,947
<b>EXPENDITURES</b>				
Departmental:				
Streets	-	-	-	-
Animal Control/911	-	-	-	-
Economic Development	-	-	-	-
Cemetery	-	-	-	-
Park and Recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service	820,000	-	-	-
Total Expenditures	820,000	-	-	-
Total Expenditures	820,000	-	-	-
Excess (deficiency) of revenues over expenditures	(820,000)	-	23,947	23,947
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fundbalances	(820,000)	-	23,947	23,947
Fund balances (deficit) - beginning	86,965	86,965	137,317	50,352
Fund balances - ending	\$ (733,035)	\$ 86,965	\$ 161,264	\$ 74,299

**City of Shawnee, Oklahoma**  
**Budget versus Actual – Major Capital Project Fund – Street Improvement**  
**Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 2,463,697	\$ 2,463,697	\$ 2,508,849	\$ 45,152
Intergovernmental	-	1,175,000	-	(1,175,000)
Investment earnings	25,000	25,000	30,578	5,578
Miscellaneous	-	600,000	5,479	(594,521)
Total revenues	<u>2,488,697</u>	<u>4,263,697</u>	<u>2,544,906</u>	<u>(1,718,791)</u>
<b>EXPENDITURES</b>				
Departmental:				
Streets	<u>4,495,000</u>	<u>4,495,000</u>	<u>1,702,753</u>	<u>2,792,247</u>
Total Streets	<u>4,495,000</u>	<u>4,495,000</u>	<u>1,702,753</u>	<u>2,792,247</u>
Total Expenditures	<u>4,495,000</u>	<u>4,495,000</u>	<u>1,702,753</u>	<u>2,792,247</u>
Excess (deficiency) of revenues over expenditures	<u>(2,006,303)</u>	<u>(231,303)</u>	<u>842,153</u>	<u>1,073,456</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,175,000	-	-	-
Transfers out	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>
Total other financing sources and uses	<u>1,075,000</u>	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>
Net change in fund balances	(931,303)	(231,303)	742,153	973,456
Fund balances - beginning	1,100,000	1,100,000	4,835,021	3,735,021
Fund balances - ending	<u>\$ 168,697</u>	<u>\$ 868,697</u>	<u>\$ 5,577,174</u>	<u>\$ 4,708,477</u>

**City of Shawnee, Oklahoma**  
**Budget versus Actual – Major Capital Project Fund – Capital Improvement Fund**  
**Year Ended June 30, 2014**

	Capital Improvement Fund			
	Budgeted Amounts		Actual Amounts,	Variance with
	Original	Final	Budgetary Basis	Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 2,191,452	\$ 2,191,452	\$ 2,197,979	\$ 6,527
Intergovernmental	-	-	10,000	10,000
Investment earnings	12,500	12,500	7,372	(5,128)
Miscellaneous	-	-	4,493	4,493
Total revenues	<u>2,203,952</u>	<u>2,203,952</u>	<u>2,219,844</u>	<u>15,892</u>
<b>EXPENDITURES</b>				
Departmental:				
Capital outlay	2,232,515	2,818,502	2,503,061	315,441
Debt service	1,711,437	485,131	204,061	281,070
Total Expenditures	<u>3,943,952</u>	<u>3,303,633</u>	<u>2,707,122</u>	<u>596,511</u>
Total Expenditures	<u>3,943,952</u>	<u>3,303,633</u>	<u>2,707,122</u>	<u>596,511</u>
Excess (deficiency) of revenues over expenditures	<u>(1,740,000)</u>	<u>(1,099,681)</u>	<u>(487,278)</u>	<u>612,403</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	150,000	1,740,000	-	(1,740,000)
Transfers out	-	(1,126,306)	(1,126,306)	-
Total other financing sources and uses	<u>150,000</u>	<u>613,694</u>	<u>(1,126,306)</u>	<u>(1,740,000)</u>
Net change in fund balances	(1590,000)	(485,987)	(1,613,584)	(1,127,597)
Fund balances - beginning	1590,000	1,590,000	1,185,585	(404,415)
Fund balances (deficit) - ending	<u>\$ -</u>	<u>\$ 1,104,013</u>	<u>\$ (427,999)</u>	<u>\$ (1,532,012)</u>

THIS PAGE INTENTIONALLY LEFT BLANK



## **Statistical Section**

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

Description	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Governmental Activities:</b>										
Net investment in capital assets	\$ 38,529,546	\$ 37,074,018	\$ 33,531,495	\$ 30,219,139	\$ 30,006,703	\$ 28,019,561	\$ 24,404,593	\$ 22,902,851	\$ 22,334,445	\$ 22,556,528
Restricted for (by):										
Statutory requirements	-	-	594,505	480,406	-	-	-	-	-	-
Enabling legislation	-	-	360,270	286,025	-	-	-	-	-	-
External Contracts	-	-	9,461,282	9,130,185	-	-	-	-	-	-
Capital Projects	7,580,368	5,962,728	-	-	7,248,866	8,296,269	10,172,082	8,486,974	7,346,667	5,248,848
Debt Service	140,460	136,426	-	-	86,965	59,850	137,961	135,131	132,195	126,924
Economic Development	946,696	890,628	-	-	-	-	-	-	-	-
Public Safety	656,521	548,047	-	-	-	-	-	-	-	-
Other purposes	267,367	280,788	-	-	957,074	959,671	838,005	76,062	639,937	611,006
Unrestricted	361,918	90,410	197,163	(1,390,170)	(1,672,770)	(567,612)	(755,666)	178,637	826,114	666,118
<b>Total Governmental Activities Net Position</b>	<b>48,482,876</b>	<b>44,983,045</b>	<b>44,144,715</b>	<b>38,725,585</b>	<b>36,626,838</b>	<b>36,767,739</b>	<b>34,796,975</b>	<b>31,779,655</b>	<b>31,279,358</b>	<b>29,209,424</b>
<b>Business-type Activities:</b>										
Net investment in capital assets	38,890,334	37,685,878	32,822,876	32,163,853	27,294,813	26,879,194	25,863,941	24,677,973	23,851,645	19,117,948
Restricted for:										
Capital Projects	-	-	-	-	-	-	-	-	-	4,173,037
Debt Service	2,533,205	1,380,561	1,814,511	2,586,909	2,874,901	2,575,814	2,312,744	2,609,423	2,547,980	2,585,606
Other purposes	-	-	-	-	-	-	-	-	-	-
Unrestricted	2,579,054	4,365,448	6,039,429	2,390,406	1,851,460	1,184,219	1,248,946	1,556,562	1,543,312	209,377
<b>Total Business-type Activities Net Position</b>	<b>44,002,593</b>	<b>43,431,887</b>	<b>40,676,816</b>	<b>37,141,168</b>	<b>32,021,174</b>	<b>30,639,227</b>	<b>29,425,631</b>	<b>28,843,958</b>	<b>27,942,937</b>	<b>26,085,968</b>
<b>Primary Government:</b>										
Net investment in capital assets	77,419,880	74,759,896	66,354,371	62,382,992	57,301,516	54,898,755	50,268,534	47,580,824	46,186,090	41,674,476
Restricted for:										
Statutory requirements	-	-	594,505	480,406	-	-	-	-	-	-
Enabling legislation	-	-	360,270	286,025	-	-	-	-	-	-
External Contracts	-	-	9,461,282	9,130,185	-	-	-	-	-	-
Capital Projects	7,580,368	5,962,728	-	-	7,248,866	8,296,269	10,172,082	8,486,974	7,346,667	9,421,885
Debt Service	2,673,665	1,516,987	1,814,511	2,586,909	2,961,866	2,635,664	2,450,705	2,744,554	2,680,175	2,712,530
Economic Development	946,696	890,628	-	-	-	-	-	-	-	-
Public Safety	656,521	548,047	-	-	-	-	-	-	-	-
Other purposes	267,367	280,788	-	-	957,074	959,671	838,005	76,062	639,937	611,006
Unrestricted	2,940,972	4,455,858	6,236,592	1,000,236	178,690	616,607	493,280	1,735,199	2,369,426	875,495
<b>Total Primary Government Net Position</b>	<b>\$ 92,485,469</b>	<b>\$ 88,414,932</b>	<b>\$ 84,821,531</b>	<b>\$ 75,866,753</b>	<b>\$ 68,648,012</b>	<b>\$ 67,406,966</b>	<b>\$ 64,222,606</b>	<b>\$ 60,623,613</b>	<b>\$ 59,222,295</b>	<b>\$ 55,295,392</b>

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

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Expenses</b>										
<i>Governmental Activities:</i>										
General Government	\$3,230,079	\$3,524,112	\$2,379,373	\$4,101,214	\$3,944,670	\$2,846,689	\$3,439,459	\$4,636,044	\$3,449,724	\$2,336,909
Public Safety	14,701,782	14,449,249	13,248,594	12,671,815	12,634,067	12,650,222	12,853,792	8,965,391	9,620,606	8,113,937
Streets	3,574,272	3,386,963	3,164,310	2,902,751	3,124,990	3,313,461	2,842,429	1,729,075	1,808,092	5,259,587
Culture and Recreations	1,425,889	1,083,872	1,053,726	847,807	902,767	851,578	883,415	1,213,762	937,539	853,773
Culture and Recreations - payment to component unit	-	-	-	5,752	-	4,655	599,194	-	-	-
Community Development	708,657	667,112	639,533	1,027,018	1,021,716	570,858	749,538	848,097	791,563	685,087
Economic Development	1,287,972	1,401,717	1,165,368	1,072,505	997,909	1,474,623	592,707	513,047	519,386	418,162
Interest on long-term debt	-	-	-	-	218	7,839	16,720	25,093	27,099	-
Total governmental activities expenses	\$24,928,651	\$24,513,025	\$21,650,904	\$22,628,862	\$22,626,337	\$21,719,925	\$21,977,254	\$17,930,509	\$17,154,009	\$17,667,455
<i>Business-type activities:</i>										
Water operations	5,927,333	6,034,550	4,992,323	4,196,550	4,015,398	3,989,454	4,030,444	2,562,623	3,341,064	3,579,342
Wastewater operations	2,817,439	2,877,353	2,458,992	2,274,826	2,329,742	2,142,363	2,165,325	1,429,083	2,718,577	2,324,463
Sanitation operations	2,046,895	1,649,687	1,535,752	1,382,686	1,301,567	1,433,801	1,358,474	1,094,920	1,098,133	986,266
Administration	553,597	585,602	557,451	499,820	436,992	297,960	288,680	2,728,252	-	-
Airport	1,535,208	1,417,058	1,024,896	692,458	626,785	785,268	799,978	452,740	737,099	610,242
Lake	479,545	250,495	105,398	60,293	51,677	53,066	62,568	-	-	-
Total business-type activities expenses	13,360,017	12,814,745	10,674,812	9,106,633	8,762,161	8,701,912	8,705,469	8,267,618	7,894,873	7,500,313
Total primary government expenses	38,288,668	37,327,770	32,325,716	31,735,495	31,388,498	30,421,837	30,682,723	26,198,127	25,048,882	25,167,768
<b>Program Revenues</b>										
<i>Governmental Activities:</i>										
<i>Charges for Services</i>										
General Government	163,616	346,213	189,754	171,081	158,563	189,940	209,397	341,940	346,655	94,764
Public Safety	743,581	887,155	767,900	631,702	583,013	545,105	581,769	599,235	662,280	323,472
Streets	37,373	1,470	1,175	1,400	1,050	1,775	1,425	-	-	-
Culture and Recreations	43,338	-	-	67,115	61,411	62,802	50,894	-	111,474	251,185
Community Development	96,825	89,084	57,516	233,204	189,168	2,708	13,062	-	-	-
Economic Development	27,367	29,446	35,362	26,438	26,438	27,208	26,438	358,729	-	-
Operating Grants and Contributions	3,801,276	2,380,524	2,272,136	2,181,109	2,199,222	2,299,687	2,741,741	907,372	1,182,899	666,854
Capital Grants and Contributions	860,593	50,417	278,920	121,431	202,322	211,941	1,488,846	153,661	387,037	754,884
Total governmental activities program revenues	5,773,969	3,784,309	3,602,763	3,433,480	3,421,187	3,341,166	5,113,572	2,360,937	2,690,345	2,091,159
<i>Business-type Activities:</i>										
Water operations	7,047,846	7,916,456	7,432,629	5,835,562	4,644,827	4,477,762	4,046,028	3,951,642	4,441,134	4,232,605
Wastewater operations	3,952,233	3,957,896	3,810,280	3,676,708	3,078,392	2,469,053	2,310,330	2,254,804	2,435,353	2,399,874
Sanitation operations	1,926,114	1,795,760	1,795,949	1,762,621	1,716,919	1,614,641	1,458,525	1,158,968	1,078,654	1,058,947
Airport	583,745	476,369	432,636	400,047	410,536	638,903	452,481	439,609	100,361	87,800
Lake	92,583	99,756	405,545	-	-	-	-	-	-	-
Operating Grants and Contributions	7,124	10,180	-	-	-	-	36,359	-	-	-
Capital Grants and Contributions	396,650	1,955,289	2,991,512	2,616,146	80,939	517,403	415,515	-	279,786	134,389
Total business-type activities program revenues	14,006,295	16,211,706	16,868,551	14,291,084	9,931,613	9,717,762	8,719,238	7,805,023	8,335,288	7,913,615
Total primary government program revenues	19,780,264	19,996,015	20,471,314	17,724,564	13,352,800	13,058,928	13,832,810	10,165,960	11,025,633	10,004,774

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

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Net (Expenses) Revenues</b>										
<i>Governmental Activities</i>	(\$19,154,682)	(\$20,728,716)	(\$18,048,141)	(\$19,195,382)	(\$19,205,150)	(\$18,378,759)	(\$16,863,682)	(\$15,569,572)	(\$14,463,664)	(\$15,576,296)
<i>Business-type Activities</i>	646,278	3,396,961	6,193,739	5,184,451	1,169,452	1,015,850	13,769	(462,595)	440,415	413,302
<b>Total Primary Government Net (Expenses)</b>	<b>(18,508,404)</b>	<b>(17,331,755)</b>	<b>(11,854,402)</b>	<b>(14,010,931)</b>	<b>(18,035,698)</b>	<b>(17,362,909)</b>	<b>(16,849,913)</b>	<b>(16,032,167)</b>	<b>(14,023,249)</b>	<b>(15,162,994)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<i>Governmental Activities:</i>										
Taxes:										
Sales and Use taxes	18,346,711	18,013,946	17,414,169	17,069,349	16,089,350	16,697,240	16,386,142	15,239,586	14,517,341	14,175,558
Franchise and public service taxes	1,626,635	1,601,416	1,676,956	1,600,612	1,597,577	1,637,161	1,505,547	1,515,091	1,618,472	1,408,468
Hotel/motel taxes	578,275	561,558	472,590	404,690	362,134	376,992	416,212	-	-	-
Property taxes	54,312	104,734	74,309	10,884	59,523	72,782	198,557	-	-	-
Payment in lieu of taxes	23,687	24,062	1,054	24,494	26,892	26,544	21,924	-	-	-
Intergovernmental revenue	580,595	630,035	599,819	580,115	430,593	438,485	444,782	702,728	718,626	956,917
Investment Income	55,541	41,157	107,032	98,567	136,762	275,010	543,683	565,917	298,249	64,491
Miscellaneous	351,461	341,444	238,110	1,063,067	255,067	268,718	377,960	344,333	410,639	-
Transfers - Internal Activity	1,023,788	248,694	2,883,232	442,351	106,351	169,788	(116,253)	(584,309)	(1,029,729)	(561,101)
<b>Total Governmental Activities</b>	<b>22,641,005</b>	<b>21,567,046</b>	<b>23,467,271</b>	<b>21,294,129</b>	<b>19,064,249</b>	<b>19,962,720</b>	<b>19,778,554</b>	<b>17,783,346</b>	<b>16,533,598</b>	<b>16,044,333</b>
<i>Business-type Activities:</i>										
Investment Income	57,785	45,302	59,279	72,965	84,007	160,629	187,924	234,806	243,736	122,170
Miscellaneous	591,569	14,361	165,862	304,929	234,839	206,905	237,407	818,938	216,640	351,099
Transfers - Internal Activity	(1,023,788)	(248,694)	(2,883,232)	(442,351)	(106,351)	(169,788)	116,253	34,309	479,729	(381,113)
<b>Total Business-type Activities</b>	<b>(374,434)</b>	<b>(189,031)</b>	<b>(2,658,091)</b>	<b>(64,457)</b>	<b>212,495</b>	<b>197,746</b>	<b>541,584</b>	<b>1,088,053</b>	<b>940,105</b>	<b>92,156</b>
<b>Total Primary Government</b>	<b>22,266,571</b>	<b>21,378,015</b>	<b>20,809,180</b>	<b>21,229,672</b>	<b>19,276,744</b>	<b>20,160,466</b>	<b>20,320,138</b>	<b>18,871,399</b>	<b>17,473,703</b>	<b>16,136,489</b>
<b>Change in Net Position</b>										
<i>Governmental Activities</i>	3,486,323	838,330	5,419,130	2,098,747	(140,901)	1,583,961	2,914,872	2,213,774	2,069,934	468,037
<i>Business-type Activities</i>	271,844	3,207,930	3,535,648	5,119,994	1,381,947	1,213,596	555,353	625,458	1,380,520	505,458
<b>Total Primary Government</b>	<b>\$3,758,167</b>	<b>\$4,046,260</b>	<b>\$8,954,778</b>	<b>\$7,218,741</b>	<b>\$1,241,046</b>	<b>\$2,797,557</b>	<b>\$3,470,225</b>	<b>\$2,839,232</b>	<b>\$3,450,454</b>	<b>\$973,495</b>



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

	Fiscal Year										
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	
<b>General Fund:</b>											
Nonspendable	\$ 1,500	\$ 5,947	\$ 347,288	\$ 291,531	\$ -	\$ -	\$ -		\$ -	\$ -	
Assigned	305,382	293,121	296,021	301,250	-	-	-		-	-	
Reserved for:											
Grant Programs	-	-	-	-	-	-	-		-	-	
Encumbrances	-	-	-	-	-	39,937	18,194	3,410	18,194	12,035	
Unreserved/Unassigned	6,472,218	6,177,557	5,616,811	4,853,199	4,011,671	4,095,821	4,009,538	3,453,674	3,944,537	3,343,604	
Total General Fund	6,779,100	6,476,625	6,260,120	5,445,980	4,011,671	4,135,758	4,027,732	3,457,084	3,962,731	3,355,639	
<b>Other Governmental Funds:</b>											
Restricted	12,604,440	7,790,716	10,416,057	9,896,589	-	-	-		-	-	
Assigned	-	147,571	132,414	73,859	-	-	-		-	-	
Reserved for:											
Encumbrances	-	-	-	-	117,309	542,749	5,631,788	337,846	242,869	521,302	
Specific Programs	-	-	-	-	-	-	-		-	-	
Unreserved/Unassigned	(3,004)	-	(81,736)	-	-	-	4,464,142	-	-	-	
Unreserved, reported in:											
Special revenue funds	-	-	-	-	1,513,546	1,469,115	1,445,793	1,100,959	1,070,434	989,751	
Debt Service Fund	-	-	-	-	86,965	59,850	136,323	135,131	-	-	
Capital project funds	-	-	-	-	7,318,789	7,660,083	76,152	8,150,244	7,554,354	5,248,848	
Total Other Governmental Funds	12,601,436	7,938,287	10,466,735	9,970,448	9,036,609	9,731,797	11,754,198	9,724,180	8,867,657	6,759,901	
<b>Total Governmental Funds</b>	<b>\$ 19,380,536</b>	<b>\$ 14,414,912</b>	<b>\$ 16,726,855</b>	<b>\$ 15,416,428</b>	<b>\$ 13,048,280</b>	<b>\$ 13,867,555</b>	<b>\$ 15,781,930</b>	<b>\$ 13,181,264</b>	<b>\$ 12,830,388</b>	<b>\$ 10,115,540</b>	

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Revenues:</b>										
Taxes	\$21,160,794	\$20,852,810	\$20,155,296	\$19,590,377	\$18,484,761	\$19,170,757	\$18,897,132	\$17,455,386	\$16,659,668	\$15,584,026
Intergovernmental	2,699,312	2,356,804	2,409,100	2,442,911	2,422,824	2,182,322	3,148,971	1,061,033	151,634	1,746,852
Charges for services	169,761	208,273	159,006	168,284	224,092	228,847	224,216	525,162	585,129	403,474
Fines and forfeitures	225,719	845,413	748,028	633,498	574,426	491,799	515,603	474,926	1,975,193	294,958
Licenses and permits	655,468	184,211	198,708	249,873	235,284	277,058	285,973	301,348	277,148	251,185
Investment income	55,541	41,157	107,032	98,567	136,762	275,010	543,685	565,916	198,049	64,531
Miscellaneous	5,449,644	647,267	358,070	1,115,857	308,954	309,584	491,578	342,809	403,444	316,654
<b>Total Revenues</b>	<b>30,416,239</b>	<b>25,135,935</b>	<b>24,135,240</b>	<b>24,299,367</b>	<b>22,387,103</b>	<b>22,935,377</b>	<b>24,107,158</b>	<b>20,726,580</b>	<b>20,250,265</b>	<b>18,661,680</b>
<b>Expenditures:</b>										
<b>Current:</b>										
General Government	3,080,038	2,988,152	2,883,922	2,643,601	2,491,400	2,672,962	2,654,959	2,131,579	2,281,059	2,080,964
Community development	-	-	-	-	-	-	-	-	-	-
Engineering	415,147	418,707	404,537	366,063	390,833	345,890	303,043	313,669	-	-
Equipment and building maint.	438,176	449,277	397,130	1,226,244	410,296	410,968	413,776	341,857	5,207,351	4,209,209
Public Safety	-	-	-	-	-	-	-	-	3,384,371	3,556,724
Police	5,952,358	5,915,408	5,394,473	5,034,358	5,140,053	5,223,680	5,144,221	4,749,032	-	-
Fire	5,337,455	5,251,981	4,975,816	4,955,006	4,857,050	4,884,044	4,456,027	3,545,745	-	-
Municipal court	536,695	517,389	526,446	317,158	297,203	304,204	286,991	274,146	-	-
Emergency management	329,579	285,349	294,832	354,718	275,706	290,604	799,218	205,634	-	-
Streets	1,492,117	1,443,660	1,313,338	1,154,277	1,251,742	1,230,264	1,203,148	1,934,037	1,637,176	1,893,669
Parks and recreation	713,761	535,527	604,401	473,253	562,637	935,411	505,800	478,977	-	-
Culture and recreation	157,673	162,490	122,993	146,872	139,185	143,015	883,338	661,310	723,149	1,195,600
Animal control/E911	923,145	1,104,086	872,447	876,626	826,245	862,485	753,268	668,225	-	-
Cemetery	190,676	191,523	183,744	182,756	198,790	207,516	194,136	173,732	-	-
Library	88,424	88,224	44,907	4,292	76,011	44,705	36,134	63,184	-	-
Economic development	1,779,650	1,870,353	1,652,548	1,924,825	1,801,203	1,468,533	1,143,644	1,215,630	1,198,308	586,786
Capital outlay	6,662,187	6,270,385	6,910,780	2,713,521	4,572,715	5,702,810	2,654,516	1,322,773	1,599,231	2,768,551
Debt service:										
Principal retirement	389,365	191,126	77,746	-	21,448	187,032	181,429	199,621	247,944	238,621
Interest and fiscal charges	53,703	12,935	6,853	-	218	6,216	16,720	24,818	27,099	29,909
<b>Total Expenditures</b>	<b>28,540,149</b>	<b>27,696,572</b>	<b>26,666,913</b>	<b>22,373,570</b>	<b>23,312,735</b>	<b>24,920,339</b>	<b>21,630,368</b>	<b>18,303,969</b>	<b>16,305,688</b>	<b>16,560,033</b>
<b>Excess of revenues over(under) expenditures</b>	<b>1,876,090</b>	<b>(2,560,637)</b>	<b>(2,531,673)</b>	<b>1,925,797</b>	<b>(925,632)</b>	<b>(1,984,962)</b>	<b>2,476,790</b>	<b>2,422,611</b>	<b>3,944,577</b>	<b>2,101,647</b>
<b>Other Financing Sources (Uses):</b>										
Transfers in	2,928,664	2,370,474	4,377,829	1,958,740	1,541,768	1,695,166	1,894,869	1,470,166	1,543,768	1,744,999
Transfers out	(1,904,876)	(2,121,780)	(1,494,597)	(1,516,389)	(1,435,417)	(1,613,815)	(1,851,021)	(2,054,475)	(2,773,497)	(2,306,101)
Capital Lease/bond proceeds	2,065,746	-	958,868	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>3,089,534</b>	<b>248,694</b>	<b>3,842,100</b>	<b>442,351</b>	<b>106,351</b>	<b>81,351</b>	<b>33,848</b>	<b>(584,309)</b>	<b>(1,229,729)</b>	<b>(561,102)</b>
<b>Net change in fund balances</b>	<b>\$4,965,624</b>	<b>(\$2,311,943)</b>	<b>\$1,310,427</b>	<b>\$2,368,148</b>	<b>(\$819,281)</b>	<b>(\$1,903,611)</b>	<b>\$2,510,638</b>	<b>\$1,838,302</b>	<b>\$2,714,848</b>	<b>\$1,540,545</b>
<b>Debt Service as a Percentage of Non-Capital Expenditures:</b>	<b>2.01%</b>	<b>0.95%</b>	<b>0.42%</b>	<b>0.00%</b>	<b>0.11%</b>	<b>1.01%</b>	<b>1.01%</b>	<b>1.32%</b>	<b>1.87%</b>	<b>1.95%</b>

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

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>SALES TAX RATES</b>										
General Fund	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%
Capital Improvement Fund	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%
Street Improvement Fund	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%
Economic Development Fund	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%
Police Sales Tax Fund	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
Fire Sales Tax Fund	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
Debt Service										
City of Shawnee Total (1)	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%
Pottawatomie County (3)	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
State of Oklahoma (3)	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%
Total	8.5000%	8.5000%	8.5000%	8.5000%	8.5000%	8.5000%	8.5000%	8.5000%	8.5000%	8.5000%
Use Tax Rates (3)	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%

- (1) The source for City sales tax rate is the City of Shawnee Annual budget.  
(2) City sales tax increases must be approved by voters.  
(3) The source for other sales tax rates is the State of Oklahoma Tax Commission. The Pottawatomie County 1% sales tax rate became effective July 1, 1998.

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

Group	2014
Retail Trades	10,683,826
Accommodation and food service	2,950,196
Wholesale trades	1,110,617
Utilities	1,044,037
Information	641,849
Manufacturing	210,527
Real Estate Rental and Leasing	196,723
Other Services	161,892
Unclassified	111,105
Arts and Entertainment	71,776
Finance and Insurance	56,526
Professional and Scientific and Technical service	53,242
Health Care and Social Assistance	31,223
Construction	22,958
Transportation and Warehousing	19,849
Educational Services	7,515
Unclassified	272,997
	<u>\$ 17,646,859</u>
Total Sales Taxes	17,646,859
Percent Change	3.70%

Group	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Merchandise Store	5,102,432	\$ 4,904,233	\$ 4,692,833	\$ 4,661,988	\$ 482,796	\$ 4,831,451	\$ 4,651,133	\$ 4,588,355	\$ 4,115,395
Eating & Drinking Places	2,691,304	2,472,367	2,372,790	2,169,972	2,258,786	2,143,303	1,957,451	1,848,354	1,729,412
Building Materials	1,174,061	1,412,234	1,441,974	1,338,022	1,483,745	1,436,831	1,396,424	1,455,494	1,422,809
Misc Retail	1,049,947	1,130,506	1,082,998	1,067,314	1,073,938	1,125,625	1,065,943	931,147	941,590
Electric, Gas & Sanitary Services	1,122,586	986,561	933,716	958,781	970,405	877,818	895,773	896,846	767,760
Food Store	814,705	806,210	769,742	738,221	793,742	816,576	779,743	775,220	941,984
Wholesale Trade-Durable Goods	1,004,434	851,604	769,824	692,741	828,669	789,066	740,733	721,095	633,102
Furniture, Home Furnishing & Equipment	1,126,615	870,710	1,033,279	734,171	559,042	568,672	506,054	493,741	453,710
Communications	581,966	567,703	542,744	561,816	572,533	588,055	557,018	490,117	502,391
Automotive Dealers & Gas Station	597,053	585,220	571,325	554,735	548,965	556,794	465,366	440,890	499,849
Apparel & Accessory Store	739,650	731,970	729,222	693,555	694,270	598,070	445,551	376,345	384,562
Business Services	267,271	224,021	212,389	199,479	187,553	230,454	246,308	185,277	182,972
Hotel	354,754	280,227	237,085	218,811	206,041	245,658	210,273	139,904	141,082
Motion Picture	132,781	127,510	118,767	126,970	124,899	125,829	132,729	128,160	122,508
Automotive Repair Services	145,861	126,435	114,100	109,150	100,768	98,071	104,790	109,206	117,899
Wholesale Trade-Nondurable Goods	111,189	105,608	95,120	93,551	127,252	82,109	94,104	103,206	85,856
	<u>\$ 17,016,609</u>	<u>\$ 16,183,119</u>	<u>\$ 15,717,908</u>	<u>\$ 14,919,277</u>	<u>\$ 11,013,404</u>	<u>\$ 15,114,382</u>	<u>\$ 14,249,393</u>	<u>\$ 13,683,357</u>	<u>\$ 13,042,881</u>
Total Sales Taxes	\$ 17,016,609	\$ 16,183,119	\$ 15,717,908	\$ 14,919,277	\$ 11,013,404	\$ 15,114,382	\$ 14,249,393	\$ 13,683,357	\$ 13,042,881
Percent Change	5.15%	2.96%	5.35%	35.46%	-27.13%	6.07%	4.14%	4.91%	

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



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

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

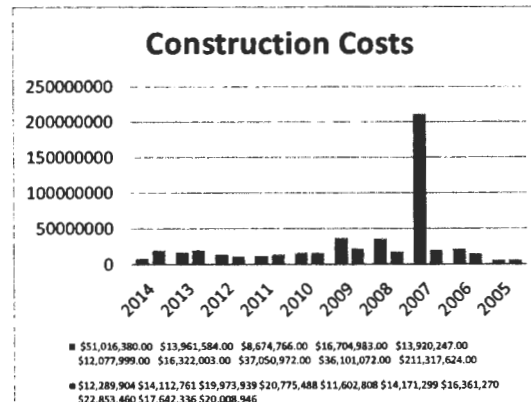
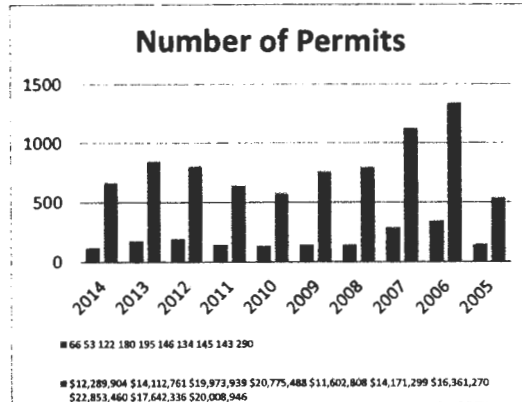
Fiscal Year Ended June 30	Water Rate Per Gallons Outside City Limits					Sewer Rate Outside City Limits	
	0 - 1,000	1,001 - 4,000	4,001 - 1,000,000	1,000,001 - 2,000,000	More than 2,000,000	Monthly Base Rate	More than 1,000
2014	\$ 24.06	\$ 5.84	\$ 5.99	\$ 6.14	\$ 6.29	\$ 20.25	\$ 4.35
2013	\$ 24.06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

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

Type of Customer	2014		2013		2012		2011		2010	
	Consumption		Consumption		Consumption		Consumption		Consumption	
	Gallons	Sales	Gallons	Sales	Gallons	Sales	Gallons	Sales	Gallons	Sales
Residential										
Builder	2,590,300	\$ 13,843	9,752,700	\$ 10,045	1,722,100	\$ 13,978	2,067,500	\$ 12,840	2,673,200	\$ 12,506
Residential	1,151,352,700	4,329,704	574,050,400	4,195,903	642,064,200	4,179,606	599,961,400	3,136,708	584,991,300	2,576,449
Residential Sprinkler	16,547,400	48,642	8,937,800	53,118	12,400,500	60,416	9,287,000	41,788	7,645,800	31,194
Commercial										
Commercial	1,169,695,000		258,006,500	1,502,194	303,160,700	1,439,649	290,369,000	1,246,418	268,495,700	1,044,821
Commercial Sprinkler	39,439,200	2,680,660	17,465,200	102,223	26,836,000	123,299	22,568,300	95,866	18,908,400	72,007
Schools	18,495,400	44,635	9,417,900	44,364	10,306,100	45,813	9,258,500	39,229	9,796,700	36,921
Schools Sprinkler	16,947,600	35,797	9,725,500	40,610	14,235,900	57,426	11,352,100	44,046	2,980,800	10,669
G Rate			499,738,000	1,875,814	261,300,300	1,046,259	206,752,700	802,388	220,076,200	762,770
Government	7,414,000	17,182	5,898,000	11,303	5,744,300	10,018	4,955,900	7,079	4,551,000	7,731
Total	2,422,481,600	\$ 7,170,463	1,392,992,000	\$ 7,835,574	1,277,770,100	\$ 6,976,464	1,156,572,400	\$ 5,426,362	1,120,119,100	\$ 4,555,068
Average Rate per Thousand		2.960%		5.625%		5.460%		4.692%		4.067%

Type of Customer	2009	
	Consumption	
	Gallons	Sales
Residential		
Builder	1,709,800	\$ 8,766
Residential	581,647,900	2,470,088
Residential Sprinkler	6,414,900	25,936
Industrial	-	-
Commercial		
Commercial	273,200,600	985,253
Commercial Sprinkler	17,792,500	64,621
Schools	9,241,100	32,702
Schools Sprinkler	1,231,500	4,453
G Rate	215,248,600	660,769
Government	4,927,500	8,099
Total	1,111,414,400	\$ 4,260,687
Average Rate per Thousand		3.834%

**CITY OF SHAWNEE, OKLAHOMA**  
**Construction Permits**  
**Last Ten Fiscal Years**



Commercial Construction (1)			Residential Construction (1)		
Year	Number of Permits	Construction Cost	Number of Permits	Construction Cost	Average Cost
2014	66	\$ 51,016,380.00	111	\$12,289,904	\$100,091
2013	53	\$ 13,961,584.00	141	\$14,112,761	\$100,091
2012	122	\$ 8,674,766.00	671	\$19,973,939	\$29,767
2011	180	\$ 16,704,983.00	855	\$20,775,488	\$24,299
2010	195	\$ 13,920,247.00	808	\$11,602,808	\$14,360
2009	146	\$ 12,077,999.00	646	\$14,171,299	\$21,937
2008	134	\$ 16,322,003.00	582	\$16,361,270	\$28,112
2007	145	\$ 37,050,972.00	762	\$22,853,460	\$29,991
2006	143	\$ 36,101,072.00	801	\$17,642,336	\$22,025
2005	290	\$ 211,317,624.00	1,132	\$20,008,946	\$17,676

- (1) The source of this information is the City of Shawnee Planning Department.  
 (2) The year 2012 includes data through October 16.

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

<u>GOVERNMENTAL ACTIVITIES</u>				<u>Business-Type Activities</u>		Total Primary Government	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
FISCAL YEAR	GENERAL OBLIGATION BONDS	CAPITAL LEASE	NOTE PAYABLE	NOTE PAYABLE				
2014	\$ -	\$ 2,065,746	\$ 3,340,631	\$ 20,074,847	\$	25,481,224	2.84%	\$ 822.64
2013	-	-	689,996	21,612,098		22,302,094	3.20%	727.66
2012	-	-	881,122	24,533,255		25,414,377	2.81%	833.78
2011	-	-	-	23,558,763		23,558,763	2.52%	779.78
2010	-	-	-	17,823,972		17,823,972	3.33%	596.98
2009	-	21,448	-	19,170,489		19,191,937	3.05%	568.90
2008	100,000	128,072	-	20,580,038		20,808,110	2.86%	700.37
2007	200,000	209,501	-	21,254,302		21,663,803	3.67%	728.20
2006	300,000	309,123	-	22,541,241		23,150,364	3.37%	773.12
2005	400,000	451,548	-	23,789,805		24,641,353	3.10%	826.23

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

**CITY OF SHAWNEE, OKLAHOMA**  
**DEBT COVERAGE**  
**Last Ten Fiscal Years**

Fiscal Year	Gross Revenue	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Bond Indenture Requirement		
				Average Annual Debt Service	Calculated Coverage	Required Coverage
2014	\$10,760,193	\$5,958,355	\$4,801,838	\$1,312,789	3.66	1.25
2013	11,401,562	5,750,996	5,650,566	1,267,646	4.46	1.25
2012	10,744,073	4,843,247	5,900,826	2,005,087	2.94	1.25
2011	9,317,810	4,365,640	4,952,170	1,769,509	2.80	1.25
2010	7,564,314	4,323,215	3,241,099	1,526,008	2.12	1.25
2009	6,761,830	4,117,014	2,644,816	1,533,872	1.72	1.25
2008	6,106,377	4,097,162	2,009,215	1,428,630	1.41	1.25
2007	6,206,446	3,991,706	2,214,740	1,533,200	1.44	1.25
2006	7,329,637	3,956,695	3,372,942	1,533,200	2.20	1.25
2005	7,022,978	3,784,262	3,238,716	2,244,466	1.44	1.25

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

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



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

<b>Year</b>	<b>Population (3)</b>	<b>Personal Income</b>	<b>Per Capita Personal Income (1)</b>	<b>Unemployment Rate (2)</b>
2014	30,975	\$ 722,457	\$ 19,245	4.8
2013	30,649	714,261	19,626	5
2012	30,481	714,261	23,433	4.8
2011	30,212	593,363	19,640	5.5
2010	29,857	593,258	19,870	6.1
2009	28,692	585,374	20,402	6.1
2008	29,710	594,259	20,002	3.5
2007	29,750	794,695	22,450	4.9
2006	29,944	779,113	26,119	4.8
2005	29,824	763,822	25,611	5.6

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

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

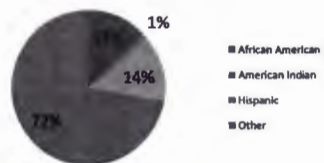
(3) Population for 2010-2012 is from the 2010 Census. Information from 2003-2009 is estimates by the Oklahoma Department of Commerce.

# **CITY OF SHAWNEE, OKLAHOMA** **Ethnic Demographic Statistics**

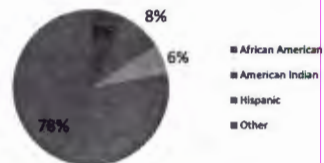
**Comparative Ethnic Percentage Population**

	U.S	Oklahoma State	Pottawatomie County	Shawnee City
African American	12.80%	7.40%	2.80%	4.20%
American Indian	1.00%	8.60%	11.90%	14.20%
Hispanic	14.10%	8.90%	2.60%	5.10%
Other	72.10%	75.10%	82.70%	76.50%
	100.00%	100.00%	100.00%	100.00%

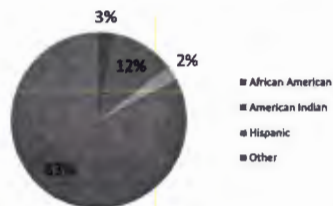
**U.S**



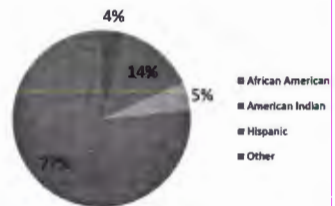
**Oklahoma State**



**Pottawatomie County**



**Shawnee City**



Data provided by the U.S. Census Bureau

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

	2013			2004		
	Employees	RANK	% of Total Employment	Employees	RANK	% of Total Employment
Citizens Potawatomi Nation	2,200	1	9.40%	750	1	3.51%
Wolverine Tube	600	2	2.56%	450	6	2.11%
St Anthony's	497	3	2.12%	650	2	3.04%
Shawnee Public Schools	490	4	2.09%	600	3	2.81%
George Fischer	413	5	1.76%	-	-	0.00%
Walmart	400	6	1.71%	300	10	1.40%
Oklahoma Baptist	352	7	1.50%	400	7	1.87%
Eaton Corporation	352	8	1.50%	400	8	1.87%
Exxon Mobil	350	9	1.50%	500	4	2.34%
Absentee Shawnee	326	10	1.39%	-	-	0.00%
	<u>5,980</u>		<u>25.55%</u>	<u>4,050</u>		<u>18.97%</u>

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

<b>FUNCTION / PROGRAM</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
General Government:										
Management Services	10.0	10.0	10.0	9.0	8.5	9.5	9.5	10.5	9.0	10.0
Finance	7.0	7.0	5.0	5.0	5.0	3.5	6.0	4.0	6.0	8.0
Planning	9.0	8.0	9.5	8.0	7.0	7.0	6.0	6.0	7.0	5.0
Other	13.0	12.0	13.0	12.0	11.5	10.0	13.0	13.0	10.5	5.0
Police:										
Officers	60.0	57.0	57.0	54.0	51.0	56.0	52.0	54.0	49.0	50.0
Civilians	27.0	23.0	21.5	21.5	21.0	19.0	20.0	18.5	19.0	19.0
Fire:										
Firefighters and Officers	54.0	46.0	43.0	46.0	45.0	48.0	49.0	47.0	49.0	47.0
Civilians	3.0	3.0	3.0	3.0	3.0	3.0	2.0	3.0	2.0	3.0
Other Public Works:										
Engineering	3.0	3.0	4.0	4.0	4.0	4.0	3.0	4.0	4.0	4.0
Other	26.0	25.0	21.0	22.0	21.0	21.0	23.0	24.5	22.0	23.0
Redevelopment	1.5	2.5	3.0	3.5	3.0	3.0	3.0	4.0	4.0	4.0
Parks and Recreation	21.0	23.0	23.0	20.0	19.0	23.0	24.0	23.0	23.0	24.0
Water	40.5	36.5	33.0	32.0	30.0	30.0	28.0	28.0	31.0	27.0
Wastewater	19.5	19.0	19.0	19.5	19.0	19.0	19.0	18.0	17.0	18.0
<b>Total</b>	<b>294.5</b>	<b>275.0</b>	<b>265.0</b>	<b>259.5</b>	<b>248.0</b>	<b>256.0</b>	<b>257.5</b>	<b>257.5</b>	<b>252.5</b>	<b>247.0</b>

**Operating Asset Statistics by Function / Program**  
**Last Six Fiscal Years**

FUNCTION / PROGRAM	2014	2013	2012	2011	2010	2009
Police:						
Stations	1	1	1	1	1	1
Zone Offices	2	2	2	2	2	2
Patrol Units	69	69	69	69	73	72
Fire Stations	3	3	3	3	3	3
Other Public Works:						
Streets (miles)	191	190	190	189	187	185
Highway Interstate (miles)	2.50	2.50	2.50	2.50	2.50	2.50
Traffic Signals	47	47	46	45	45	45
Parks and Recreation:						
Acerage	137.36	137.36	137.36	137.36	137.36	137.36
Playgrounds	33	33	33	33	33	33
Baseball/Softball Diamonds	9	9	9	9	9	9
Soccer/Football Fields	0	0	0	0	0	0
Community Centers	1	1	1	1	1	1
Park and Recreation Reservations	392	392	340	348	451	518
Water:						
Water Mains (miles)	217	215	215	215	215	215
Fire Hydrants	1,413	1,403	1,340	1,340	1,340	1,240
Storage Capacity (thousands of gallons)	2.5m	2.5m	2.5m	2.5m	2.5 m	2.5m
Wastewater:						
Sanitary Sewers (miles)	200	175	175	175	175	175
Treatment Capacity (thousand: of gallons)	6m	6m	6m	6m	6m	6m

Note: Only six years of information was available



**CITY OF SHAWNEE, OKLAHOMA**  
**Operating Indicators**  
**Last Ten Fiscal Years**

<b>FUNCTION / PROGRAM</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Police:										
Physical Arrests	2,067	2,350	1,944	1,985	1,347	1,117	1,734	1,888	1,456	1,290
Total Parking and Traffic Citations	5,566	6,726	5,355	7,747	6,518	6,770	6,381	7,327	6,484	4,891
Fire:										
Emergency Responses	4,637	4,768	3,212	4,426	4,390	4,107	4,071	3,762	3,613	2,648
Fires Extinguished	301	282	227	330	214	242	377	278	541	328
Inspections	297	12	12	61	107	23	25	27	214	150
Other Public Works:										
Street Resurfacing (Lane Blocks)	98	134	172	150	162	145	258	229	69	279
Potholes Repaired	3,900	775	891	1,162	996	1,074	1,980	2,455	739	4,000
Water:										
New Connections	60	490	47	28	23	10	43	28	87	312
Water Main Breaks	117	146	97	241	138	77	79	93	66	145
Average Daily Consumption (thousands of gallons)	3,914	4,589	4,671	4,341	3,793	3,822	4,235	3,694	4,066	3,500
Peak Daily Consumption (thousands of gallons)	5,881	7,458	7,624	6,990	6,140	6,879	6,979	4,999	8,167	7,500
Wastewater:										
Average Daily Sewer Treatment (thousands of gallons)	2,819	3,086	3,086	2,912	2,630	3,920	2,943	3,245	2,942	2,600

\* MGD Million gallons per day