



COMPREHENSIVE ANNUAL FINANCIAL REPORT



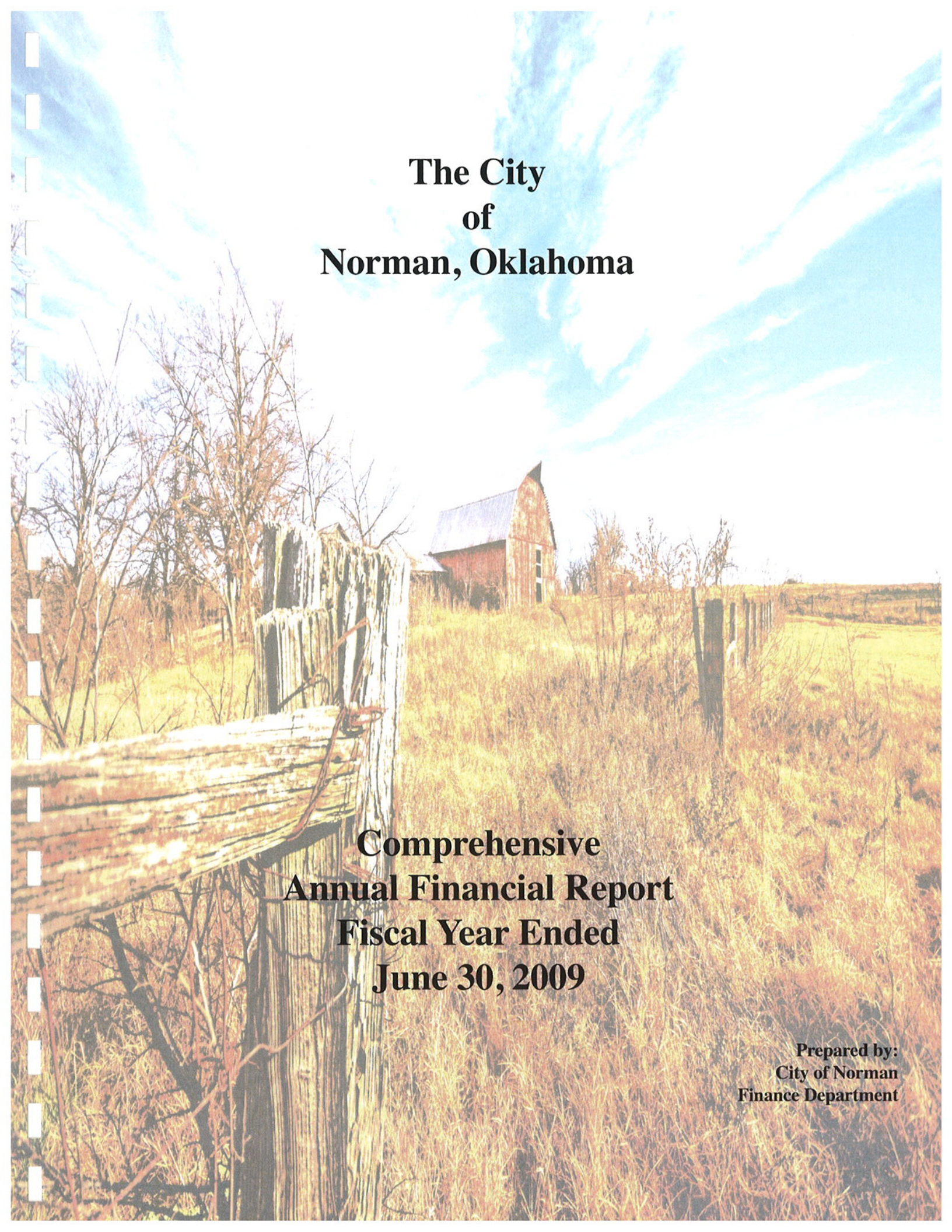
THE CITY OF NORMAN, OKLAHOMA

FISCAL YEAR ENDING JUNE 30, 2009



ON THE COVER – “RURAL NORMAN, OKLAHOMA”

Norman, Oklahoma is one of the thirty largest cities in the United States in land area, encompassing over 190 square miles within its city limits. In recent years, Norman has taken many strategic actions to preserve its open spaces and to protect its natural environment. Some of these actions have included the acceptance of formal Greenway, Bike Path and Stormwater Master Plans, the appointment of a Tree Board, the adoption of new Floodway and Floodplain Ordinances, and becoming the first city in Oklahoma to adopt the U.S. Conference of Mayor’s Climate Protection Agreement.



**The City
of
Norman, Oklahoma**

**Comprehensive
Annual Financial Report
Fiscal Year Ended
June 30, 2009**

**Prepared by:
City of Norman
Finance Department**

THE CITY OF NORMAN, OKLAHOMA

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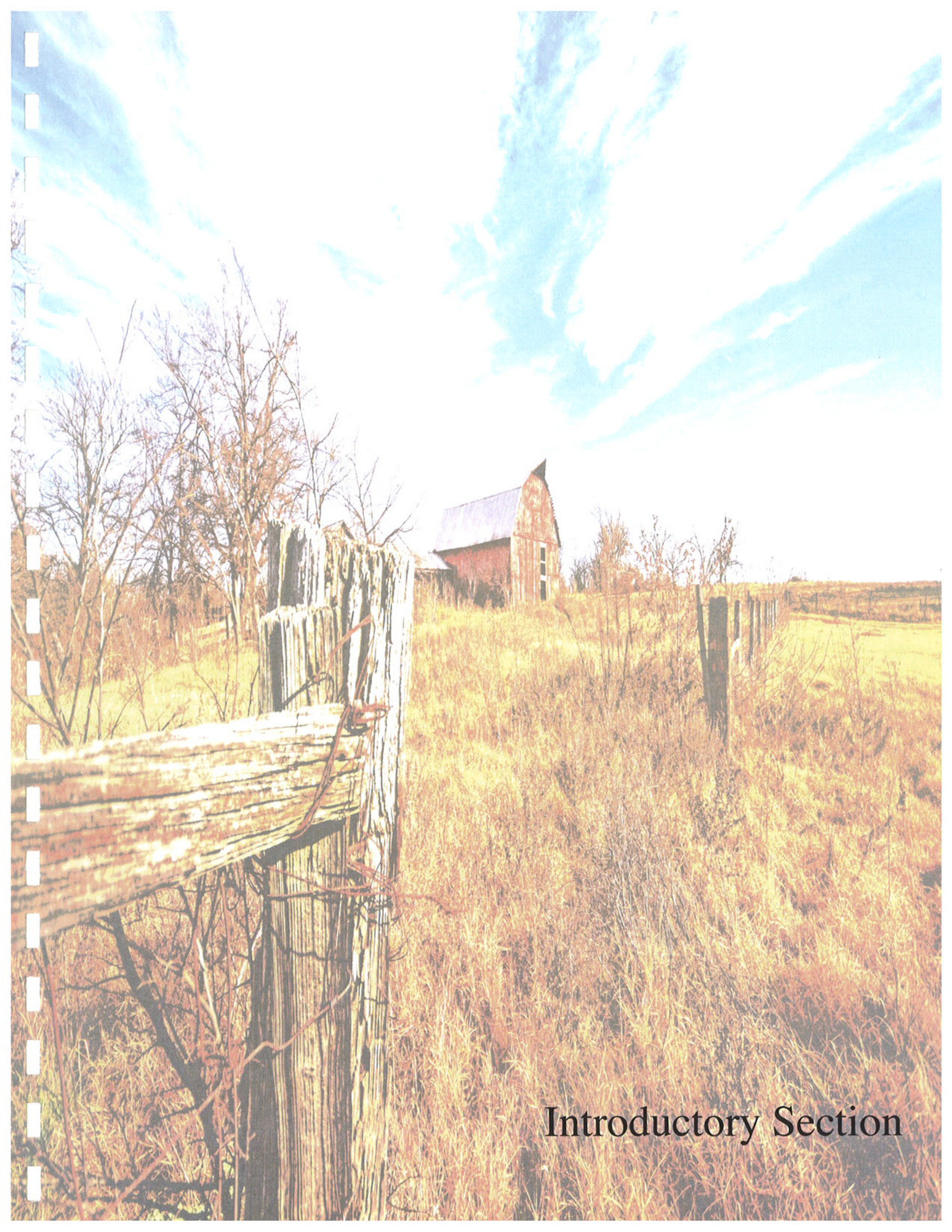
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Introductory Section



The City of **NORMAN**

201 West Gray, Bldg. C • P.O. Box 370
Norman, Oklahoma 73069 • 73070

OFFICE OF THE FINANCE DIRECTOR
Phone: 405-366-5413
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December 3, 2009

Citizens of the City of Norman, Oklahoma
Honorable Mayor and City Council

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2009.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Cole and Reed, PC has issued an unqualified (“clean”) opinion on the City of Norman (“City”) financial statements for the year ended June 30, 2009. The independent accountants’ report is located at the front of the financial section of this report.

Management’s discussion and analysis (“MD&A”) immediately follows the independent accountants’ report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

An elected Mayor and eight-member Council govern the City of Norman. Daily operations of the City are administered by a City Manager appointed by majority vote of the City Council.

The Basic Financial Statements of the City include all government activities, organizations and functions, including those legally separate organizations for which the City is financially accountable as defined by the Governmental Accounting Standards Board (“GASB”).

The City provides a full range of municipal government services to over 100,000 residents and numerous visitors annually. Municipal services provided include traffic control, municipal courts, water production and distribution, wastewater collection and treatment, solid waste collection and disposal, emergency response services, City code enforcement, crime enforcement and adjudication, construction and maintenance of streets and certain bridges, maintenance of park land, and recreation.

The City does not operate hospitals, schools, or public transportation systems. Special districts and governmental entities with independent authority administer the public hospital, public schools and the university within the City. The City contributes to a public transportation system operated by the University of Oklahoma, which operates throughout Norman.

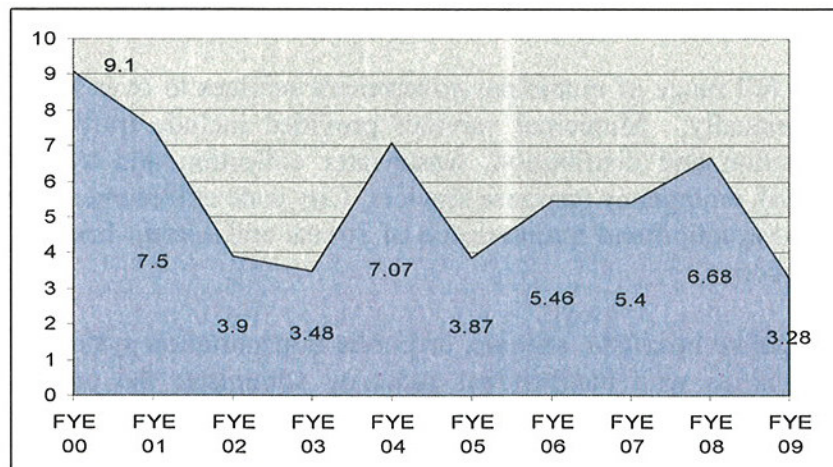
The Council is required to adopt a final budget by no later than ten days before the close of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, department and category (e.g., salary and benefits). Department Heads may transfer resources within a department as they see fit. Transfers between departments, however, need special approval from the City Manager. Transfers between funds need Council approval.

Local Economy

The City of Norman is located in the geographic center of Oklahoma and is within the Oklahoma City metropolitan area. Norman's quality of life is sought by people of all ages and in all walks of life, and is demonstrated in the population growth over the past ten years. In 2009, Norman was ranked #6 on the Money Magazine list of the "Best Places to Live" in the United States. The University of Oklahoma, National Severe Storms Laboratory and National Weather Service, Hitachi Computer Products, U.S. Postal Service Technical Training Center, SYSCO Food Services Corporation, Astellas Pharmaceuticals Corporation, Chickasaw Nation Industries, Office Max Business Services and Johnson Controls/York International Unitary Products Group are some of the leading institutions and businesses located in Norman.

One of the best indicators of the economic condition of the City is the evaluation of trends in some key factors. Sales and use taxes and franchise fees collectively represent 62% of the City's total General Fund revenue. Sales tax collections (excluding use tax) increased 15.2% from FYE 2008 levels. It is important to note that a new half cent sales tax dedicated to public safety became effective October 1, 2008. General Fund sales tax collections increased 2.5% from FYE 2008 levels when excluding this new public safety sales tax. Collections from the City's franchise fees (charges to private electric, natural gas and cable vision to operate within the City's rights-of-way) increased 7.2% from FYE 2008 levels. Sales tax receipts increase in direct proportion to the level of retail sales, and therefore provide a good indication of the economic condition of the community and the level of optimism about the future. The FYE 09 growth rate was slower than the trend in recent years, reflecting the slowdown in the local and national economies. Growth trends in City sales tax for the last ten fiscal years are illustrated below:

10-YEAR SALES TAX HISTORY, IN % CHANGE FROM PRIOR YEAR



Since sales and use taxes and building permit revenues are a primary source of the City's general governmental revenue and are by nature volatile, the City must budget conservatively and maintain sufficient fund balances to absorb any shortfalls that may occur during the budget year. As a result of this factor, the City maintains a six percent (6%) targeted reserve of operating fund balances by policy to account for possible shortfalls in revenue. The City's General Fund balance met this target level in the current year. The City also budgets an additional two percent of budgeted expenditures for emergency operations.

Long-term Financial Planning

The long-term financial status of the City's major operating funds (General Fund and Special Revenue Funds) is driven in large part by personnel expenses. These operating funds have relatively low employment levels and the City of Norman has a relatively small workforce in comparison to most comparable cities. The passage of a temporary (seven year duration) sales tax dedicated to increasing staffing in police patrol and fire suppression areas will substantially increase personnel in those departments.

The financial status of the City's utility enterprise funds are driven in large part by capital expenditures. Major capital improvement programs are under way in the Water and Wastewater Utility operations, financed by ratepayer revenues, a temporary sales tax dedicated to sewer improvements (expired in October, 2006), and development charges. Over time, it is expected that these programs will improve service delivery to the City's utility customers and reduce operational costs.

Relevant Financial Policies

It is the City's policy that one time revenues not be used for operating purposes. The City also targets a fund balance level in each operating fund of at least six percent of budgeted expenditures to protect citizen/customer service delivery from unexpected revenue shortfalls or cost overruns. The City also seeks to set utility rates within utility enterprise funds at a level to meet average net income and reserve requirements over a five-year period without the need for interim adjustments. The City's unique Charter requirement that utility rate increases must be approved by a majority vote of the people of Norman makes this policy more difficult to achieve.

Major Initiatives

During fiscal year 2008-2009, the City undertook several strategic planning initiatives in the areas of stormwater management, greenway/greenbelt and bike path development, long-term water supply and distribution, revitalization of the Porter Avenue Corridor and long-term park development. The Norman Tax Increment Finance Authority completed its first major apportionment note financing for improvements to the University North Park commercial area in north Norman. The City was active in applying for and acquiring federal grant funding from the American Recovery and Reinvestment Act of 2009 (ARRA, or "stimulus" funding). These funds will assist the City with ongoing initiatives to improve its streets and transportation systems, water treatment facilities, sewage conveyance facilities, and police equipment.

For more than a year, citizen “stakeholders”, City Council Members, professional consultants and staff undertook an intensive process to develop synergistic Stormwater and Greenway Master Plans. This unique process identified major drainage channels throughout the City, assessed their ability to convey stormwater, their contribution to runoff, pollution of collector streams and Lake Thunderbird, and examined their potential for development of open space preservation for conservation and recreational purposes and for transportation alternatives. It is hoped that in the future these processes will lead to the development of improved flood control facilities, improved storm drainage management and maintenance, and new means of financing them through the implementation of a Stormwater utility and capital financing methods.

The Norman Utilities Authority participated in the Central Oklahoma Regional Raw Water Supply Study. Eleven governmental and quasi-governmental jurisdictions participated in the Study to examine the proposal of transporting water from plentiful, clean watersheds in southeastern Oklahoma to high water demand areas in the Oklahoma City metropolitan area. The importation of southeastern Oklahoma water to Norman is a major part of Norman’s 2040 Strategic Water Supply Plan, adopted in 2001. Ongoing study is being done of optimal locations to tap into the southeastern Oklahoma water supply, the best way to convey the water to central Oklahoma, and the most favorable means of treating and distributing the water to Norman water utility customers and those of the other jurisdictions involved in the Study.

The City also adopted a Parks Master Plan to direct the long-term repair and renovation of existing park facilities and the development of future park and recreational facilities. The City Council will continue to work to implement these strategic plans and to identify methods to finance the recommended facilities.

The City of Norman and its related trusts have garnered over \$15 million in federal grant funding approved in the ARRA Act of 2009. The majority of these stimulus funds will be used to lower ratepayer costs and to speed the construction of planned improvements to the Vernon Campbell Water Treatment Plant and to reconstruct the City of Norman’s largest sewage lift station. Other stimulus funds will be used to supplement infrastructural improvements in low income areas of Norman under the Community Development Block Grant program; to share in the purchase costs of compressed natural gas (CNG) vehicles for solid waste collection and other City of Norman services; to construct handicapped-access improvements to the City’s mass transportation systems; to resurface streets in central Norman, and to lower City costs for the construction of an underpass of the BNSF railroad tracks at Robinson Avenue. Each of these projects qualified for ARRA funding as being “shovel ready.”

During fiscal year 2008-2009, the United States was confronted with the worst economic recession in generations. The City of Norman has not been unaffected by the national economic downturn. Historically, the central Oklahoma enters and recovers from recessions later than the rest of the country. Taking lessons from these historic trends, the City is taking forward-looking actions to prepare for continued slow growth or decline in its sales tax revenues and other major revenue sources. The City will continue to stress the provision of basic services to its citizens while making necessary adjustments to programmatic areas of lower priority.

Awards and Acknowledgements

The Government Finance Officers Association (“GFOA”) awarded a *Certificate of Achievement* for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (“CAFR”) for the fiscal year ended June 30, 2008. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.


Preparation of a CAFR is a complex task and one that requires considerable expertise and experience. More important, the ongoing maintenance and reporting of the City’s financial condition at the level to which Norman has been accustomed requires professionalism and dedication far beyond what could be expected from a paycheck. The City is fortunate to have a very talented accounting staff willing to undertake these magnanimous efforts year after year. It is our pleasure to express sincere thanks to the accounting staff of the City, while Chief Accountant Clint Mercer, CPA and Municipal Accountant Debbie Whitaker deserve particular recognition for their efforts in preparing representative financial statements. We would also like to thank Cole and Reed, PC, independent auditors of the City, for their guidance and technical assistance. This financial audit is the first performed for the City by Cole and Reed, and the transition to a new external audit team went extremely smoothly thanks to the professionalism of our accounting staff and our external auditing firm.

Finally, we would like to express our gratitude and appreciation to the members of the Norman City Council and the Council’s Finance and Audit Committee for your policy guidance which is contained in this document. As the governing body, your commitment to ensure accurate and reliable financial accounting and reporting systems, and to provide adequate staffing levels to ensure them, establishes an environment influencing all other decisions that are made. We are proud to convey the City Council’s commitment to excellence to our citizens and all readers of the FYE 2009 CAFR.

Respectfully submitted,



Steven Lewis
City Manager



Anthony Francisco, CPFO, CTP, CPFA
Director of Finance/City Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Norman
Oklahoma

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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



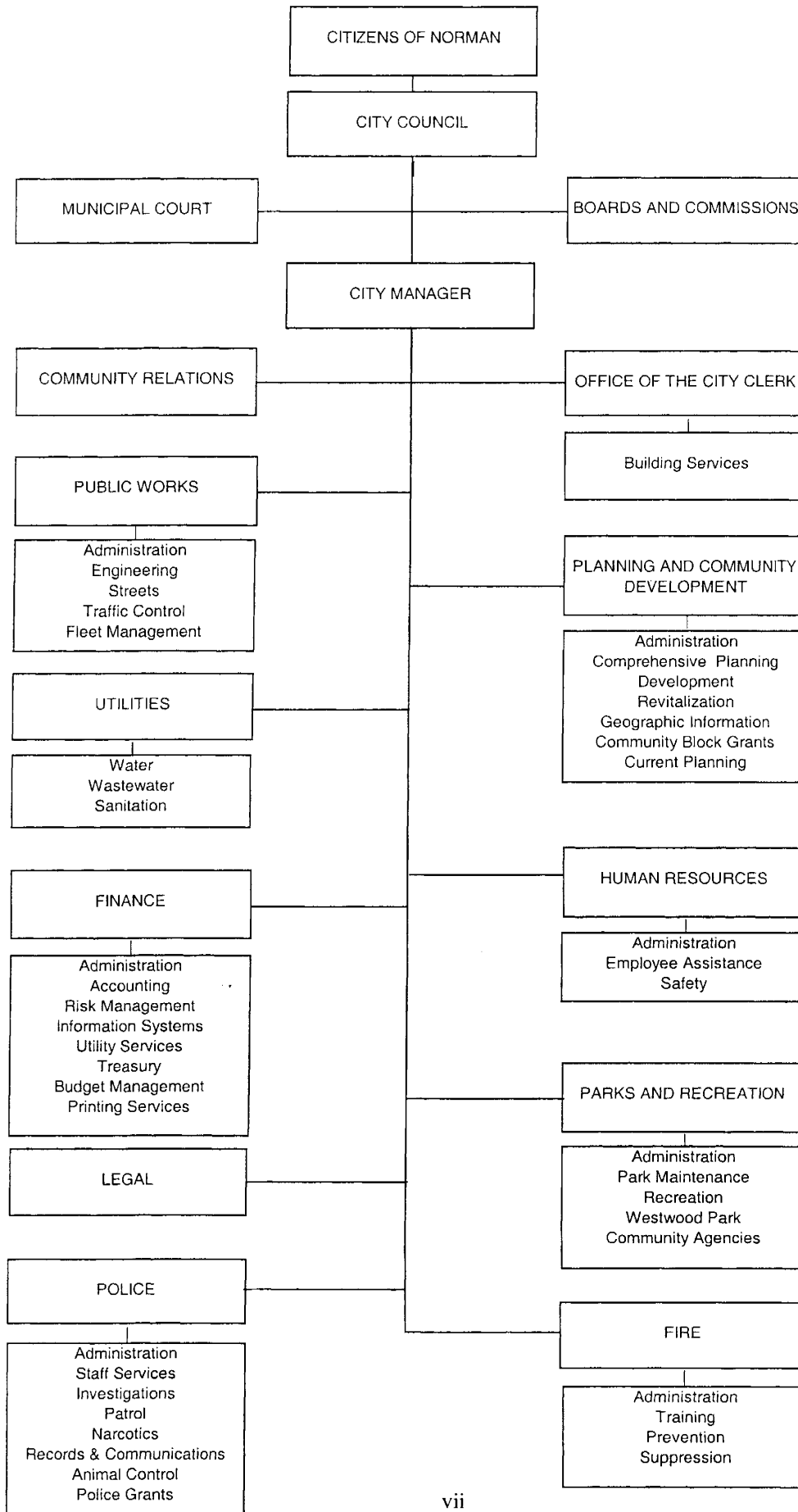
A handwritten signature in black ink, appearing to read "M. L. R. T.", written over the printed name.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", written over the printed name.

Executive Director

ORGANIZATIONAL CHART



ACCOUNTING & RESEARCH STAFF

Anthony Francisco, CPFO, CTP, CPFA
Finance Director

Clint Mercer, CPA
Chief Accountant

Debbie Whitaker
Municipal Accountant III

Mindy Aynes
Municipal Accountant I

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This document was prepared by the City of Norman Finance Department
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CITY OFFICIALS

MAYOR
Cindy Rosenthal

Ward 1 Alan Atkins

Ward 5 Rachel Butler

Ward 2 Tom Kovach

Ward 6 Jim Griffith

Ward 3 Hal Ezzell

Ward 7 Doug Cubberley

Ward 4 Carol Dillingham

Ward 8 Dan Quinn

City Manager Steve Lewis

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Financial Section

Independent Auditors' Report

Honorable Mayor and City Council
The City of Norman, Oklahoma
Norman, Oklahoma

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Norman, Oklahoma (the "City") as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norman, Oklahoma, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2009, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis, general fund budgetary comparison schedule and schedule of funding progress for employee retirement system, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Norman's basic financial statements. The accompanying other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying Introductory and Statistical sections, as listed in the table of contents, have not been subjected to the procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Cole & Reed P.C.

Oklahoma City, Oklahoma
December 17, 2009

Management's Discussion and Analysis

As management of the City of Norman (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$378,460,508 (net assets). Of this amount, \$50,971,468 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$16,455,756.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$59,463,773, an increase of \$8,414,116 in comparison with the prior year. Approximately 85 percent of this total amount, \$50,370,908 is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$13,456,575 (net of \$4,016,000 designated for incurred claims) or 21 percent of total general fund expenditures.
- The City's total debt increased by \$10,243,336 during the current fiscal year. The City issued \$10,685,000 in general obligation bonds and \$4,480,813 in notes payable. The remaining decrease was due to normal payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. A brief description of the basic financial statements follows.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, planning, city controller, parks and recreation, public works, public service and public safety. The business-type activities of the

City include the Norman Municipal Authority (the “NMA”) and the Norman Utilities Authority (the “NUA”). The NMA operates Westwood Park and the City’s sanitation services. Westwood Park includes golf, tennis and swimming facilities. The NUA operates the City’s water and wastewater services.

The government-wide financial statements can be found on pages 14-15 of this report.

Fund financial statements - A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. A brief description of these funds follows.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund, and capital projects fund, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 16-18 of this report.

Proprietary funds – The City maintains enterprise funds to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for NMA and NUA activities, which are both presented as major proprietary funds. The components of these funds are presented in additional detail in the form of combining statements elsewhere in this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 19-21 of this report.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the

resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 22-23 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-56 of this report.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees and a budgetary comparison schedule for the general fund. Required supplementary information can be found on pages 57-64 of this report. Also, this report presents certain other supplementary information such as combining financial information for non-major governmental funds, budgetary comparison schedules for non-major governmental funds and combining financial statements for enterprise funds and fiduciary funds. Other supplementary information can be found on pages 65-88 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$378,460,508 at the close of the most recent fiscal year.

Net Assets As of June 30

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 69,984,439	\$ 62,042,618	\$ 61,387,539	\$ 69,039,467	\$ 131,371,978	\$ 131,082,085
Capital assets	188,624,157	171,393,697	152,455,048	142,043,963	341,079,205	313,437,660
Total assets	258,608,596	233,436,315	213,842,587	211,083,430	472,451,183	444,519,745
Long-term liabilities	42,482,706	27,237,853	33,275,867	35,650,641	75,758,573	62,888,494
Other liabilities	12,577,613	13,400,860	5,654,489	6,225,639	18,232,102	19,626,499
Total liabilities	55,060,319	40,638,713	38,930,356	41,876,280	93,990,675	82,514,993
Net assets:						
Invested in capital assets, net of related debt	168,461,960	161,077,889	135,025,019	123,751,512	303,486,979	284,829,401
Restricted	1,590,705	2,233,957	22,411,356	24,610,916	24,002,061	26,844,873
Unrestricted	33,495,612	29,485,756	17,475,856	20,844,722	50,971,468	50,330,478
Total net assets	\$ 203,548,277	\$ 192,797,602	\$ 174,912,231	\$ 169,207,150	\$ 378,460,508	\$ 362,004,752

By far the largest portion of the City's net assets (80 percent) reflect its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure), less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$50,971,468) may be used to meet the City's ongoing obligations to citizens and creditors.

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

There was an increase of \$5.7 million in the net assets reported in connection with the City's business-type activities. This increase was due to several factors. See below for more information.

The governmental net assets increased by \$10.8 million during the current fiscal year. This increase was due to several factors. See below for more information.

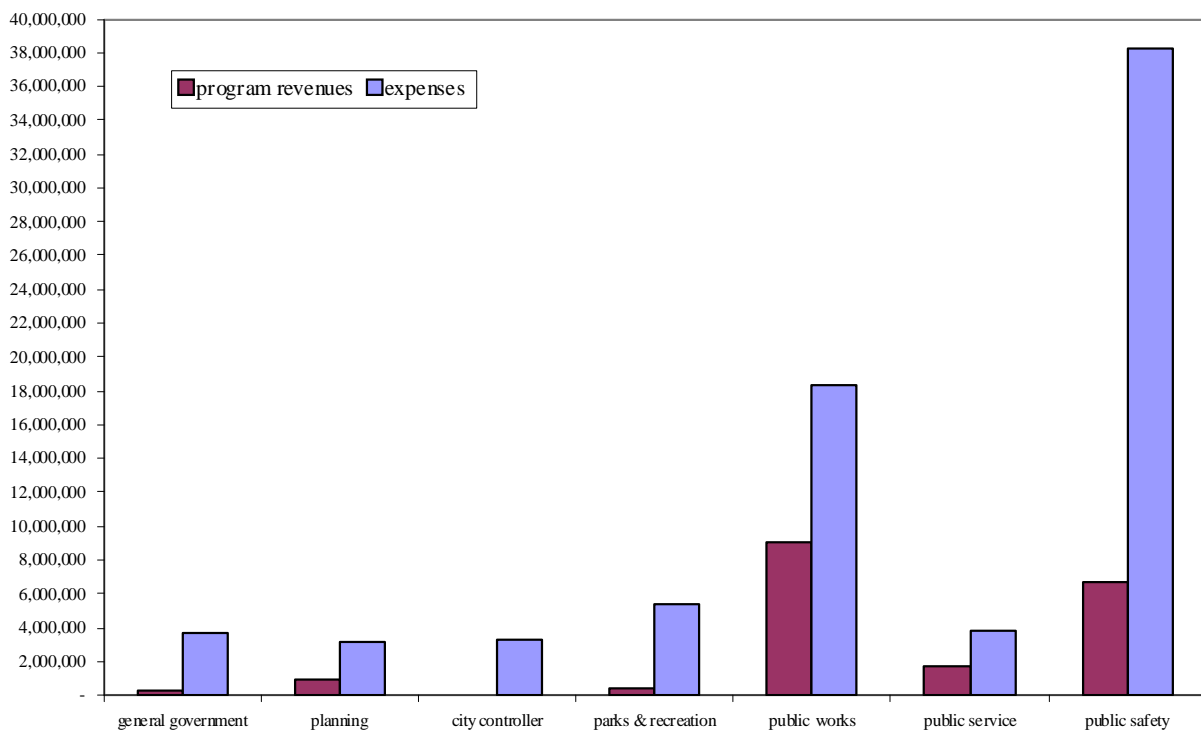
Change in Net Assets For the Year Ended June 30

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Program Revenues:						
Charges for services	\$ 4,451,439	\$ 5,427,246	\$ 36,006,010	\$ 34,567,379	\$ 40,457,449	\$ 39,994,625
Operating grants & contributions	6,427,085	11,556,726	-	-	6,427,085	11,556,726
Capital grants & contributions	8,102,826	8,507,544	2,055,411	4,631,310	10,158,237	13,138,854
General revenues:						
Sales and excise taxes	52,261,757	45,565,002	1,251,242	1,608,254	53,512,999	47,173,256
Franchise taxes	6,215,692	5,797,844	-	-	6,215,692	5,797,844
Property taxes	3,373,306	3,485,026	-	-	3,373,306	3,485,026
State use taxes	2,401,933	2,025,502	-	-	2,401,933	2,025,502
Other taxes	1,927,889	1,769,098	-	-	1,927,889	1,769,098
Investment earnings	1,074,489	1,718,553	1,109,011	2,561,016	2,183,500	4,279,569
Miscellaneous	1,003,269	687,086	53,097	77,605	1,056,366	764,691
Total revenues	87,239,685	86,539,627	40,474,771	43,445,564	127,714,456	129,985,191
Expenses:						
General government	3,751,170	3,829,737	-	-	3,751,170	3,829,737
Planning	3,139,732	2,892,976	-	-	3,139,732	2,892,976
City controller	3,317,241	3,128,315	-	-	3,317,241	3,128,315
Parks and recreation	5,441,885	4,975,386	-	-	5,441,885	4,975,386
Public works	18,412,370	21,420,245	-	-	18,412,370	21,420,245
Public service	3,871,811	2,655,470	-	-	3,871,811	2,655,470
Public safety	38,223,543	34,176,717	-	-	38,223,543	34,176,717
Interest on long-term debt	1,022,021	844,342	-	-	1,022,021	844,342
Westwood park	-	-	1,498,891	1,343,650	1,498,891	1,343,650
Water	-	-	10,650,815	9,582,054	10,650,815	9,582,054
Wastewater	-	-	11,534,123	11,417,808	11,534,123	11,417,808
Sanitation	-	-	10,395,098	9,765,306	10,395,098	9,765,306
Total expenses	77,179,773	73,923,188	34,078,927	32,108,818	111,258,700	106,032,006
Change in net assets before transfers	10,059,912	12,616,439	6,395,844	11,336,746	16,455,756	23,953,185
Transfers	690,763	764,657	(690,763)	(764,657)	-	-
Change in net assets	10,750,675	13,381,096	5,705,081	10,572,089	16,455,756	23,953,185
Net assets, beginning	192,797,602	179,416,506	169,207,150	158,635,061	362,004,752	338,051,567
Net assets, ending	\$ 203,548,277	\$ 192,797,602	\$ 174,912,231	\$ 169,207,150	\$ 378,460,508	\$ 362,004,752

Governmental activities – Governmental activities increased the City’s net assets by \$10.8 million. In the prior year, governmental activities increased the City’s net assets by \$13.4 million. Key elements of this change are as follows:

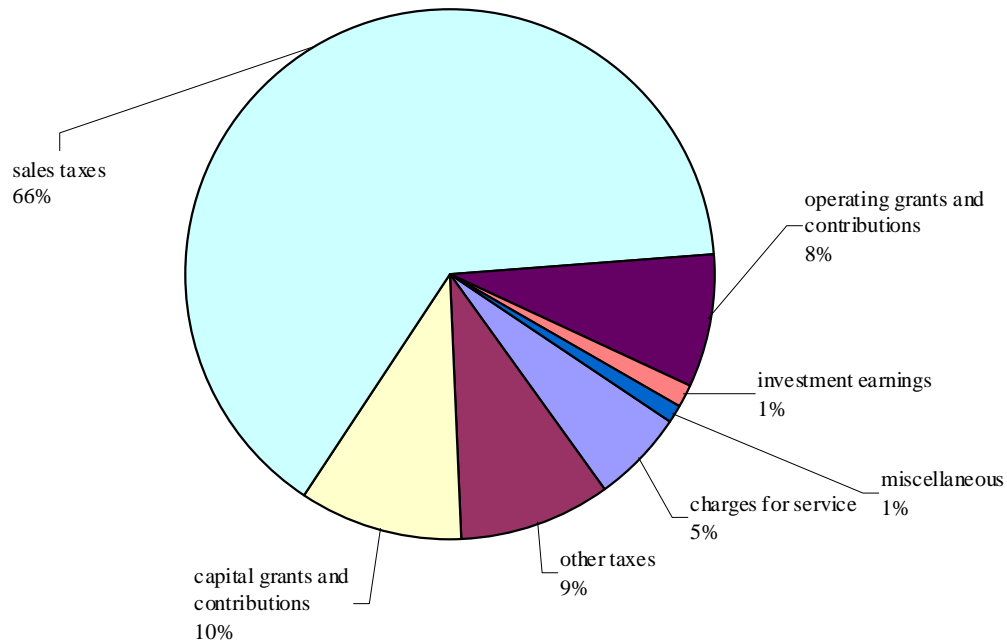
- Sales tax revenue within the governmental activities (the City’s primary fund source) increased by \$6,696,755 or 14.7% over the prior fiscal year. It is important to note that a new half cent sales tax dedicated to public safety became effective October 1, 2008. Sales taxes increased by \$925,284 or 2% over the prior fiscal year excluding this new tax.
- Operating grants and contribution revenues decreased by \$5,129,641 or 44% from the prior fiscal year and public works expenditures decreased by \$3,007,875 or 14% from the prior fiscal year. These decreases were due to ice storm related clean-up costs that were substantially reimbursed from the Federal and State government in the prior fiscal year.
- Charges for services revenue decreased by \$975,807 or 18% from the prior fiscal year. This decrease was due to decreases in public safety fines, building permit fees and oil royalty fees.
- Investment earnings decreased \$644,064 or 37% under the prior fiscal year. This decrease was due to reduced returns within the market as a whole.

Expenses and Program Revenues – Governmental Activities



Although governmental expenses exceed program revenue, most governmental activities are financed through taxes and other revenue sources.

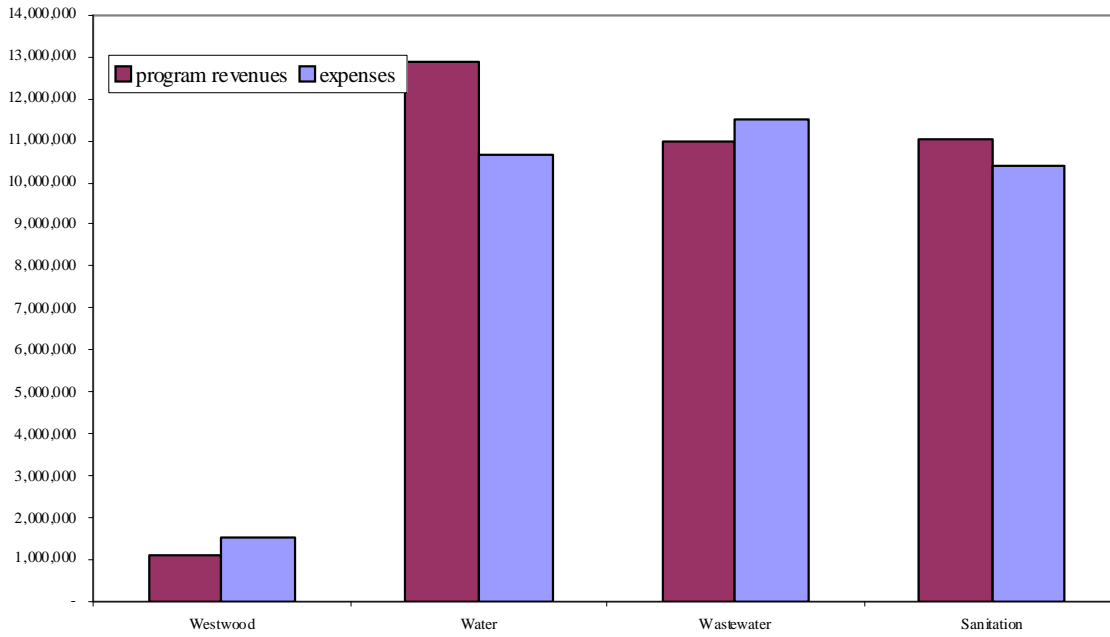
Revenues by Source - Governmental Activities



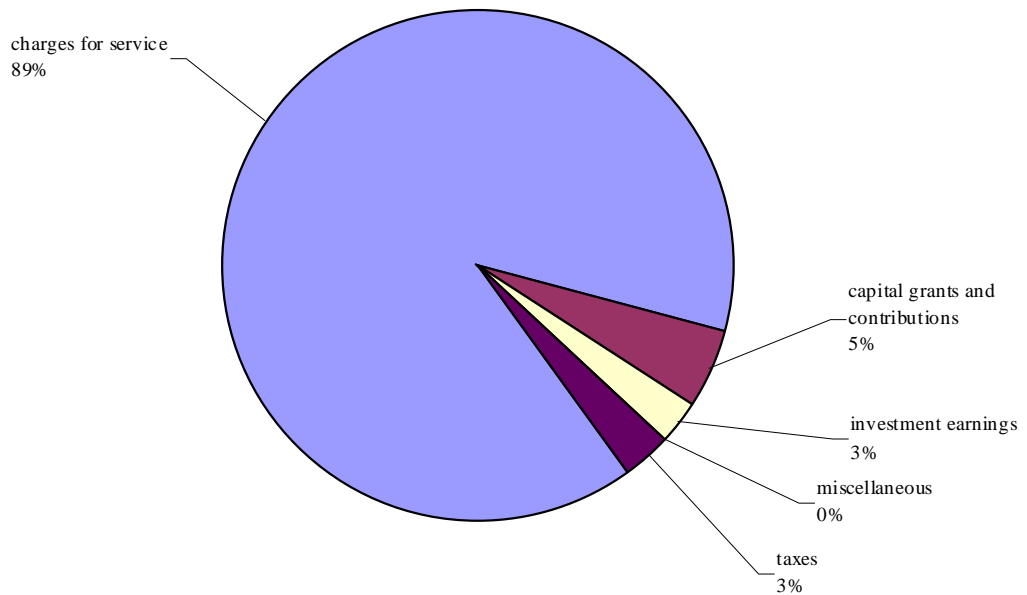
Business-type activities – Business-type activities increased the City’s net assets by \$5.7 million. In the prior year, business-type activities increased the City’s net assets by \$10.6 million. Key elements of this change are as follows:

- Water service revenue increased \$551,255 or 4.7% over the previous fiscal year. This increase was primarily due to a poor year in the prior fiscal year from several factors including unseasonable rains and reduced demand for water.
- Sanitation service revenue increased \$971,592 or 9.8% over the prior fiscal year and sanitation expenditures increased \$629,792 or 6.4% over the prior fiscal year. These increases were due to implementation of a curb-side recycling service program in the prior fiscal year. The current fiscal year included an entire year of activity for such services.
- Wastewater excise tax revenue decreased \$357,012 or 22.2% from the prior fiscal year due to a slow-down in development stemming from the economic conditions nation-wide.
- Capital grants and contribution revenue decreased \$2,575,899 or 55.6% from the prior fiscal year due to the completion of an EPA grant in the prior fiscal year as well as a reduction in donated infrastructure from developers.
- Investment earnings decreased \$1,452,005 or 57% under the prior fiscal year. This decrease was due to reduced returns within the market as a whole.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

As of end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$59,463,773, an increase of \$8,414,116 over the prior year. Approximately 85 percent of this total amount (\$50,370,908) constitutes unreserved fund balance, which is available for spending at the government's discretion (\$4,016,000 of this total has been designated to cover the liability for incurred claims). The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to pay outstanding encumbrances of the prior period (\$7,502,160) or 2) to pay debt service (\$1,590,705).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$17,472,575 (of which \$4,016,000 is designated to cover liability for incurred claims) while total fund balance reached \$19,291,839. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 27 percent of total General Fund expenditures, while total fund balance represents 29 percent of that same amount.

The fund balance of the City's General Fund increased by \$855,047 during the current fiscal year compared to an increase of \$1,835,045 in the previous year. Key factors in the current year slower rate of increase are as follows:

- Tax revenue increased \$6,796,626 or 16.3%, public safety expenditures increased \$1,535,768 or 5%, and transfers out increased \$3,360,099 or 244% all in the current year. The biggest portion of these increases related to a new half cent sales and use tax for public safety that became effective October 1, 2008 and will be in effect until September 30, 2015.
- Intergovernmental revenues decreased \$5,493,959 or 50% in the current year. Public works expenditures decreased \$4,809,802 or 26.9% in the current year. These decreases were due to ice storm related clean-up costs that were substantially reimbursed from the Federal and State government in the prior fiscal year.

The Debt Service Fund has a total fund balance of \$1,590,705, all of which is reserved for the payment of debt service. The net decrease in the fund balance during the current year was \$627,998 due to increased principal and interest payments on general obligation bond issues and judgments awarded against the City.

The Capital Projects Fund has a total fund balance of \$35,303,594. The net increase in fund balance during the current year was \$9,069,545. This increase was due to general obligation bond proceeds that will be used for future construction projects.

Proprietary funds – The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the NMA and NUA funds were \$2,349,514 and \$15,126,342, respectively. The total growth in net assets for these funds was \$507,463 and \$5,197,618, respectively. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The net difference between the original budget and the final amended budget was a decrease of \$734,242 and can be briefly summarized as follows:

- \$2,535,273 in increases for FEMA and State of Oklahoma reimbursement revenue for the December 2007 ice storm.
- \$996,063 in increases to public safety expenses primarily within Police Public Safety Sales Tax for increases related to uses of the new taxes.
- \$921,122 for increase to public works expenses primarily within Street Maintenance for additional December 2007 ice storm debris cleanup.

By policy, the City holds a targeted six percent of its fund balances in reserve for unanticipated operational demands or below-target revenues. The net difference between the amended budget and actual amounts received/expended can be briefly summarized as follows:

- General Fund revenues fell short of expectations by \$3,361,524.
 - Sales taxes fell slightly short of expectations by \$53,274 due to the slow down in the economy.
 - Interest income fell short of expectation by \$260,325 due to the drop in interest rates.
 - Miscellaneous revenues fell short of expectations by \$2,703,352 primarily due to FEMA reimbursement amounts that were accrued for in the previous fiscal year.
- General Fund expenditures and encumbrances were below expectations by \$6,370,014.
 - Street Maintenance expenditures were \$1,221,434 below expectations. This was due to the December 2007 ice storm debris cleanup costs that were encumbered in the previous fiscal year.
 - Fire Suppression expenditures were \$651,966 below expectations due to several factors including payroll savings.
 - City Council expenditures were \$1,394,143 below expectation due to lack of expense of the 2% reserve.
- Net General Fund transfers were \$190,040 less than expected. Transfers in from the Capital Projects Fund were \$601,863 less than expected and the amounts were transferred to cover the purchase of vehicles and equipment and street maintenance expenditures.

The City closed the year with a fund balance that was higher than what was budgeted by \$2,818,450.

Capital Asset and Debt Administration

Capital assets – The City's gross investment in capital assets for its governmental and business-type activities as of June 30, 2009, amounted to \$340,010,485 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, highways and bridges. The total increase in the City's investment in capital assets for the current fiscal year was 9% (a 10% increase for governmental activities and a 7% increase for business-type activities).

Capital Assets
As of June 30

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 48,686,052	\$ 48,430,689	\$ 8,426,015	\$ 8,426,015	\$ 57,112,067	\$ 56,856,704
Buildings and improvements	37,401,626	35,882,296	136,439,567	134,433,601	173,841,193	170,315,897
Machinery and equipment	30,896,314	29,419,118	73,725,139	70,000,160	104,621,453	99,419,278
Infrastructure	357,525,923	345,607,258	-	-	357,525,923	345,607,258
Construction in progress	35,757,154	25,600,744	37,341,192	29,222,471	73,098,346	54,823,215
Less: Accumulated depreciation	(321,642,912)	(313,546,409)	(104,545,585)	(100,038,283)	(426,188,497)	(413,584,692)
Total	\$ 188,624,157	\$ 171,393,696	\$ 151,386,328	\$ 142,043,964	\$ 340,010,485	\$ 313,437,660

Major capital asset events during the current fiscal year included the following:

- One new fire truck was purchased at a cost of \$389,701.
- A portion of the Well and Distribution System project was completed at a cost of \$1,634,241.
- The 24th SE Widening project was completed at a cost of \$5,037,830.
- The Lindsey Widening project was completed at a cost of \$3,099,215.
- A variety of street and roadway construction projects were underway; governmental construction in progress as of the end of the current fiscal year had reached \$35,757,154.
- A variety of water and sewer projects were underway; NUA construction in progress as of the end of the current fiscal year was \$37,341,192.

Additional information on the City's capital assets can be found in note 4 on pages 36-37 of this report.

Long-term debt – At the end of the current fiscal year, the City had total bonded debt outstanding of \$58,505,000. Of this amount, \$28,370,000 comprises debt backed by the full faith and credit of the government and \$398,750 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The remainder of the City's bonded debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds) of \$30,135,000. The City also had notes payable outstanding of \$9,642,732 at the end of the current fiscal year and was secured by capital assets and specified revenue sources.

**Outstanding Debt
As of June 30**

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 28,370,000	\$ 20,115,000	\$ -	\$ -	\$ 28,370,000	\$ 20,115,000
Special assessment debt with governmental commitment	398,750	478,500	-	-	398,750	478,500
Revenue bonds	-	-	30,135,000	31,885,000	30,135,000	31,885,000
Notes payable	4,480,813	-	5,161,919	5,824,646	9,642,732	5,824,646
Total	\$ 33,249,563	\$ 20,593,500	\$ 35,296,919	\$ 37,709,646	\$ 68,546,482	\$ 58,303,146

The City's total debt increased by \$10,243,336 (18 percent) during the current fiscal year. The key factors of this change were issuance of \$10,685,000 in general obligation bonds, issuance of \$4,480,813 in notes payable and normally scheduled payments.

The City maintained an insured "AA" rating from Moody's for those general obligation debt issues that are rated by the service. The NUA maintained an insured "A" rating from Moody's for those debt issues that are rated by the service.

Additional information on the City's long-term debt can be found in note 4 on pages 45-51 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Oklahoma City metropolitan area which includes Norman is currently 4.8 percent, which is an increase of .5 percent from a year ago. This compares favorably to the state's average unemployment rate of 6.4 percent and favorably to the national average rate of 9.5 percent.
- Inflationary trends in the region compare favorably to national indices.
- Tax revenue, the City's major source of revenue, increased 2% over the prior year (after excluding the new half cent dedicated public safety tax). Tax revenue has increased approximately 47% over the past 5 years.

All of these factors were considered in preparing the City's budget for the 2010 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 201 West Gray, Building C, Norman, Oklahoma, 73069.

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF NET ASSETS JUNE 30, 2009

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 20,030,539	\$ 1,689,010	\$ 21,719,549
Restricted cash and cash equivalents	15,293,074	29,879,553	45,172,627
Investments	20,092,126	14,840,694	34,932,820
Restricted investments	2,060,401	-	2,060,401
Receivables:			
Taxes	10,169,570	-	10,169,570
Accounts, net of allowance for estimated uncollectible Business-Type accounts of \$107,594	632,836	2,357,981	2,990,817
Interest	208,620	240,558	449,178
Other receivables	22,000	-	22,000
Due from Federal Government	690,220	74,695	764,915
Internal balances	(114,699)	114,699	-
Inventory	284,261	-	284,261
Total current assets	<u>69,368,948</u>	<u>49,197,190</u>	<u>118,566,138</u>
Non-current assets:			
Restricted cash and cash equivalents	-	906,359	906,359
Restricted investments	115,309	11,699,077	11,814,386
Other receivables	152,649	-	152,649
Unamortized bond issue costs	347,533	653,633	1,001,166
Capital assets not subject to depreciation	84,443,206	45,767,207	130,210,413
Capital assets, net	104,180,951	105,619,121	209,800,072
Total non-current assets	<u>189,239,648</u>	<u>164,645,397</u>	<u>353,885,045</u>
Total assets	<u>258,608,596</u>	<u>213,842,587</u>	<u>472,451,183</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other accrued liabilities	2,214,198	1,155,290	3,369,488
Payroll payable	1,416,309	319,060	1,735,369
Accrued interest payable	284,825	238,101	522,926
Guaranty deposits	3,642,242	1,406,678	5,048,920
Current portion of long-term debt	5,020,039	2,535,360	7,555,399
Total current liabilities	<u>12,577,613</u>	<u>5,654,489</u>	<u>18,232,102</u>
Non-current liabilities:			
Long-term debt and other liabilities	42,482,706	33,275,867	75,758,573
Total non-current liabilities	<u>42,482,706</u>	<u>33,275,867</u>	<u>75,758,573</u>
Total liabilities	<u>55,060,319</u>	<u>38,930,356</u>	<u>93,990,675</u>
NET ASSETS			
Invested in capital assets, net of related debt	168,461,960	135,025,019	303,486,979
Restricted for:			
Debt service	1,590,705	1,474,310	3,065,015
Capital improvements	-	20,937,046	20,937,046
Unrestricted	33,495,612	17,475,856	50,971,468
Total net assets	<u>\$ 203,548,277</u>	<u>\$ 174,912,231</u>	<u>\$ 378,460,508</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary government						
Governmental activities:						
General government	\$ 3,751,170	\$ 253,409	\$ -	\$ (3,497,761)	\$ -	\$ (3,497,761)
Planning	3,139,732	893,633	-	(2,246,099)	-	(2,246,099)
City controller	3,317,241	-	-	(3,317,241)	-	(3,317,241)
Parks and recreation	5,441,885	426,476	47,548	(4,967,861)	-	(4,967,861)
Public works	18,412,370	-	892,084	(9,417,460)	-	(9,417,460)
Public service	3,871,811	-	1,674,190	(2,197,621)	-	(2,197,621)
Public safety	38,223,543	2,877,921	3,813,263	(31,532,359)	-	(31,532,359)
Interest on long-term debt	1,022,021	-	-	(1,022,021)	-	(1,022,021)
Total governmental activities	77,179,773	4,451,439	6,427,085	(58,198,423)	-	(58,198,423)
Business-type activities:						
Westwood Park	1,498,891	1,089,329	-	-	(409,562)	(409,562)
Water	10,650,815	12,881,381	1,144,143	-	3,374,709	3,374,709
Wastewater	11,534,123	11,000,250	911,268	-	377,395	377,395
Sanitation	10,395,098	11,035,050	-	-	639,952	639,952
Total business-type activities	34,078,927	36,006,010	2,055,411	-	3,982,494	3,982,494
Total primary government	\$ 111,258,700	\$ 40,457,449	\$ 6,427,085	(58,198,423)	3,982,494	(54,215,929)
General revenues:						
Taxes (unrestricted unless otherwise noted):						
Sales taxes	44,332,578	7,929,179	-	44,332,578	-	44,332,578
Sales taxes - restricted	-	-	-	-	-	7,929,179
Excise taxes - restricted	-	-	-	-	1,251,242	1,251,242
Franchise taxes	6,215,692	-	-	6,215,692	-	6,215,692
Property taxes - restricted	3,373,306	-	-	3,373,306	-	3,373,306
State use taxes	2,165,516	-	-	2,165,516	-	2,165,516
State use taxes - restricted	236,417	-	-	236,417	-	236,417
Hotel/Motel taxes	991,435	-	-	991,435	-	991,435
Alcoholic beverage taxes	231,077	-	-	231,077	-	231,077
Cigarette taxes	705,377	-	-	705,377	-	705,377
Investment earnings	1,074,489	-	-	1,074,489	1,109,011	2,183,500
Miscellaneous	1,003,269	-	-	1,003,269	53,097	1,056,366
Transfers	690,763	-	-	690,763	(690,763)	-
Total general revenues and transfers	68,949,098	-	-	68,949,098	1,722,587	70,671,685
Change in net assets						
Net assets - beginning	192,797,602	10,750,675	169,207,150	192,797,602	5,705,081	198,502,683
Net assets - ending	203,548,277	20,507,750	189,716,025	203,548,277	11,410,162	214,958,439

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2009

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 7,821,697	\$ -	\$ 10,317,786	\$ 1,891,056	\$ 20,030,539
Investments	7,643,622	1,428,117	9,370,259	1,650,128	20,092,126
Receivables:					
Taxes	8,077,816	44,901	1,949,274	97,579	10,169,570
Accounts	601,259	-	-	31,577	632,836
Interest	69,264	39,493	84,910	14,953	208,620
Special assessment	-	174,649	-	-	174,649
Due from Federal Government	-	-	309,860	380,360	690,220
Due from other funds	80,258	858	98,700	10,401	190,217
Inventory	284,273	-	-	-	284,273
Restricted Assets:					
Cash and cash equivalents	1,002,735	245,708	14,044,631	-	15,293,074
Investments	2,060,401	115,309	-	-	2,175,710
Total assets	<u>\$ 27,641,325</u>	<u>\$ 2,049,035</u>	<u>\$ 36,175,420</u>	<u>\$ 4,076,054</u>	<u>\$ 69,941,834</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and other accrued liabilities	\$ 1,487,515	\$ 300	\$ 285,204	\$ 441,179	\$ 2,214,198
Payroll payable	1,356,482	-	7,515	52,312	1,416,309
Due to other funds	-	-	-	304,928	304,928
Deferred revenue	-	173,205	-	-	173,205
Interest payable	-	284,825	-	-	284,825
Liability for incurred claims	2,442,354	-	-	-	2,442,354
Guaranty deposits	3,063,135	-	579,107	-	3,642,242
Total liabilities	<u>8,349,486</u>	<u>458,330</u>	<u>871,826</u>	<u>798,419</u>	<u>10,478,061</u>
FUND BALANCES					
Reserved for:					
Encumbrances	1,819,264	-	5,205,515	477,381	7,502,160
Debt service	-	1,590,705	-	-	1,590,705
Unreserved, reported in:					
General fund	13,456,575	-	-	-	13,456,575
Special revenue funds	-	-	-	2,800,254	2,800,254
Capital projects fund	-	-	30,098,079	-	30,098,079
Designated for incurred claims	4,016,000	-	-	-	4,016,000
Total fund balances	<u>19,291,839</u>	<u>1,590,705</u>	<u>35,303,594</u>	<u>3,277,635</u>	<u>59,463,773</u>
Total liabilities and fund balances	<u>\$ 27,641,325</u>	<u>\$ 2,049,035</u>	<u>\$ 36,175,420</u>	<u>\$ 4,076,054</u>	
Amounts reported for governmental activities in the statement of net assets are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					188,624,157
Bond issue costs are not available to pay for current-period expenditures and, therefore, are not recorded in the funds.					347,533
Special assessment receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds.					173,205
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.					(45,060,391)
Net assets of governmental activities					<u>\$ 203,548,277</u>

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2009

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 48,584,919	\$ 3,355,137	\$ 12,312,632	\$ 991,435	\$ 65,244,123
Licenses and permits	968,332	-	-	-	968,332
Intergovernmental revenues	5,390,133	-	-	2,066,141	7,456,274
Charges for services	10,647,720	-	-	225,859	10,873,579
Fines and forfeits	2,204,498	-	-	-	2,204,498
Investment earnings	294,364	83,437	630,936	65,752	1,074,489
Special assessment revenue	-	56,779	-	-	56,779
Other	593,505	1,428	260,183	341,126	1,196,242
Total revenues	<u>68,683,471</u>	<u>3,496,781</u>	<u>13,203,751</u>	<u>3,690,313</u>	<u>89,074,316</u>
Expenditures:					
Current:					
General government	6,329,224	-	70,412	-	6,399,636
Planning	3,237,170	-	-	-	3,237,170
City controller	5,360,371	-	-	-	5,360,371
Parks and recreation	4,392,752	-	597,783	42,519	5,033,054
Public works	13,098,209	-	3,420,720	-	16,518,929
Public service	-	-	-	3,749,537	3,749,537
Public safety	32,177,422	-	493,607	1,972,209	34,643,238
Capital outlay	2,590,895	-	15,111,986	340,189	18,043,070
Debt service:					
Principal retirement	-	2,509,750	-	-	2,509,750
Interest and fiscal charges	-	1,022,021	-	-	1,022,021
Total expenditures	<u>67,186,043</u>	<u>3,531,771</u>	<u>19,694,508</u>	<u>6,104,454</u>	<u>96,516,776</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,497,428</u>	<u>(34,990)</u>	<u>(6,490,757)</u>	<u>(2,414,141)</u>	<u>(7,442,460)</u>
Other financing sources (uses):					
Transfers in	4,092,321	-	3,015,426	1,759,702	8,867,449
Transfers out	(4,734,702)	(593,008)	(2,620,937)	(228,039)	(8,176,686)
Bond/Debt proceeds	-	-	15,165,813	-	15,165,813
Net other financing sources (uses)	<u>(642,381)</u>	<u>(593,008)</u>	<u>15,560,302</u>	<u>1,531,663</u>	<u>15,856,576</u>
Net change in fund balances	855,047	(627,998)	9,069,545	(882,478)	8,414,116
Fund balances, July 1, 2008	<u>18,436,792</u>	<u>2,218,703</u>	<u>26,234,049</u>	<u>4,160,113</u>	<u>51,049,657</u>
Fund balances, June 30, 2009	<u>\$ 19,291,839</u>	<u>\$ 1,590,705</u>	<u>\$ 35,303,594</u>	<u>\$ 3,277,635</u>	<u>\$ 59,463,773</u>

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2009

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

Net change in fund balances - total governmental funds	\$ 8,414,116
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	9,233,830
Contributed capital assets (land, buildings and infrastructure) and other miscellaneous capital asset transactions recorded in government-wide financial statements but not recorded in fund level financial statements	7,996,630
Special assessment revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(56,844)
Debt service principal retirement expensed in fund level financial statements but treated as reduction in outstanding debt in government-wide financial statements	2,509,750
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in the governmental funds	(1,808,938)
The issuance of long-term debt provides current financial resources to governmental funds	(15,165,813)
Increase in liability for incurred claims and compensated absences expensed in government-wide financial statements	<u>(372,056)</u>
Change in net assets of governmental activities	<u>\$ 10,750,675</u>

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS JUNE 30, 2009

	Norman Municipal Authority	Norman Utilities Authority	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 236,379	\$ 1,452,631	\$ 1,689,010
Restricted cash and cash equivalents	445,664	29,433,889	29,879,553
Investments	2,161,369	12,679,325	14,840,694
Restricted investments	-	-	-
Receivables:			
Accounts, net of allowance for estimated uncollectible accounts	708,229	1,649,752	2,357,981
Interest	21,416	219,142	240,558
Due from other funds	4,096	110,603	114,699
Due from Federal Government	-	74,695	74,695
Total current assets	<u>3,577,153</u>	<u>45,620,037</u>	<u>49,197,190</u>
Noncurrent assets:			
Restricted cash and cash equivalents	19,995	886,364	906,359
Restricted investments	213,395	11,485,682	11,699,077
Unamortized bond issue costs	37,147	616,486	653,633
Capital assets, net	13,459,802	137,926,526	151,386,328
Total noncurrent assets	<u>13,730,339</u>	<u>150,915,058</u>	<u>164,645,397</u>
Total assets	<u>17,307,492</u>	<u>196,535,095</u>	<u>213,842,587</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	304,932	850,358	1,155,290
Payroll payable	133,140	185,920	319,060
Accrued interest payable	16,045	222,056	238,101
Guaranty deposits	293,006	1,113,672	1,406,678
Revenue bonds payable	100,000	1,700,000	1,800,000
Notes payable	135,000	542,324	677,324
Compensated absences	21,658	36,378	58,036
Total current liabilities	<u>1,003,781</u>	<u>4,650,708</u>	<u>5,654,489</u>
Noncurrent liabilities:			
Notes payable	140,000	4,344,596	4,484,596
Compensated absences	359,392	603,636	963,028
Revenue bonds payable, net	1,674,650	26,153,593	27,828,243
Total noncurrent liabilities	<u>2,174,042</u>	<u>31,101,825</u>	<u>33,275,867</u>
Total liabilities	<u>3,177,823</u>	<u>35,752,533</u>	<u>38,930,356</u>
NET ASSETS			
Invested in capital assets, net	11,410,152	123,614,867	135,025,019
Restricted for debt service	370,003	1,104,307	1,474,310
Restricted for capital improvements	-	20,937,046	20,937,046
Unrestricted	2,349,514	15,126,342	17,475,856
Total net assets	<u>\$ 14,129,669</u>	<u>\$ 160,782,562</u>	<u>\$ 174,912,231</u>

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2009

	Norman Municipal Authority	Norman Utilities Authority	Total
Operating revenues:			
Golf and pool fees	\$ 1,089,329	\$ -	\$ 1,089,329
Water service, net	-	13,898,301	13,898,301
Wastewater service, net	-	10,927,785	10,927,785
Sanitation services, net	10,863,595	-	10,863,595
Other	111,055	159,952	271,007
	<u>12,063,979</u>	<u>24,986,038</u>	<u>37,050,017</u>
Total operating revenues			
Operating expenses:			
Salaries and benefits	4,406,155	6,304,029	10,710,184
Supplies and materials	1,201,041	1,664,691	2,865,732
Services and maintenance	5,023,285	8,816,562	13,839,847
Depreciation and amortization	1,021,101	5,077,614	6,098,715
	<u>11,651,582</u>	<u>21,862,896</u>	<u>33,514,478</u>
Total operating expenses			
Operating income	<u>412,397</u>	<u>3,123,142</u>	<u>3,535,539</u>
Nonoperating revenues (expenses):			
Tax revenue	-	1,251,242	1,251,242
Investment earnings	94,944	1,014,067	1,109,011
Interest and fiscal charges	(136,920)	(1,358,029)	(1,494,949)
Miscellaneous income (expense)	(31,901)	(28,509)	(60,410)
	<u>(73,877)</u>	<u>878,771</u>	<u>804,894</u>
Net nonoperating revenues (expenses)			
Income before capital contributions and transfers	<u>338,520</u>	<u>4,001,913</u>	<u>4,340,433</u>
Capital contributions - capital grants	-	-	-
Capital contributions - donated water and sewer distribution systems	-	2,055,411	2,055,411
Transfers in	225,108	-	225,108
Transfers out	(56,165)	(859,706)	(915,871)
	<u>168,943</u>	<u>1,195,705</u>	<u>1,364,648</u>
Net capital contributions and transfers			
Net income	507,463	5,197,618	5,705,081
Net assets - beginning	<u>13,622,206</u>	<u>155,584,944</u>	<u>169,207,150</u>
Net assets - ending	<u>\$ 14,129,669</u>	<u>\$ 160,782,562</u>	<u>\$ 174,912,231</u>

See notes to financial statements

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2009

	Norman Municipal Authority	Norman Utilities Authority	Total
Cash flows from operating activities:			
Cash received from customers	\$ 12,134,519	\$ 25,180,783	\$ 37,315,302
Cash paid to employees for services	(4,390,942)	(6,229,339)	(10,620,281)
Cash paid to suppliers	(6,209,550)	(11,177,885)	(17,387,435)
Other receipts (payments)	8,990	(64,839)	(55,849)
Net cash provided by operating activities	<u>1,543,017</u>	<u>7,708,720</u>	<u>9,251,737</u>
Cash flows from noncapital financing activities:			
Transfers in	225,108	-	225,108
Transfers out	(56,165)	(859,706)	(915,871)
Net cash provided by (used for) noncapital financing activities	<u>168,943</u>	<u>(859,706)</u>	<u>(690,763)</u>
Cash flows from capital and related financing activities:			
Proceeds from disposal of capital assets	30,000	-	30,000
Payments for the acquisition of capital assets	(3,188,160)	(10,339,150)	(13,527,310)
Proceeds from taxes	-	1,251,242	1,251,242
Principal payments on revenue bonds	(95,000)	(1,655,000)	(1,750,000)
Principal payments on notes payable	(125,000)	(537,725)	(662,725)
Interest and fiscal charges paid	(130,930)	(1,258,906)	(1,389,836)
Net cash used for capital and related financing activities	<u>(3,509,090)</u>	<u>(12,539,539)</u>	<u>(16,048,629)</u>
Cash flows from investing activities:			
Proceeds from maturity of investments	2,193,476	23,641,019	25,834,495
Payments for purchases of investments	(1,525,710)	(17,058,077)	(18,583,787)
Investment earnings received	105,302	1,159,096	1,264,398
Net cash used for investing activities	<u>773,068</u>	<u>7,742,038</u>	<u>8,515,106</u>
Net change in cash and cash equivalents	(1,024,062)	2,051,513	1,027,451
Cash and cash equivalents - beginning	<u>1,726,100</u>	<u>29,721,371</u>	<u>31,447,471</u>
Cash and cash equivalents - ending	<u>\$ 702,038</u>	<u>\$ 31,772,884</u>	<u>\$ 32,474,922</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 412,397	\$ 3,123,142	\$ 3,535,539
Adjustments to reconcile operating income to net cash provided by operating activities:			
Miscellaneous revenue	(31,901)	(28,509)	(60,410)
Bad debt expense	61,387	156,077	217,464
Depreciation	1,021,101	5,077,614	6,098,715
Loss on disposal of property, plant and equipment	44,100	67,541	111,641
(Increase) decrease in accounts receivable, net	(7,448)	46,304	38,856
Increase in due from other funds	(3,209)	(103,871)	(107,080)
Increase (decrease) in accounts payable and accrued liabilities	14,776	(696,632)	(681,856)
Increase in payroll payable	10,373	39,412	49,785
Increase (decrease) in guaranty deposits	16,601	(7,636)	8,965
Increase in compensated absences	4,840	35,278	40,118
Net cash provided by operating activities	<u>\$ 1,543,017</u>	<u>\$ 7,708,720</u>	<u>\$ 9,251,737</u>
NONCASH ACTIVITIES:			
Donated water and sewer distribution systems	<u>\$ -</u>	<u>\$ 2,055,411</u>	<u>\$ 2,055,411</u>
Change in unrealized (gain) loss on investments	<u>\$ 5,885</u>	<u>\$ 98,610</u>	<u>\$ 104,495</u>

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS JUNE 30, 2009

	Pension Trust Fund	Centennial Agency Fund
ASSETS		
Cash and cash equivalents	\$ -	\$ 1,471
Investments		
Mutual funds	36,832,354	-
U.S. Agencies	-	2,182
Interest receivable	-	20
Due from other funds	-	13
Loans to 401(a) Plan participants	<u>3,414,803</u>	<u>-</u>
Total assets	<u>\$ 40,247,157</u>	<u>\$ 3,686</u>
LIABILITIES AND NET ASSETS		
Funds held for others	\$ -	\$ 3,686
Net assets:		
Held in trust for pension benefits	564,510	-
Held in trust for retirement benefits	<u>39,682,647</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 40,247,157</u>	<u>\$ 3,686</u>

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2009

	Pension Trust Fund
ADDITIONS:	
Contributions:	
Employer	\$ 2,093,496
Employee	<u>1,714,001</u>
Total contributions	3,807,497
Investment income (loss)	<u>(7,735,872)</u>
Total additions	<u>(3,928,375)</u>
DEDUCTIONS:	
Pension benefits paid	1,967,303
Administration costs	<u>20,742</u>
Total deductions	<u>1,988,045</u>
NET INCREASE	(5,916,420)
Net assets held in trust for pension and retirement benefits, Beginning of year	<u>46,163,577</u>
End of year	<u>\$ 40,247,157</u>

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City of Norman, Oklahoma (the “City”) conform to accounting principles generally accepted in the United States of America for state and local governments. Generally accepted accounting principles for municipalities are defined as those principles promulgated by the Governmental Accounting Standards Board (“GASB”). Business-type activities and enterprise funds apply Financial Accounting Standards Board (“FASB”) and Accounting Principles Board (“APB”) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict statements and GASB pronouncements, in which case GASB prevails. The following represent the more significant accounting and reporting policies and practices of the City:

Reporting Entity - The City is a municipal corporation governed by an elected mayor and eight-member council. As required by accounting principles generally accepted in the United States of America (primarily Governmental Accounting Standards Board Statement No. 14, *Reporting Entity*), these financial statements present the government 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 operations and therefore data from these units are combined with data of the City. Each blended component unit has a June 30 year end.

Blended Component Units - The Norman Municipal Authority (“NMA”) was established in April 1965. Activities of the NMA include financing and operating the Westwood Park recreational facilities and sanitation services for the City. Prior to fiscal year 2001, NMA encompassed activities of Westwood Park only. The governing body of the NMA is the same as the City’s governing body. The City is the sole beneficiary of the NMA and receives all trust properties and resulting revenues upon retirement of all trust indebtedness. The City maintains all accounting records. The NMA is reported as an enterprise fund.

The Norman Utilities Authority (“NUA”) was established February 2, 1970. Activities of the NUA include financing and operating the utility systems for the City. The governing body of the NUA is the same as the City’s governing body. The City is the sole beneficiary of the NUA and receives all trust properties upon termination. The City maintains all accounting records. The NUA is presented as an enterprise fund.

The Norman Tax Increment Finance Authority (“NTIF”) was established July 11, 2006. Activities of the NTIF include financing Tax Increment Financing District #2 – University North Park. The governing body of the NTIF is the same as the City’s governing body. The City is the sole beneficiary of the NTIF and receives all trust properties upon termination. The City maintains all accounting records. The NTIF is presented as a governmental fund.

Basis of presentation –The City follows Governmental Accounting Standards Board (“GASB”) Statement No. 34 “Basic Financial Statements and Management’s Discussion and Analysis – for States and Local Governments” and related pronouncements in the preparation of its financial statements. Additional information regarding the basis of accounting and the differences in presentation are contained in Management’s Discussion and Analysis, which preceded the financial statements.

Government-wide and fund financial statements – The government-wide financial statements (i.e., the statement of net assets 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 services.

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*.

Separate 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.

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 with the exception of agency funds which have no measurement focus. 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.

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Sales taxes, excise taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current 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 major governmental funds:

General Fund - The General Fund is the principal fund of the City which accounts for all financial transactions not reported in other funds.

Debt Service Fund - The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the City, other than debt service payments made by enterprise funds. Ad valorem taxes and interest earned on investments of the Debt

Service Fund are used for the payment of principal, interest and commission to fiscal agents on the City's general obligation bonds and judgments.

Capital Projects Fund - The Capital Projects Fund is used to account for all major capital improvements which have been financed by designated resources, except those accounted for in proprietary funds. Activities of the NTIF are included in this fund.

The City reports the following non-major governmental funds:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of government grants or specific revenue sources (other than grants applicable to enterprise fund activities, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The City has eight special revenue funds including:

- *Norman Room Tax Fund* - Established by City ordinance to receive revenues from the City hotel/motel occupancy tax. Tax receipts are required to be used for promoting and fostering convention and tourism development in the City.
- *Community Development Fund* - Established to account for the City's Community Development Block Grants, Home Ownership Made Easy ("HOME") Grants, Rental Rehabilitation and Emergency Shelter Grants.
- *Special Grants Fund* - Established to account for revenues and expenditures of other miscellaneous grants.
- *Park Land Fund* - Established by City ordinance to receive revenues from developer fees dedicated to the acquisition of park land around the City.
- *Emergency Communications Fund* - Established to receive revenues dedicated to the implementation and maintenance of a 911 emergency phone system.
- *Seizures and Restitutions Fund* - Established to account for the revenue available as a result of property seizures resulting from criminal investigations.
- *Cleet Fund* - Established to account for revenue derived by provision of State law to be utilized for law enforcement education and training.
- *Tax Increment District Fund* - Established to account for tax revenue above a preset threshold generated by capital improvements within a specific section of the community.
- *Art in Public Places Fund* - Established to account for donations made to provide public art displays throughout the City.

The City reports the following major proprietary funds:

Norman Municipal Authority - Established to account for the construction and operation of Westwood Park recreational facilities and the City's sanitation services.

Norman Utilities Authority - Established to account for the water and wastewater utility systems for the City.

The City reports the following fiduciary funds:

Pension Trust Funds - The Pension Trust Funds are used to account for the receipt, investment and distribution of retirement contributions to the Annuity Pool portion of the Employee Retirement System of the City. The Employee Retirement System Annuity Pool is a contributory defined benefit plan. The Pension Trust Funds are also used to account for the receipt, investment and distribution of retirement contributions from the City and employees to the Section 401(a) portion of the Employee Retirement System of the City. The Section 401(a) plan is a defined contribution plan for qualifying City employees.

Agency Funds - Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency Funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the City holds for others in an agency capacity. The City has one agency fund, the Centennial Fund, which was created to account for assets held for the City's firefighters to develop a yearbook celebrating the centennial anniversary of the City of Norman Firefighters.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to the general rule are payments-in-lieu of taxes and other charges between the government's enterprise funds. 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 City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise 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.

Accounting Policies – The City's significant accounting policies related to the following financial statement categories are summarized below:

Assets, Liabilities, and Fund Equity

- a. *Cash and Cash Equivalents* - The City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents.
- b. *Pooled Cash and Investments* - The City Charter requires all cash belonging to the City to be placed in the custody of the Financial Services Department of the City. A "Pooled Cash" concept is used in maintaining the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each fund has an equity in the pooled amounts. Investments are allocated to the individual participating funds based upon a percentage determined by the Financial Services Department of the City. An interfund receivable/payable is

recognized if the allocation of investments to a particular fund exceeds the fund's pooled cash amount before the allocation of the pooled investments.

Purchases and maturities of the pooled investments, as reported in the fund's statement of cash flows, are allocated to the participating proprietary funds based on their portion of total pooled investments.

- c. *Investments* – Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The City considers quoted market price at June 30, 2009, to be the fair value of its investments.

Oklahoma Statutes authorize the City to invest in obligations of the United States government, its agencies and instrumentalities; 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, or fully insured certificates of deposit at banks, savings banks, savings and loan associations and credit unions located out of state; 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; prime banker's acceptances which are eligible for purchase by the Federal Reserve System and which do not exceed 270 days' maturity; prime commercial paper which shall not have a maturity that exceeds 180 days nor represent more than 10% of the outstanding paper of an issuing corporation; repurchase agreements that have underlying collateral consisting of those items specified above; and money market funds regulated by the Securities and Exchange Commission and which investments consist of those items noted above.

The Pension Trust Fund is invested based on guidelines established by the Board of Trustees.

- d. *Receivables and payables* – In the government-wide financial 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.

In the governmental fund financial statements, receivables are recorded when they are both measurable and available. Proprietary fund receivables consist of all revenues earned at year-end and not yet received.

- e. *Interfund Receivables and Payables* – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / due from other funds" (i.e., the current portion of interfund loans) or "advances to / from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to / from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

- f. *Restricted Assets* – Restricted assets include cash and investments of both governmental activities and business-type activities that are legally restricted as to their use. The restricted assets are primarily related to debt trustee accounts and guaranty deposits.

- g. *Capital Assets* – Capital assets, which include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,500 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital

assets, the majority of which generally consist of donated land and infrastructure which is recorded in the governmental funds and donated water and sewer distribution systems which are recorded in the proprietary funds, are recorded at estimated fair value at the date of donation.

The costs 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 is depreciated using the straight line method over the following estimated useful lives:

Buildings	40 – 65 years
Infrastructure	25 – 50 years
Improvements other than buildings & infrastructure	10 – 20 years
Machinery and equipment	3 – 20 years
Vehicles	3 – 7 years

- h. *Inventory* – The City records parts and fuel inventory within the General fund. Parts inventory is recorded using actual cost. Fuel inventory is recorded using average cost.
- i. *Long-term Debt* – In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt is reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, issuance costs and losses on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred losses on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

- j. *Liability for Incurred Claims* - The liability for incurred claims represents estimated claims (including future claim adjustment expenses) incurred but unpaid for workers compensation, group medical and dental, and unemployment claims as of the fiscal year end. The estimate includes claims reported as of June 30, 2009, as well as an estimated amount representing claims incurred but not reported. The City utilizes the services of an actuary in computation of the incurred but unpaid workers compensation portion of the liability.
- k. *Claims and Judgments Payable* - Under state law, judgments against the City can be paid over three years or can be paid immediately. The General Fund pays all claims and judgments. A liability has been recorded within the government-wide, proprietary and fiduciary fund financial statements for claims and judgments payable. A liability for these amounts is reported in governmental funds only if they will be paid from current financial resources.
- l. *Compensated Absences* - Under the terms of union contracts and City personnel policies, City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for vacation leave accumulated and vested accumulated sick leave. Vesting of sick leave by employees and maximum number of hours that can be accumulated for vacation and sick leave are dependent upon an employees’ years of service. Upon retirement, one-half of

accumulated sick leave is converted to vacation time, subject to the above limitation for maximum compensation for unused compensated absences.

A liability has been recorded within the government-wide and proprietary financial statements for accrued vacation and sick leave and certain salary related payments associated with the payment of compensated absences. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

- m. *Fund Equity* – In the government-wide financial statements, equity is classified as net assets and displayed in three components:
1. *Invested in capital assets, net of related debt* – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any notes or other borrowings attributable to those assets.
 2. *Restricted net assets* – Consists of net assets with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation. The most significant restriction as of June 30, 2007 related to three ordinances benefiting the City’s wastewater system which provide funds that are being held to complete capital projects.
 3. *Unrestricted net assets* – All other assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

When both restricted and unrestricted net assets are available for use, generally it is the City’s policy to use restricted resources first. For projects funded with tax-exempt debt proceeds and other sources, the debt proceeds are used first.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Revenues, Expenditures and Expenses

- a. *Property Tax Revenue* - Property taxes attach an enforceable lien on property as of January 1. Taxes are levied annually on November 1 and are due one-half by December 31 and one-half by March 31. The Tax Assessor’s office bills and collects the property taxes and remits to the City its portion. Property taxes not paid prior to April are considered delinquent. Such delinquent tax payments have not historically been material. Delinquent tax payments are received throughout the year and are recognized as revenue in the year received, except for those received within 60 days of year end, which are recognized as revenues as of June 30, 2008 in both the government-wide and fund financial statements.
- b. *Sales Taxes* - Sales taxes are collected by vendors and required to be remitted to the State of Oklahoma by the 20th of the month following collection. The tax is then paid to the City by the 10th of the next month. A two month lag exists between collection by the vendor and payment to the City by the State. Revenue received in July and August from sales made in May and June, respectively, is available for prior year expenses and is accrued in both the government-wide and fund financial statements.

- c. *Charges for Service* – Charges for services consist primarily of charges made by the General Fund for services such as self insurance, motor pool usage, printing, accounting, data processing, facilities usage and other benefits provided to the other funds of the City.
- d. *Intergovernmental Revenues/Capital Grants Earned* - Revenues from Federal and State operating grants are recognized when expenditures are made. Similarly, capital grants are considered earned when the expenditures are made. The earned portion of capital grants in Proprietary Funds is treated as a capital contribution within the statement of revenues, expenses and changes in fund net assets.
- e. *Investment Earnings* - Investment earnings on pooled cash and investments are allocated on a pro-rata basis to the City’s funds based on the percentage of each fund’s average month-end pooled cash balance.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications – Certain amounts in prior-year financial statements have been reclassified to conform with the current-year presentation.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets – The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$45,060,391 difference are as follows:

General obligation bonds payable	\$ 28,370,000
Notes payable	4,480,813
Special assessment debt	398,750
Compensated absences	5,789,161
Net OPEB obligation	2,005,667
Liability for incurred claims (long-term)	<u>4,016,000</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 45,060,391</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities – The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$9,233,830 difference are as follows:

Capital outlay	\$ 18,042,942
Depreciation expense	<u>(8,809,112)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 9,233,830</u>

Another element of that reconciliation states that “Contributed capital assets (land, buildings, and infrastructure) and other miscellaneous capital asset transactions recorded in government-wide financial statements but not recorded in fund level financial statements.” The details of this \$7,996,630 difference are as follows:

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	\$ 8,036,612
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In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital asset sold.	15,218
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The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.	<u>(55,200)</u>
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Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 7,996,630</u>
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Another element of that reconciliation states that “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$56,844 difference are as follows:

Deferred revenue - special assessment receivable	<u>\$ 56,844</u>
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Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in the governmental funds.” The details of this \$1,808,938 difference are as follows:

Bond issue costs - new issues	\$ 242,392
Amortization of bond issue costs	(45,663)
Change in net OPEB obligation	<u>(2,005,667)</u>

Net adjustment to increase net change in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (1,808,938)</u>
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3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting - The City Manager is required by City Charter and the Oklahoma Municipal Budget Act to prepare and submit an annual budget to the City Council. A budget is prepared and legally adopted for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund. These budgets are prepared on a cash basis for revenues, except for accrued interest receivable and other receivables. For budget purposes, expenditures include amounts paid and encumbered, as well as amounts in accounts payable at the end of the fiscal year. Purchase orders, contracts and other commitments for the expenditure of funds are recorded as encumbrances to reserve a portion of the applicable appropriation.

Budgeted expenditures and encumbrances for the budgeted funds cannot exceed the estimated revenues and fund balance, and it is unlawful for the City to create or authorize creation of a deficit in any of these funds. Budgetary control is exercised by function at the fund level. These functional categories include salaries and benefits; supplies and materials; services and maintenance; debt service; and capital outlay. Amendments must be approved by the City Council. The City Manager is authorized to transfer budgeted appropriations within individual funds, but cannot alter the appropriations on a fund level without City Council approval. Supplemental appropriations within all funds by the City Council during the fiscal year ended June 30, 2009 amounted to \$9,950,890. Unencumbered appropriations lapse at year end while encumbered appropriations are carried over to the ensuing fiscal year until utilized or canceled.

Oklahoma Statutes also require the City Council each year to make an ad valorem tax levy for a sinking fund (Debt Service Fund) which shall, with cash and investments in the fund, be sufficient to pay all the bonded indebtedness, interest and one-third of all outstanding judgments coming due in the following year.

4. DETAIL NOTES ON ALL FUNDS

Deposits and Investments

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of June 30, 2009, none of the City's bank balance of \$22,053,425 was exposed to custodial credit risk. As of June 30, 2009, the City carrying balance of these deposits was \$20,728,611.

Interest Rate Risk – As of June 30, 2009, the City had the following investments subject to interest rate risk:

Investment Type	Fair Value	Weighted Average Maturity (Years)
U.S. Treasury Notes	\$ 15,346,670	0.34
U.S. Treasury Strips	115,309	4.88
Federal Farm Credit Bank	8,545,135	1.22
Federal National Mortgage Association	22,742,275	0.31
Mutual bond funds	15,417,281	1.61
Money market funds	52,153,065	0.10
Total fair value	<u>\$ 114,319,735</u>	
Portfolio weighted average maturity		0.47

In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting investment maturities to not more than ten years from the date of purchase.

Credit Risk – The City’s investment policy does not cover credit risk. The City’s investments as of June 30, 2009 were rated by Moody’s Investor Service and Standard & Poor’s as follows:

	<u>Moody's</u>	<u>S & P</u>
Federal Farm Credit Bank	Unrated	AAA
Federal National Mortgage Association	Unrated	AAA
Fidelity bond mutual funds	Unrated	Unrated
JP Morgan U.S. Treasury Plus Money Market Fund	Unrated	AAAm
Merrill Lynch Money Market Fund	Unrated	Unrated
Goldman Sachs Financial Square Treasury Obligations Fund	Aaa	AAAm
Fidelity Retire Money Market Fund	Unrated	Unrated

Concentration of Credit Risk – The City’s investment policy places no limit on the amount the City may invest in any one issuer. More than 5% of the City’s investments are in Federal Farm Credit Bank, Federal National Mortgage Association and United States Treasury Notes. These investments are 7%, 20% and 13%, respectively, of the City’s total investments.

Custodial Credit Risk – Investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. It is the City’s policy to maintain investment securities that are insured or registered in the City’s name and held by the City or its agent in the City’s name whenever possible. As of June 30, 2009, the City’s investment were not exposed to custodial credit risk as all of the City’s investments were registered in the name of the City and held by a counterparty.

Amount Due From Federal Government - The amount shown in both the government-wide and fund financial statements as due from the Federal government represents \$690,220 of allowable expenditures under various direct and pass through grants for which the City has requested reimbursement.

Transfers - Transfers for the year ended June 30, 2009 consisted of the following:

Transfers Out	Transfers In					Total Transfers Out
	General Fund	Nonmajor Governmental Funds	Capital Projects Fund	Debt Service Fund	Enterprise Funds	
General Fund	\$ -	\$ 1,734,702	\$ 3,000,000	\$ -	\$ -	\$ 4,734,702
Nonmajor Governmental Funds	-	-	15,426	-	212,613	228,039
Debt Service Fund	593,008	-	-	-	-	593,008
Capital Projects Fund	2,583,442	25,000	-	-	12,495	2,620,937
Enterprise Funds	915,871	-	-	-	-	915,871
Total Transfers In	<u>\$ 4,092,321</u>	<u>\$ 1,759,702</u>	<u>\$ 3,015,426</u>	<u>\$ -</u>	<u>\$ 225,108</u>	<u>\$ 9,092,557</u>

Transfers are used for varying reasons including but not limited to moving unrestricted general fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

The most significant transfers were initiated by the City for the following reasons:

- The General Fund transferred \$1,376,919 to the Emergency Communications Fund to cover operating costs.
- The General Fund transferred \$3,000,000 to the Capital Fund to pay for the construction of a new fire station.
- The Capital Projects Fund transferred \$1,999,583 to the General Fund to pay for the purchase of vehicles and equipment and fund street maintenance projects.
- The Debt Services Fund transferred \$593,008 to the General Fund to pay for judgements awarded against the City and funded via the property tax rolls over a three year period.

Capital Assets – Capital asset activity for the fiscal year ended June 30, 2009 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 48,430,689	\$ 255,363	\$ -	\$ 48,686,052
Construction in progress	25,600,744	15,435,125	(5,278,715)	35,757,154
Capital assets, being depreciated:				
Buildings	24,301,091	23,554	-	24,324,645
Improvements other than buildings	11,581,205	1,495,776	-	13,076,981
Machinery and equipment	18,090,839	858,609	(300,796)	18,648,652
Vehicles	11,328,279	1,371,177	(451,794)	12,247,662
Infrastructure	<u>345,607,258</u>	<u>11,918,665</u>	<u>-</u>	<u>357,525,923</u>
Totals at historical cost	<u>484,940,105</u>	<u>31,358,269</u>	<u>(6,031,305)</u>	<u>510,267,069</u>
Less accumulated depreciation				
Buildings	(8,259,764)	(635,545)	-	(8,895,309)
Improvements other than buildings	(8,712,555)	(597,913)	-	(9,310,468)
Machinery and equipment	(11,788,953)	(1,630,608)	260,815	(13,158,746)
Vehicles	(8,747,200)	(611,668)	451,794	(8,907,074)
Infrastructure	<u>(276,037,937)</u>	<u>(5,333,378)</u>	<u>-</u>	<u>(281,371,315)</u>
Total accumulated depreciation	<u>(313,546,409)</u>	<u>(8,809,112)</u>	<u>712,609</u>	<u>(321,642,912)</u>
Governmental activities capital assets, net	<u>\$ 171,393,696</u>	<u>\$ 22,549,157</u>	<u>\$ (5,318,696)</u>	<u>\$ 188,624,157</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 8,426,015	\$ -	\$ -	\$ 8,426,015
Construction in progress	29,222,471	12,313,537	(4,194,816)	37,341,192
Capital assets, being depreciated:				
Buildings and improvements	134,809,999	2,059,765	(430,197)	136,439,567
Machinery and equipment	<u>69,623,762</u>	<u>5,430,771</u>	<u>(1,329,394)</u>	<u>73,725,139</u>
Totals at historical cost	<u>242,082,247</u>	<u>19,804,073</u>	<u>(5,954,407)</u>	<u>255,931,913</u>
Less accumulated depreciation				
Buildings and improvements	(71,845,586)	(2,804,689)	362,656	(74,287,619)
Machinery and equipment	<u>(28,192,697)</u>	<u>(3,294,026)</u>	<u>1,228,757</u>	<u>(30,257,966)</u>
Total accumulated depreciation	<u>(100,038,283)</u>	<u>(6,098,715)</u>	<u>1,591,413</u>	<u>(104,545,585)</u>
Business-type activities capital assets, net	<u>\$ 142,043,964</u>	<u>\$ 13,705,358</u>	<u>\$ (4,362,994)</u>	<u>\$ 151,386,328</u>

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

Governmental activities:

General government	\$237,639
Planning	58,125
City controller	317,441
Parks and recreation	540,321
Public works	5,800,444
Public service	115,337
Public safety	<u>1,739,805</u>
Total depreciation expense – governmental activities	<u>\$8,809,112</u>

Business-type activities:

Westwood park	\$143,215
Utilities authority	5,077,614
Sanitation services	<u>877,886</u>
Total depreciation expense – business-type activities	<u>\$6,098,715</u>

Pension Plan Obligations - Each qualified employee participates in one of the three retirement plans in which the City participates. These are The Employee Retirement System of the City of Norman, The Oklahoma Firefighters Pension and Retirement System, and The Oklahoma Police Pension and Retirement System. The City does not maintain the accounting records, hold the investments nor administer the firefighters' or police retirement funds. The police officers' and firefighters' plans are statewide systems administered by the State of Oklahoma. The municipal employees' plan is managed by a separate board of trustees, and the assets are held in custody and administered by two asset managers.

A summary of significant data for each of the retirement plans follows:

- a. *Employee Retirement System of the City of Norman - Plan Description* - The Employee Retirement System ("ERS") of the City of Norman is a single-employer public employee retirement system which was established on November 1, 1967 by a City ordinance and amended on January 29, 1985 and July 1, 1991. The ERS was originally established as a defined benefit plan. On July 1, 1991, the City converted that portion of the ERS which related to unretired participants to a money purchase plan under Section 401(a) of the Internal Revenue Code (the "401(a) Plan"). An amount equal to the greater of the participants vested benefits under the ERS or their account balance in the ERS was transferred to a participant account in the 401(a) Plan. The portion of the ERS that relates to retired participants at July 1, 1991 ("the Annuity Pool") remains in existence to pay benefits to those retired employees receiving benefits at July 1, 1991. The activities of the Annuity Pool and the 401(a) Plan are recorded in separate Pension Trust Funds which are included within the City's financial statements.

The ERS does not issue a stand-alone financial report.

The ERS is managed by a Board of Trustees, composed of six members, meeting once a month. Members by position include the City Manager, Finance Director and Personnel Director. One additional member is elected by the City Council and the final two members are elected by the American Federation of State, County and Municipal Employees Union membership.

Basis of Accounting – The ERS’s financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period that the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments – ERS plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value.

As of June 30, 2009, and for the year ended, the ERS held no securities issued by the City or other related parties.

1. *Annuity Pool* - As of January 1, 2009, the date of the last actuarial study, the Annuity Pool participants included only 14 retirees and other beneficiaries who are entitled retirement benefits including a death benefit equal to a lump sum amount equal to the normal retirement as projected for a ten year period of time.

At January 1, 2009 the Actuarial Accrued Liability for the Annuity Pool was \$985,173 and the market value of assets in the Annuity Pool was \$601,476. The City’s actuary has suggested an annual contribution for a period of ten years commencing July 1, 2009. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) no projected salary increases, and (c) no cost of living increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The City contributed \$29,123 to the plan in 2009. The City will make future contributions as needed to make benefit payments should present plan assets be insufficient to do so.

2. *The 401(a) Plan* - The 401(a) Plan is a money purchase defined contribution plan under section 401(a) of the Internal Revenue Code. All non-voluntary contributions have been designated by the City as “picked up contributions” pursuant to Internal Revenue Code section 414(h)(2) and are treated as employer contributions for federal income tax purposes.

The City’s payroll for employees covered by the 401(a) Plan for the year ended June 30, 2009 was \$27,524,973, and total City payroll was \$43,228,176.

Substantially all full-time, non-uniformed employees of the City are required to participate in the 401(a) Plan. At June 30, 2009, there were 528 plan participants. Participants are required to contribute 6% of their compensation to the 401(a) Plan each pay period. This contribution is matched by the City at a rate of 7.5% of payroll. Administrative costs are financed through investment earnings. Participants become vested in the City’s contribution as follows:

Years of Service	Vesting Percentage
Less than 2	0%
2	25%
3	50%
4	75%
5	100%

Contributions to the 401(a) Plan for 2009 were \$3,778,374. The contributions expressed in dollars and percent of covered payroll were: City - \$2,064,373, 7.5%, participants -

\$1,578,637, 6.0%, and rollover contributions of \$135,364. The contribution requirements are in accordance with the City ordinance. Plan provisions and contribution requirements are established and may be amended by the City Council.

Trend Information

401(a) Plan		
Fiscal Year	Required Contribution	Percentage Contributed
2007	1,649,500	100%
2008	1,979,951	100%
2009	3,778,374	100%

Financial Reports – Neither the Annuity Pool nor the 401(a) Plan issues stand-alone financial reports and are not included in the report of a public employee retirement system or a report of another entity. Their financial statements are as follows:

**Statement of Net Assets
June 30, 2009**

Assets	Annuity Pool Fund	401(a) Plan Fund	Total
Investments - mutual funds	\$ 564,510	\$ 36,267,844	\$ 36,832,354
Loans to 401(a) Plan participants	-	3,414,803	3,414,803
Total assets	<u>\$ 564,510</u>	<u>\$ 39,682,647</u>	<u>\$ 40,247,157</u>
Liabilities and Net Assets			
Net assets - Held in trust for pension benefits	\$ 564,510	\$ -	\$ 564,510
Net assets - Held in trust for retirement benefits	-	39,682,647	39,682,647
Total liabilities and net assets	<u>\$ 564,510</u>	<u>\$ 39,682,647</u>	<u>\$ 40,247,157</u>

**Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2009**

	Annuity Pool Fund	401(a) Plan Fund	Total
Additions			
Contributions - employer	\$ 29,123	\$ 2,064,373	\$ 2,093,496
Contributions - employee	-	1,714,001	1,714,001
Investment income	<u>(150,556)</u>	<u>(7,585,316)</u>	<u>(7,735,872)</u>
Total additions	<u>(121,433)</u>	<u>(3,806,942)</u>	<u>(3,928,375)</u>
Deductions:			
Pension benefits paid	129,363	1,837,940	1,967,303
Administration costs	<u>2,428</u>	<u>18,314</u>	<u>20,742</u>
Total deductions	<u>131,791</u>	<u>1,856,254</u>	<u>1,988,045</u>
Net Increase (decrease)	(253,224)	(5,663,196)	(5,916,420)
Net assets held in trust for pension and retirement benefits:			
Beginning of year	<u>817,734</u>	<u>45,345,843</u>	<u>46,163,577</u>
End of year	<u>\$ 564,510</u>	<u>\$ 39,682,647</u>	<u>\$ 40,247,157</u>

- b. *Oklahoma Firefighters Pension and Retirement System - Plan Description* - Members of the City's Fire Department are covered by the Oklahoma Firefighters Pension and Retirement System, which is a statewide cost sharing multiple-employer public employee retirement system. All full-time firefighters who are hired before age 45 are eligible to participate in the system. The pension plan provides pension benefits, as well as death and disability benefits. A member may retire after 20 years of service; however, a member who became a participant after January 1, 1981, may retire after reaching age 50 with the attainment of 20 years' service (normal retirement) and is entitled to pension payments for the remainder of his/her life equal to 2.5% of final average salary (most recent 30 months prior to retirement) times years of service. Members who terminate before ten years of service are entitled to a refund of employee contributions without provision for interest earnings, while members who terminate after ten years of service are entitled to 2.5% of final average salary times years of service.

In July 1987, the Oklahoma State Legislature passed House Bill 1473 which amended some statutes relating to the system. This bill changed the normal retirement date to the date a participant completes 20 years of credited service, regardless of age. The bill also provided for a \$4,000 death benefit, in addition to any survivor's pension benefits under the system, to the beneficiaries of all members of the system. The bill also made several other changes which mainly allow the system more flexibility regarding transfers from other state retirement systems and rejoining the system after withdrawal. These changes went into effect July 20, 1987. The Oklahoma State Legislature is required by statute to make such appropriations as necessary to insure that benefit payments are made.

The City's covered payroll for the firefighters' retirement system was \$8,256,038 for the year ended June 30, 2009, while the City's total payroll for all employees was \$43,228,176 during the same time period.

The Oklahoma Firefighters' Pension and Retirement System issues a stand-alone financial report which can be obtained from the Oklahoma State Firefighters' Retirement Board at 4545 North Lincoln Boulevard, Suite 265, Oklahoma City, Oklahoma 73105.

Contributions Required and Made - Members of the firefighters' retirement system are required to pay 8% of their base pay to the pension plan until they reach 20 years of service, after which no contributions are required. The City is required to pay 13% of base salary. For the year ended June 30, 2009, the total contribution to the system amounted to \$1,726,642 of which \$1,073,285 was made by the City and \$653,357 was made by the employees. These contributions represent 13% (City) and 7.9% (member) of covered payroll. The difference between the required 8% mentioned above and the actual contribution of 7.9% relates to a deferred retirement option plan available to firefighters. The total amount contributed to the system by the State of Oklahoma on behalf of the City was approximately \$2,200,000. This amount has been recorded as both a revenue and an expenditure of the governmental activities and General Fund in the 2009 financial statements.

Trend Information

Oklahoma Firefighters' Pension and Retirement System		
Fiscal Year	Required Contribution	Percentage Contributed
2007	1,528,984	100%
2008	1,639,272	100%
2009	1,726,642	100%

Related Party Investments - During fiscal year 2008 and as of June 30, 2009, the State Firefighters' Retirement System held no securities issued by the City or other related parties.

- c. *Oklahoma Police Pension and Retirement System - Plan Description* - Members of the City's Police Department are covered by the Oklahoma Police Pension and Retirement System, which is a statewide cost sharing multiple-employer public employee retirement system.

Police officers employed in participating municipalities are required to participate in the system, provided that they meet certain requirements. Police officers are required to pass physical and medical examinations and must be not less than 21 nor more than 45 years of age when accepted for initial membership.

The normal retirement date under the plan is the date upon which the participant completes 20 years of credited service (if the participant became a member of the system prior to January 1, 1981) or has attained age 50 and completed 20 years of credited service (if the participant joined the system on or after January 1, 1981). Participants become vested upon completing ten years of credited service as a contributing participant of the system. No vesting occurs prior to completing ten years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed ten years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date he/she reaches 50 years of age or the date he/she would have had 20 years of credited service had his/her employment continued uninterrupted, whichever is later.

Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the last 30 months of credited service) multiplied by

the years of credited service. The maximum pension allowable for any participant is 75% of the final average salary. All retirement benefits are exempt from state income tax.

Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participants' final average salary multiplied by years of service. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. After ten years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service, not to exceed 30 years. This disability benefit is also reduced by stated percentages for partial disability based on the percentage impairment.

Survivors' benefits are payable to the participant's beneficiary upon the death of a retired participant. The beneficiary of any active participant killed in the line of duty is also entitled to a pension benefit. The Oklahoma State Legislature is required by statute to make such appropriations as necessary to insure that benefit payments are made.

The City's covered payroll for the police retirement system was \$8,093,008 for the year ended June 30, 2009, while the City's total payroll for all employees was \$43,228,176 during the same time period.

The Oklahoma Police Pension and Retirement System issues a stand-alone financial report, which can be obtained from the Oklahoma Police Pension and Retirement System at 1001 N.W. 63rd Street, Suite 305, Oklahoma City, Oklahoma 73116.

Contributions Required and Made - Members of the police retirement system are required to pay 8% of their base pay to the pension plan until they reach 20 years of service, after which no contributions are required. The City is required to pay 13% of base salary. For the year ended June 30, 2009, the total contribution to the system amounted to \$1,682,217, of which \$1,052,091 was made by the City and \$630,126 was made by the employees. These contributions represent 13% (City) and 7.8% (member) of covered payroll. The difference between the required 8% mentioned above and the actual contribution of 7.8% relates to a deferred retirement option plan available to police officers. The total amount contributed to the system by the State of Oklahoma on behalf of the City was approximately \$900,000. This amount has been recorded as both a revenue and an expenditure of the governmental activities and General Fund in the 2009 financial statements

Funding Status and Progress

Oklahoma Police Pension and Retirement System

Fiscal Year	Required Contribution	Percentage Contributed
2007	1,462,502	100%
2008	1,557,891	100%
2009	1,682,217	100%

Related Party Investments - During fiscal year 2008 and as of June 30, 2009, the Oklahoma Police Pension and Retirement System held no securities issued by the City or other related parties.

Other Postemployment Benefits

Plan Description – The City provides postemployment healthcare benefits (OPEB) for retired employees and their dependents through the City of Norman Postretirement Medical Plan (the Plan), a single-employer defined benefit healthcare plan. The benefits, coverage levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The Plan issues a separate report that includes required supplementary information and trend information. This report can be obtained from Human Resources at 201 West Gray, Building C, Norman, OK 73069.

Benefits Provided – The City provides postretirement healthcare benefits to its retirees. The Plan covers all current retirees who elected postretirement medical coverage through the City and future retired general employees, police officers and firefighters.

All healthcare benefits are provided through the City’s self insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services and prescriptions. General employees are eligible for membership in the Plan if the retire from the City with eight years of service and with age and service totaling 70 points. Police officers and firefighters are eligible for benefits under the Plan if the retire from the City with 20 years of service. Coverage for dependants can continue upon the death of the retiree. Spouses of employees who die in active service eligible for benefits can receive coverage.

Membership – At July 1, 2008, membership consisted of:

Retirees and beneficiaries currently receiving benefits	38
Terminated employees entitled to benefits but not yet receiving them	0
Active employees	<u>711</u>
Total	<u>749</u>

Funding Policy – The plan participants are responsible for paying the full cost of their medical premium and the City is responsible for the claims and expenses in excess of participant contributions. As of June 30, 2009, no irrevocable trust had been established for the funding of the Plan’s postretirement benefit obligation. The net claims and expenses paid by the City are funded on a pay-as-you-go basis.

Annual OPEB Costs and Net OPEB Obligation – This is the first fiscal year for which the City had an actuarial valuation performed to determine the projected liabilities of the plan as of that date as well as the employer’s annual required contribution (ARC). The City’s annual OPEB cost (expense) of \$2,141,656 was equal to the ARC for the 2009 fiscal year. The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2009 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net Obligation (Asset)
June 30, 2009	\$ 2,141,656	\$ 135,989	6.3%	\$ 2,005,667

The net OPEB obligation (NOO) as of June 30, 2009, was calculated as follows:

Annual required contribution	\$ 2,141,656
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	2,141,656
Contributions made	135,989
Increase (decrease) in net OPEB obligation	2,005,667
Net OPEB obligation, beginning of year	<u>-</u>
 Net OPEB obligation, end of year	 <u>\$ 2,005,667</u>

Funded Status and Funding Progress – The funded status of the plan as of July 1, 2008, was as follows:

Actuarial accrued liability (AAL)	\$ 21,882,455
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	21,882,455
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	N/A
UAAL as a percentage of covered payroll	N/A

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 ARCs of the employer are subject to continual revision as actual results are compared with past experience 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 multi-year trend information that shows 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 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 short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included 4.0% discount rate, which is based on the expected long-term investment returns of the City's general fund assets, and an initial annual healthcare cost trend of 8.5% reduced by 0.5% each year to arrive at an ultimate healthcare cost trend rate of 5.0%. The plan's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open 30-year period basis.

Guaranty Deposits - At June 30, 2009, the guaranty deposit accounts of the City included the following deposit liabilities:

Governmental activities:

Oil and gas drilling escrow	\$224,000
Site improvements	2,957,143
Contractor's escrow	98,338
Park improvement	10,529
Court fines and bond deposits	66,553
Others	<u>285,679</u>
Total governmental activities	<u>\$3,642,242</u>

Business-type activities:

Utility deposits	<u>\$1,406,678</u>
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The above liabilities and related cash and cash equivalents have been presented as restricted assets in both the government-wide and fund financial statements.

Long-Term Debt

- a. *General Obligation Bonds* - General obligation bonds have been approved by the voters and issued by the City for various municipal improvements. These bonds are required to be fully paid within 25 years from the date of issue and are backed by the full faith and credit of the City.

Bonds whose proceeds are dedicated to streets, rights-of-way, and limited access facilities, together with outstanding judgments against the City, are limited in total by State statute to 10 percent of the net assessed valuation of taxable property in the City. At June 30, 2009, the net assessed valuation approximated \$715,777,000. The City had no such bonds outstanding at June 30, 2009. There is no such limit on the issuance of other types of general obligation bonds.

General obligation bonds outstanding as of June 30, 2009 are as follows:

\$4,340,000 1992 General Obligation bonds, due in annual installments of \$90,000 to \$250,000 beginning December 1, 1992 through December 1, 2012 at interest rates from 10% to 0.5% (for various street and alley improvements and new fire station)	\$ 1,000,000
\$8,370,000 2005A Combined Purpose General Obligation bonds, due in annual installments of \$440,000 to \$450,000 beginning June 1, 2007 though June 1, 2025 at interest rates from 3.5% to 4.5% (for various street improvements and new fire station)	7,050,000
\$2,825,000 2005B General Obligation bonds, due in annual installments of \$700,000 to \$725,000 beginning June 1, 2007 through June 1, 2010 at interest rates from 3% to 4.7% (for various street improvements)	725,000
\$7,300,000 2007A Combined Purpose General Obligation bonds, due in annual installments of \$380,000 to \$460,000 beginning June 1, 2009 though June 1, 2027 at interest rates from 3.8% to 4.25% (for various street improvements)	6,920,000
\$2,650,000 2007B General Obligation bonds, due in annual installments of \$660,000 to \$670,000 beginning June 1, 2009 though June 1, 2012 at an interest rate of 4.0% (for citywide pavement reconstruction)	1,990,000
\$5,210,000 2008A Combined Purpose General Obligation bonds, due in annual installments of \$575,000 to \$610,000 beginning June 1, 2010 though December 1, 2018 at interest rates from 3.375% to 4.25% (for various street improvements)	5,210,000
\$5,475,000 2008B General Obligation bonds, due in annual installments of \$1,365,000 to \$1,380,000 beginning June 1, 201 though December 1, 2013 at interest rates from 3.25% to 3.625% (for citywide pavement reconstruction)	<u>5,475,000</u>
Total general obligation bonds	<u>\$ 28,370,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year	Principal	Interest	Total
2010	\$ 3,030,000	\$ 1,270,213	\$ 4,300,213
2011	3,670,000	955,707	4,625,707
2012	3,680,000	833,010	4,513,010
2013	3,010,000	707,848	3,717,848
2014	2,775,000	603,573	3,378,573
2015 – 2019	6,435,000	2,032,022	8,467,022
2020 – 2024	4,100,000	879,738	4,979,738
2025 – 2027	<u>1,670,000</u>	<u>125,528</u>	<u>1,795,528</u>
Total	<u>\$ 28,370,000</u>	<u>\$ 7,407,639</u>	<u>\$ 35,777,639</u>

- b. *Special Assessment Debt with Governmental Commitment* - Special assessment bonds and related interest costs are payable from assessments and interest collected from the property owners benefited by the respective improvements. The City is required to cover delinquencies with other resources until foreclosure proceeds are received, therefore, they are included in the City's reporting entity as Special Assessment Debt with Governmental Commitment.

The Special Assessment Debt with Governmental Commitment as of June 30, 2009 is as follows:

\$797,500 special assessment bond of 2004 due in annual installments of \$79,750 through June 1, 2014, at an interest rate of 4.25% (for utility and public works projects for Hall Park housing division)	<u>\$ 398,750</u>
Total special assessment debt with governmental commitment	<u>\$ 398,750</u>

Annual debt service requirements to maturity for special assessment debt with government commitment are as follows:

Fiscal Year	Principal	Interest	Total
2010	\$ 79,750	\$ 16,947	\$ 96,697
2011	79,750	13,558	93,308
2012	79,750	10,168	89,918
2013	79,750	6,779	86,529
2014	<u>79,750</u>	<u>3,389</u>	<u>83,139</u>
Total	<u>\$ 398,750</u>	<u>\$ 50,841</u>	<u>\$ 449,591</u>

- c. *Revenue Bonds* - Revenue Bonds outstanding consist of debt issued by the NUA. The bonds are not an indebtedness of the State of Oklahoma nor of the City, but are obligations payable solely from resources of the NUA.

The revenue bonds outstanding as of June 30, 2009 are as follows:

\$2,315,000 Norman Municipal Authority, Recreation Facilities Revenue Bonds, Series 2002, due in annual installments of \$75,000 to \$195,000 from June 1, 2004 through June 1, 2022 at interest rates from 3.5% to 6.125%	\$ 1,815,000
\$7,740,000 Norman Utilities Authority, Utility Revenue Bonds, Refunding Series 2003, due in annual installments of \$150,000 to \$815,000 from November 1, 2004 to November 1, 2016, at interest rates from 2.25% to 4.00%	5,365,000
\$4,780,000 Norman Utilities Authority, Utility Revenue Bonds, Refunding Series 2005, due in annual installments of \$220,000 to \$400,000 from November 1, 2006 to November 1, 2019, at interest rates from 3.25% to 4.00%	3,645,000
\$20,700,000 Norman Utilities Authority, Utility Revenue Bonds Series 2006, due in annual installments of \$680,000 to \$1,485,000 from November 1, 2007 to June 30, 2027, at interest rates from 3.875% to 5.00%	<u>19,310,000</u>
Total revenue bonds	<u>\$ 30,135,000</u>

Annual debt service requirements to maturity for revenue bonds are as follows:

Fiscal Year	Principal	Interest	Total
2010	\$ 1,800,000	\$ 1,187,555	\$ 2,987,555
2011	1,855,000	1,122,240	2,977,240
2012	1,910,000	1,053,291	2,963,291
2013	1,975,000	980,255	2,955,255
2014	2,040,000	903,053	2,943,053
2015 – 2019	9,395,000	3,265,936	12,660,936
2020 – 2024	6,880,000	1,554,297	8,434,297
2025 – 2027	<u>4,280,000</u>	<u>261,400</u>	<u>4,541,400</u>
Total	<u>\$ 30,135,000</u>	<u>\$ 10,328,027</u>	<u>\$ 40,463,027</u>

The Utility Revenue Bonds Series 2003, Utility Revenue Bonds Series 2005 and Utility Revenue Bonds Series 2006 are collateralized by the leasehold interest in the water and sanitary sewer systems which are leased by the City to NUA and a pledge of the gross revenues of the systems, as defined in the bond indentures. The Municipal Revenue Bonds Series 2002 are collateralized by the revenues from the operation of the Westwood facility and room tax revenue collected by the City as defined in the bond indenture.

Certain of the bonds may be called for redemption prior to maturity at the option of NUA in accordance with the redemption terms stated in the bond indentures.

d. *Notes Payable* - Notes payable as of June 30, 2009 are as follows:

Contract payable with the Central Oklahoma Master Conservancy District (“District”), 1974 repayment contract for reimbursement costs of construction of water storage, distribution and pumping facilities to furnish a municipal water supply to cities and towns within the District, secured by a second lien on the net revenues of the authority’s water system. Annual principal and interest payments ranging from \$98,086 to \$194,605 with an annual interest rate of 2.74%.	\$ 1,376,270
\$2,720,000 State Revolving Fund (“SRF”) loan payable to the Oklahoma Water Resources Board (“OWRB”) due in semi-annual installments ranging from \$24,820 to \$75,980 beginning December 15, 1995 through August 15, 2015. The loan has a 0% interest rate, plus an administrative fee of 0.5% per annum.	899,111
\$4,850,000 Clean Water SRF loan payable to the OWRB due in semi-annual installments ranging from \$124,677 to \$136,239 beginning September 15, 2000 through September 15, 2019. The loan has a 0% interest rate plus an administrative fee of 0.5% per annum.	2,611,538
\$2,960,000 sanitation equipment loan payable to various holders due in semi-annual installments ranging from \$3,675 to \$561,585 beginning July 1, 2001 through July 1, 2010. The loan has a 5.25% interest rate.	275,000
\$14,560,000 Norman Tax Increment Finance Authority Tax Increment Revenue Note, Taxable Series 2009, due in annual payments ranging from \$400,000 to \$2,820,000 beginning September 1, 2011 through September 1, 2028. The loan has a variable interest rate	<u>4,480,813</u>
Total notes payable	<u>\$ 9,642,732</u>

Annual debt service requirements to maturity for notes payable are as follows:

Fiscal Year	Principal	Interest	Total
2010	\$ 677,324	\$ 65,938	\$ 743,262
2011	1,087,030	671,300	1,758,330
2012	976,884	644,304	1,621,188
2013	1,006,628	619,739	1,626,367
2014	1,011,501	694,258	1,705,759
2015 – 2019	4,778,193	4,723,234	9,501,427
2020 – 2024	4,064,359	2,998,068	7,062,427
2025 – 2028	6,120,000	1,269,100	7,389,100
Less unfund note	<u>(10,079,187)</u>	<u>-</u>	<u>(10,079,187)</u>
Total	<u>\$ 9,642,732</u>	<u>\$ 11,685,941</u>	<u>\$ 21,328,673</u>

- f. *Applicability of Federal Arbitrage Regulations* -- Debt issuances of the City and Authorities issued after the Tax Reform Act of 1986 are subject to the federal arbitrage regulations. The arbitrage rebate regulations require that all earnings from the investment of gross proceeds of a bond issue in excess of the amount that could have been earned had the yield on the investment been equal to the yield on the bonds be remitted to the federal government. These carry strict penalties for noncompliance including taxability of interest retroactive to the date of the issue. The City's management believes the City is in compliance with these rules and regulations.

Changes in Long-term Liabilities – Long-term liability activity for the year ended June 30, 2009, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 20,115,000	\$ 10,685,000	\$ (2,430,000)	\$ 28,370,000	\$ 3,030,000
Special assessment debt with government commitmen	<u>478,500</u>	<u>-</u>	<u>(79,750)</u>	<u>398,750</u>	<u>79,750</u>
Total bonds payable	20,593,500	10,685,000	(2,509,750)	28,768,750	3,109,750
Notes payable	-	4,480,813	-	4,480,813	-
Liability for incurred claims	5,984,438	10,142,284	(9,668,368)	6,458,354	1,500,000
Net OPEB obligation	-	2,141,656	(135,989)	2,005,667	-
Compensated absences	<u>5,417,105</u>	<u>4,301,779</u>	<u>(3,929,723)</u>	<u>5,789,161</u>	<u>410,289</u>
Government activity long-term liabilities	<u>\$ 31,995,043</u>	<u>\$ 31,751,532</u>	<u>\$ (16,243,830)</u>	<u>\$ 47,502,745</u>	<u>\$ 5,020,039</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 31,885,000	\$ -	\$ (1,750,000)	\$ 30,135,000	\$ 1,800,000
Less deferred amounts:					
For issuance discounts and losses on refunding	<u>(573,712)</u>	<u>66,955</u>	<u>-</u>	<u>(506,757)</u>	<u>-</u>
Total bonds payable	31,311,288	66,955	(1,750,000)	29,628,243	1,800,000
Notes payable	5,824,646	-	(662,727)	5,161,919	677,325
Compensated absences	<u>980,947</u>	<u>866,832</u>	<u>(826,714)</u>	<u>1,021,065</u>	<u>58,035</u>
Business-type activity long-term liabilities	<u>\$ 38,116,881</u>	<u>\$ 933,787</u>	<u>\$ (3,239,441)</u>	<u>\$ 35,811,227</u>	<u>\$ 2,535,360</u>

For governmental activities, liability for incurred claims and compensated absences are generally liquidated by the General Fund.

Changes in Short-term Liabilities – Short-term liability activity for the year ended June 30, 2009, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Short-term loan payable	<u>\$ 114,188</u>	<u>\$ -</u>	<u>\$ (114,188)</u>	<u>\$ -</u>	<u>\$ -</u>

Short-term loans payable relate to construction activities within the Tax Increment Financing District #2 – University North Park.

5. RISK MANAGEMENT

The City is self-insured against the following risks:

- Employee health claims to a maximum liability of \$175,000 per employee per year.
- Workers compensation claims.
- Unemployment benefits.
- General liability and property damage, except for buildings and contents and employee surety bonds for which the City has purchased commercial insurance.

Employee health claims in excess of the \$175,000 limit are covered by insurance. The City’s unpaid claims liability of \$6,458,354 reported at June 30, 2009 is based on the requirements of GASB Statement No. 10, 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. However, events could occur that would cause the estimate for unpaid claims liability to differ materially in the near term. The claims liability for health claims incurred but not reported is estimated by management using a three-month claims lag analysis. These amounts are recorded as a current liability within both the government-wide and governmental fund financial statements. The claims liability for workers compensation claims and judgments is estimated using legal counsel’s opinion of probable outcome of litigation plus an estimate of claims experience for incurred but unreported claims. These amounts are recorded as long-term liabilities within the government-wide financial statements. No liability is recorded for such amount within the governmental fund financial statements as such amounts will not be paid with current financial resources. There are no allocated or unallocated claim adjustment expenditures/expenses included in the liability for unpaid claims.

At June 30, 2009, the City maintained commercial insurance coverage for building and contents and employee theft. In the past three years, the City has had no losses that exceeded commercial insurance coverage. Changes in the reported liability are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
Fiscal year 2008	<u>\$ 5,516,000</u>	<u>\$ 9,998,385</u>	<u>\$ (9,529,947)</u>	<u>\$ 5,984,438</u>
Fiscal year 2009	<u>\$ 5,984,438</u>	<u>\$ 10,142,284</u>	<u>\$ (9,668,368)</u>	<u>\$ 6,458,354</u>

6. SEGMENT INFORMATION

The City operates various segments within its enterprise funds. Condensed financial statement information for these segments for the year ended June 30, 2009 are as follows:

	Norman Municipal Authority		
	Sanitation		Total
	Westwood Park	Services	
Current assets:			
Cash and cash equivalents	\$ 93,746	\$ 142,633	\$ 236,379
Restricted cash and cash equivalents	8,826	436,838	445,664
Investments	-	2,161,369	2,161,369
Receivables:			
Accounts, net of allowance	-	708,229	708,229
Interest	1,830	19,586	21,416
Due from other funds	-	4,096	4,096
Total current assets	<u>104,402</u>	<u>3,472,751</u>	<u>3,577,153</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	19,995	-	19,995
Investments	213,395	-	213,395
Unamortized bond issue costs	33,128	4,019	37,147
Capital assets, net	<u>7,854,225</u>	<u>5,605,577</u>	<u>13,459,802</u>
Total noncurrent assets	<u>8,120,743</u>	<u>5,609,596</u>	<u>13,730,339</u>
Total assets	<u>\$ 8,225,145</u>	<u>\$ 9,082,347</u>	<u>\$ 17,307,492</u>
Current liabilities:			
Accounts payable and accrued expenses	\$ 27,226	\$ 277,706	\$ 304,932
Payroll payable	38,500	94,640	133,140
Accrued interest payable	8,826	7,219	16,045
Guaranty deposits	-	293,006	293,006
Revenue bonds payable	100,000	-	100,000
Notes payable	-	135,000	135,000
Compensated absences	4,320	17,338	21,658
Total current liabilities	<u>178,872</u>	<u>824,909</u>	<u>1,003,781</u>
Non-current liabilities:			
Long-term debt and other liabilities	<u>1,746,340</u>	<u>427,702</u>	<u>2,174,042</u>
Total liabilities	<u>1,925,212</u>	<u>1,252,611</u>	<u>3,177,823</u>
Invested in capital assets, net of related debt			
	6,079,575	5,330,577	11,410,152
Restricted for debt service	233,390	136,613	370,003
Unrestricted	<u>(13,032)</u>	<u>2,362,546</u>	<u>2,349,514</u>
Total net assets	<u>6,299,933</u>	<u>7,829,736</u>	<u>14,129,669</u>

continued

Norman Municipal Authority			
	Westwood Park	Sanitation Services	Total
Charges for services and goods, net	1,089,329	10,863,595	11,952,924
Other	987	110,068	111,055
Total operating revenues	<u>1,090,316</u>	<u>10,973,663</u>	<u>12,063,979</u>
Operating expenses	1,238,463	9,392,018	10,630,481
Depreciation	143,215	877,886	1,021,101
Total operating expenses	<u>1,381,678</u>	<u>10,269,904</u>	<u>11,651,582</u>
Operating income (loss)	<u>(291,362)</u>	<u>703,759</u>	<u>412,397</u>
Investment earnings	12,428	82,516	94,944
Interest expense	(117,213)	(19,707)	(136,920)
Miscellaneous income (expense)	-	(31,901)	(31,901)
Net nonoperating revenues (expenses)	<u>(104,785)</u>	<u>30,908</u>	<u>(73,877)</u>
transfers	(396,147)	734,667	338,520
Transfers, net	<u>225,108</u>	<u>(56,165)</u>	<u>168,943</u>
Change in net assets	(171,039)	678,502	507,463
Total net assets - beginning	<u>6,470,972</u>	<u>7,151,234</u>	<u>13,622,206</u>
Total net assets - ending	<u>6,299,933</u>	<u>7,829,736</u>	<u>14,129,669</u>
Net cash provided (used) by:			
Operating activities	(129,156)	1,672,173	1,543,017
Noncapital financing activities	225,108	(56,165)	168,943
Capital and related financing activities	(219,456)	(3,289,634)	(3,509,090)
Investing activities	10,362	762,706	773,068
Beginning cash and cash equivalents	<u>235,709</u>	<u>1,490,391</u>	<u>1,726,100</u>
Ending cash and cash equivalents	<u>\$ 122,567</u>	<u>\$ 579,471</u>	<u>\$ 702,038</u>

concluded

7. COMMITMENTS AND CONTINGENCIES

Litigation - The City is party to various legal proceedings which normally occur in governmental operations. Management and management's counsel do not believe these legal proceedings will have a material adverse impact on the affected funds of the City. However, events could occur in the near term that would cause these estimates to change materially. Resulting judgments will be paid from ad valorem taxes to be received over a three-year period. At June 30, 2009, the City maintained a litigation reserve of approximately \$81,000.

Federal Grants - In the normal course of operations, the City receives grant funds from various federal agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to insure compliance with conditions precedent to the granting of funds. Management does not believe any liability for reimbursement which may arise as the result of these audits will be material.

Lease Commitments - The City has entered into a number of operating leases, all of which contain cancellation provisions that are subject to annual appropriations by the City Council. For the year ended June 30, 2009, rent expenditures approximated \$321,000 for all operating leases. These expenditures were made primarily from the General Fund.

Water Revenues - The City entered into a contract with the Central Oklahoma Master Conservancy District (the "District") in 1961 (subsequently modified in 1963) for the purchase of water and operation of water facilities. In general, the contract provides for reimbursing the District for costs of providing the City with water from Lake Thunderbird. The contract is effective for a term of fifty years beginning with the first calendar year during which water was used by the City (1965). During the year ended June 30, 2009, the City paid the District \$797,120.

Construction In Progress - Construction in progress is authorized by actions of the City Council (governing body). A summary of construction in progress as of June 30, 2009 is as follows:

	Total Construction In Progress		Total Project		Remaining To Complete
General Government	\$ 35,757,154	\$	89,984,431	\$	54,227,277
Norman Municipal Authority:					
Sanitation	2,409,653		3,693,287		1,283,634
Norman Utilities Authority:					
Water Fund	10,912,937		40,966,577		30,053,640
Wastewater Fund	<u>24,018,602</u>		<u>38,216,437</u>		<u>14,197,835</u>
	<u>\$ 73,098,346</u>	\$	<u>172,860,732</u>	\$	<u>99,762,386</u>

The City also contributes to certain State and Federal aid projects which are administered by the State of Oklahoma Department of Highway. The City is billed by the Highway Department for these projects at various stages of completion, subject to Federal audits of the project costs.

8. RECENTLY ISSUED ACCOUNTING STANDARDS

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

In 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. GASB No. 51 establishes standards of accounting and financial reporting for intangible assets and requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to these intangible assets related to amortization. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009 and generally are required to be applied retroactively. Management has not yet determined the effect this Statement will have on the City's financial condition or results of operations.

In 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. GASB No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. A key provision in this Statement is that derivative instruments covered in its scope, with the exception of synthetic guaranteed investment contracts (SGIC's) that are fully benefit-responsive, are reported at fair value. The requirements of this Statement are effective for financial statement periods beginning after June 15, 2009. Earlier application is encouraged. Management has not yet determined the effect of this Statement will have on the City's financial condition or results of operations.

In 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. This Statement also provides guidance for classifying stabilization amounts on the face of the balance sheet and requires disclosure of certain information about stabilization arrangements in the notes to the financial statements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010. Early implementation is encouraged. Management is evaluating the effect this Statement will have on the City's financial statements.

* * * * *



Required Supplementary Information

THE CITY OF NORMAN, OKLAHOMA

EMPLOYEE RETIREMENT SYSTEM OF THE CITY OF NORMAN, OKLAHOMA - ANNUITY POOL

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Unit Credit	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3)/(5)
January 1, 2000	\$ 2,091,638	\$ 1,924,594	\$ (167,044)	108.7 %	N/A	N/A
January 1, 2001	1,886,708	1,826,261	(60,447)	103.3 %	N/A	N/A
January 1, 2002	1,547,003	1,674,085	127,082	92.4 %	N/A	N/A
January 1, 2003	1,210,693	1,583,061	372,368	76.5 %	N/A	N/A
January 1, 2004	1,234,975	1,477,564	242,589	83.6 %	N/A	N/A
January 1, 2005	1,166,844	1,384,940	218,096	84.3 %	N/A	N/A
January 1, 2006	1,053,011	1,261,249	208,238	83.5 %	N/A	N/A
January 1, 2007	1,048,354	1,208,515	160,161	86.7 %	N/A	N/A
January 1, 2008	973,147	1,173,050	199,903	83.0 %	N/A	N/A
January 1, 2009	601,476	985,173	383,697	61.1 %	N/A	N/A

The only participants in the Annuity Pool in fiscal years 2000 through 2009 were retired participants receiving benefits. Therefore, expressing the unfunded AAL (“UAAL”) as a percentage of covered payroll would not be meaningful.

THE CITY OF NORMAN, OKLAHOMA

EMPLOYEE RETIREMENT SYSTEM OF THE CITY OF NORMAN, OKLAHOMA - ANNUITY POOL

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF EMPLOYER CONTRIBUTIONS

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
January 1, 2000	-	N/A
January 1, 2001	-	N/A
January 1, 2002	18,514	N/A
January 1, 2003	54,249	N/A
January 1, 2004	35,342	N/A
January 1, 2005	31,774	N/A
January 1, 2006	30,337	N/A
January 1, 2007	23,333	151 %
January 1, 2008	29,123	N/A
January 1, 2009	55,899	52 %

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated.

THE CITY OF NORMAN, OKLAHOMA

**EMPLOYEE RETIREMENT SYSTEM OF THE CITY OF NORMAN, OKLAHOMA -
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Unit Credit	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3)/(5)
July 1, 2008	\$ -	\$ 21,882,455	\$ 21,882,455	0.0 %	N/A	N/A

The City implemented GASB Statement No. 45 for the fiscal year ended June 30, 2009.

**EMPLOYEE RETIREMENT SYSTEM OF THE CITY OF NORMAN, OKLAHOMA -
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Actuarial Valuation Date	Employer Contributions	Annual Required Contribution	Percentage Contributed
June 30, 2009	\$ 135,989	\$ 2,141,656	6.3 %

The City implemented GASB Statement No. 45 for the fiscal year ended June 30, 2009.

THE CITY OF NORMAN, OKLAHOMA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
Taxes:							
Sales taxes	\$ 34,349,854	\$ -	\$ 34,349,854			\$ 34,296,580	\$ (53,274)
Sales taxes Sp Public Safety	3,960,500	-	3,960,500			4,528,069	567,569
Franchise taxes	6,180,000	-	6,180,000			6,169,622	(10,378)
State use taxes	2,060,000	-	2,060,000			2,146,152	86,152
State use taxes - Spl Public Safety	203,311	-	203,311			183,267	(20,044)
Total taxes	<u>46,753,665</u>	<u>-</u>	<u>46,753,665</u>			<u>47,323,690</u>	<u>570,025</u>
Licenses and permits:							
Licenses	262,997	-	262,997			276,354	13,357
Permits	809,517	-	809,517			691,978	(117,539)
Total licenses and permits	<u>1,072,514</u>	<u>-</u>	<u>1,072,514</u>			<u>968,332</u>	<u>(104,182)</u>
State Shared Revenues:							
State motor fuel	226,058	-	226,058			200,894	(25,164)
Alcoholic beverage	192,439	-	192,439			231,907	39,468
Cigarette	647,589	-	647,589			688,139	40,550
State motor vehicle registration	721,000	-	721,000			690,639	(30,361)
Total intergovern- mental revenues	<u>1,787,086</u>	<u>-</u>	<u>1,787,086</u>			<u>1,811,579</u>	<u>24,493</u>
Charges for services:							
Zoning & subdivision	172,892	-	172,892			111,594	(61,298)
Public safety	168,421	-	168,421			223,531	55,110
Health	138,946	-	138,946			186,314	47,368
Recreation fees	342,925	-	342,925			361,751	18,826
Total charges for services	<u>823,184</u>	<u>-</u>	<u>823,184</u>			<u>883,190</u>	<u>60,006</u>
Fines and forfeits:							
Police court fines	2,369,692	-	2,369,692			2,267,937	(101,755)
Miscellaneous forfeitures	-	-	-			(63,439)	(63,439)
Total fines and forfeits	<u>2,369,692</u>	<u>-</u>	<u>2,369,692</u>			<u>2,204,498</u>	<u>(165,194)</u>
Investment earnings	500,000	-	500,000			239,675	(260,325)
Other revenue:							
Contributions	8,111	3,644	11,755			1,800	(9,955)
Rents and royalties	117,756	-	117,756			67,116	(50,640)
Cost allocations	10,447,148	-	10,447,148			9,764,530	(682,618)
Sale of fixed assets	40,000	-	40,000			218	(39,782)
Miscellaneous sales	1,135,142	2,543,273	3,678,415			975,063	(2,703,352)
Total other revenue	<u>11,748,157</u>	<u>2,546,917</u>	<u>14,295,074</u>			<u>10,808,727</u>	<u>(3,486,347)</u>
Total revenues	<u>65,054,298</u>	<u>2,546,917</u>	<u>67,601,215</u>			<u>64,239,691</u>	<u>(3,361,524)</u>

(Continued)

THE CITY OF NORMAN, OKLAHOMA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
General government:							
City council	\$ 2,211,687	\$ 54,898	\$ 2,266,585	\$ 823,042	\$ 49,400	\$ 872,442	\$ 1,394,143
City manager's office	345,614	22,573	368,187	343,145	260	343,405	24,782
Community relations	106,299	(92,570)	13,729	6,004	-	6,004	7,725
City clerk's office	516,894	(32,738)	484,156	471,816	1,856	473,672	10,484
Municipal court	869,218	16,125	885,343	835,591	13,468	849,059	36,284
Legal administration	1,057,069	240,234	1,297,303	1,280,328	7,382	1,287,710	9,593
Human resource admin	683,715	39,591	723,306	701,298	8,045	709,343	13,963
Safety administration	115,229	3,673	118,902	114,794	-	114,794	4,108
Building services admin	120,325	41,722	162,047	157,661	-	157,661	4,386
Custodial services	208,186	1,254	209,440	208,974	-	208,974	466
Building repair services	294,995	29,518	324,513	298,057	1,442	299,499	25,014
Judgements and claims	398,000	(36,427)	361,573	360,486	-	360,486	1,087
Cable commission	994	-	994	-	-	-	994
Human rights commission	315	-	315	-	-	-	315
Children's rights commission	281	-	281	-	-	-	281
Social & voluntary services	125,000	1,500	126,500	100,351	26,149	126,500	-
Norman public library	274,491	(611)	273,880	264,114	-	264,114	9,766
Firehouse art center	73,054	-	73,054	72,001	-	72,001	1,053
Historical museum	39,837	(22)	39,815	38,467	-	38,467	1,348
Sooner theatre	82,198	22	82,220	82,220	-	82,220	-
Employee training	46,100	(22,626)	23,474	22,809	-	22,809	665
Employee assistance program	25,699	(304)	25,395	25,055	340	25,395	-
Special studies & contributions	39,108	2,500	41,608	10,900	30,490	41,390	218
Municipal elections	61,000	(19,283)	41,717	7,136	-	7,136	34,581
Sister cities program	5,619	-	5,619	1,706	-	1,706	3,913
Holiday decorations	38,231	(447)	37,784	37,623	-	37,623	161
Total general government	7,739,158	248,582	7,987,740	6,263,578	138,832	6,402,410	1,585,330
Planning:							
Planning commission	1,362	(335)	1,027	706	-	706	321
Historic district commission	2,739	-	2,739	1,153	-	1,153	1,586
Board of adjustment	187	100	287	233	-	233	54
Greenbelt commission	515	-	515	-	-	-	515
Planning administration	447,270	(5,201)	442,069	376,471	7,105	383,576	58,493
Geographic information	449,006	4,881	453,887	446,544	-	446,544	7,343
Development services	1,517,371	384	1,517,755	1,403,659	3,337	1,406,996	110,759
Revitalization	888,937	28,906	917,843	827,382	24,696	852,078	65,765
Current planning	137,437	91	137,528	136,713	-	136,713	815
Total planning	3,444,824	28,826	3,473,650	3,192,861	35,138	3,227,999	245,651

(Continued)

THE CITY OF NORMAN, OKLAHOMA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
City controller:							
Finance administration	\$ 278,307	\$ 28,476	\$ 306,783	\$ 304,376	\$ -	\$ 304,376	\$ 2,407
Workers compensation	1,214,500	120,178	1,334,678	1,304,676	30,000	1,334,676	2
Unemployment compensat	19,180	8,644	27,824	27,823	-	27,823	1
Accounting services	780,920	(19,371)	761,549	743,165	4,458	747,623	13,926
Information services	1,742,949	184,719	1,927,668	1,473,700	349,233	1,822,933	104,735
Printing services	220,108	5,783	225,891	219,239	2,305	221,544	4,347
Budget services	95,441	(100)	95,341	94,163	-	94,163	1,178
Treasury services	424,858	150,192	575,050	569,475	1,438	570,913	4,137
Utility services	972,201	25,196	997,397	986,261	1,216	987,477	9,920
Total city controller	<u>5,748,464</u>	<u>503,717</u>	<u>6,252,181</u>	<u>5,722,878</u>	<u>388,650</u>	<u>6,111,528</u>	<u>140,653</u>
Parks and recreation:							
Parks board	808	-	808	502	-	502	306
Mosquito control program	10,707	(305)	10,402	9,188	-	9,188	1,214
Santa Fe Depot	7,447	-	7,447	5,792	-	5,792	1,655
Administration	570,506	4,150	574,656	541,871	-	541,871	32,785
Park maintenance	2,378,420	(1,593)	2,376,827	2,220,291	154	2,220,445	156,382
Forestry	103,823	4,031	107,854	104,494	-	104,494	3,360
Recreation little league	72,387	(2,349)	70,038	47,621	-	47,621	22,417
Recreation programs	1,482,990	16,695	1,499,685	1,353,037	10,458	1,363,495	136,190
Senior citizens center	117,335	335	117,670	107,864	-	107,864	9,806
Total parks & recreation	<u>4,744,423</u>	<u>20,964</u>	<u>4,765,387</u>	<u>4,390,660</u>	<u>10,612</u>	<u>4,401,272</u>	<u>364,115</u>
Public works:							
Public works administratic	243,889	27,491	271,380	243,890	743	244,633	26,747
Engineering department	1,258,147	9,311	1,267,458	1,239,138	5,406	1,244,544	22,914
Street maintenance	3,814,316	924,444	4,738,760	3,231,847	285,479	3,517,326	1,221,434
Stormwater Drainage	2,525,486	(93,403)	2,432,083	2,156,057	3,513	2,159,570	272,513
Traffic control	2,762,376	122,564	2,884,940	2,629,133	128,898	2,758,031	126,909
Fleet maintenance admin	241,340	53,312	294,652	253,725	30,080	283,805	10,847
Fleet repair services	1,265,994	(5,290)	1,260,704	1,160,527	159	1,160,686	100,018
Fleet fuel and parts	2,996,852	(117,307)	2,879,545	2,286,643	18,337	2,304,980	574,565
Total public works	<u>15,108,400</u>	<u>921,122</u>	<u>16,029,522</u>	<u>13,200,960</u>	<u>472,615</u>	<u>13,673,575</u>	<u>2,355,947</u>
Public safety:							
Police department admin	649,068	22,675	671,743	665,796	291	666,087	5,656
Staff services	1,695,382	98,262	1,793,644	1,702,284	13,168	1,715,452	78,192
Investigations	2,607,639	49,073	2,656,712	2,572,716	3,287	2,576,003	80,709
Patrol	10,381,560	(228,718)	10,152,842	9,651,038	16,191	9,667,229	485,613
Narcotics	1,094,726	14,497	1,109,223	1,083,331	2,923	1,086,254	22,969
Animal control	813,670	(13,583)	800,087	675,899	5,886	681,785	118,302
Police PSST	-	972,679	972,679	744,422	68,528	812,950	159,729
Fire department admin	479,129	11,278	490,407	475,845	28	475,873	14,534
Training - fire department	260,416	5,719	266,135	260,551	-	260,551	5,584
Fire prevention	734,471	2,344	736,815	694,267	86	694,353	42,462
Fire suppression	11,850,726	60,852	11,911,578	11,230,573	29,039	11,259,612	651,966
Disaster preparedness servi	114,939	985	115,924	103,322	-	103,322	12,602
Total public safety	<u>30,681,726</u>	<u>996,063</u>	<u>31,677,789</u>	<u>29,860,044</u>	<u>139,427</u>	<u>29,999,471</u>	<u>1,678,318</u>
Total expenditures and encumbrances	<u>67,466,995</u>	<u>2,719,274</u>	<u>70,186,269</u>	<u>\$ 62,630,981</u>	<u>\$ 1,185,274</u>	<u>63,816,255</u>	<u>6,370,014</u>

(Continued)

THE CITY OF NORMAN, OKLAHOMA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
Excess (deficiency) of revenues over expendi- tures and encumbrances	<u>(2,412,697)</u>	<u>(172,357)</u>	<u>(2,585,054)</u>			<u>423,436</u>	<u>3,008,490</u>
OTHER FINANCING SOURCES (USES):							
Transfers in:							
Norman Utilities Authority	866,851	43,500	910,351			859,706	(50,645)
Sanitation Fund	49,947	-	49,947			56,165	6,218
Capital Projects Fund	3,042,722	-	3,042,722			2,440,859	(601,863)
UNP TIF Fund	-	-	-			142,583	142,583
Debt Service Fund	<u>500,000</u>	<u>-</u>	<u>500,000</u>			<u>593,008</u>	<u>93,008</u>
Total transfers in	<u>4,459,520</u>	<u>43,500</u>	<u>4,503,020</u>			<u>4,092,321</u>	<u>(410,699)</u>
Transfers out:							
Emergency Communications	(1,349,976)	(247,975)	(1,597,951)			(1,377,292)	(220,659)
Community Dev. Fund	-	(357,410)	(357,410)			(357,410)	-
Capital Projects Fund	<u>(3,000,000)</u>	<u>-</u>	<u>(3,000,000)</u>			<u>(3,000,000)</u>	<u>-</u>
Total transfers out	<u>(4,349,976)</u>	<u>(605,385)</u>	<u>(4,955,361)</u>			<u>(4,734,702)</u>	<u>(220,659)</u>
Net other financing sources (uses)	<u>109,544</u>	<u>(561,885)</u>	<u>(452,341)</u>			<u>(642,381)</u>	<u>(190,040)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances, and other uses	<u>(2,303,153)</u>	<u>(734,242)</u>	<u>(3,037,395)</u>			<u>(218,945)</u>	<u>2,818,450</u>
Fund balance, July 1, 2008 (Non-GAAP budgetary basis)	<u>10,792,019</u>	<u>-</u>	<u>10,792,019</u>			<u>10,792,019</u>	<u>-</u>
Fund balance, June 30, 2009 (Non-GAAP budgetary basis)	<u>\$ 8,488,866</u>	<u>\$ (734,242)</u>	<u>\$ 7,754,624</u>			<u>\$ 10,573,074</u>	<u>\$ 2,818,450</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION ON BUDGETARY COMPARISON
SCHEDULE – GENERAL FUND**

Budget Reconciliations - Items required to adjust actual revenues, expenditures, and fund balances reported on the budgetary basis to those reported within the fund financial statements as of and for the year ended June 30, 2009, are as follows:

	General Fund
Fund balances - budgetary basis, June 30, 2009	\$ 10,573,074
Current year encumbrances included in expenditures	1,185,274
Prior year encumbrances outstanding	641,447
Current year revenue accrual	8,248,526
Current year expenditure accrual	<u>(1,356,482)</u>
Fund balances - fund financial statements, June 30, 2009	<u>\$ 19,291,839</u>
Revenues - budgetary basis	\$ 64,239,691
Current year revenue accrual	8,248,526
Prior year revenue accrual	(6,904,746)
On-behalf payments	<u>3,100,000</u>
Revenues - fund financial statements	<u>\$ 68,683,471</u>
Expenditures - budgetary basis	\$ 63,816,255
Current year encumbrances included in expenditures	(1,185,274)
Prior year encumbrances paid	1,191,486
Current year expenditure accrual	1,356,482
Prior year expenditure accrual	(1,092,906)
On-behalf payments	<u>3,100,000</u>
Expenditures - fund financial statements	<u>\$ 67,186,043</u>



Other Supplementary Information

THE CITY OF NORMAN, OKLAHOMA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009**

	Norman Room Tax Fund	Community Development Fund	Special Grants Fund	Park Land Fund	Emergency Communications Fund	Seizures and Restitutions Fund	Cleet Fund	Tax		Art in Public Places Fund	Nonmajor Governmental Total
								Increment District Fund	Total		
ASSETS											
Cash and cash equivalents	\$ 156,393	\$ 357,410	\$ 186,738	\$ 478,295	\$ 36,496	\$ 647,631	\$ 11,496	\$ 12,323	\$ 4,274	\$ 1,891,056	
Investments	116,155	243,792	174,366	755,095	-	100,419	15,546	244,755	-	1,650,128	
Receivables:											
Taxes	97,579	-	-	-	-	-	-	-	-	97,579	
Accounts	-	-	-	-	31,041	-	-	-	536	31,577	
Interest	1,053	2,209	1,580	6,842	-	910	141	2,218	-	14,953	
Due from Federal Government	-	272,678	107,682	-	-	-	-	-	-	380,360	
Due from other funds	1,415	-	1,636	4,360	325	2,391	105	131	38	10,401	
Total assets	<u>\$ 372,595</u>	<u>\$ 876,089</u>	<u>\$ 472,002</u>	<u>\$ 1,244,592</u>	<u>\$ 67,862</u>	<u>\$ 751,351</u>	<u>\$ 27,288</u>	<u>\$ 259,427</u>	<u>\$ 4,848</u>	<u>\$ 4,076,054</u>	
LIABILITIES AND FUND BALANCE											
Liabilities:											
Accounts payable and other accrued liabilities	\$ -	\$ 11,290	\$ 33,359	\$ 17,463	\$ 27,002	\$ 327,330	\$ 2,826	\$ 21,909	\$ -	\$ 441,179	
Payroll payable	-	10,888	564	-	40,860	-	-	-	-	52,312	
Due to other funds	-	304,928	-	-	-	-	-	-	-	304,928	
Total liabilities	-	<u>327,106</u>	<u>33,923</u>	<u>17,463</u>	<u>67,862</u>	<u>327,330</u>	<u>2,826</u>	<u>21,909</u>	-	<u>798,419</u>	
Fund balance:											
Reserved for encumbrances	-	300,773	63,302	-	1,000	7,772	570	103,964	-	477,381	
Unreserved	372,595	248,210	374,777	1,227,129	(1,000)	416,249	23,892	133,554	4,848	2,800,254	
Total fund balance	<u>372,595</u>	<u>548,983</u>	<u>438,079</u>	<u>1,227,129</u>	-	<u>424,021</u>	<u>24,462</u>	<u>237,518</u>	<u>4,848</u>	<u>3,277,635</u>	
Total liabilities and fund balance	<u>\$ 372,595</u>	<u>\$ 876,089</u>	<u>\$ 472,002</u>	<u>\$ 1,244,592</u>	<u>\$ 67,862</u>	<u>\$ 751,351</u>	<u>\$ 27,288</u>	<u>\$ 259,427</u>	<u>\$ 4,848</u>	<u>\$ 4,076,054</u>	

THE CITY OF NORMAN, OKLAHOMA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	Norman Room Tax Fund	Community Development Fund	Special Grants Fund	Park Land Fund	Emergency Communications Fund	Seizures and Restitutions Fund	Cleet Fund	Tax Increment District Fund	Art in Public Places Fund	Total Nonmajor Governmental Total
Revenues:										
Taxes	\$ 991,435	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 991,435
Intergovernmental revenues	-	1,645,723	392,230	-	-	-	28,188	-	-	2,066,141
Charges for services	-	-	-	64,725	161,134	-	-	-	-	225,859
Investment earnings	4,321	11,298	6,596	28,572	-	4,954	592	9,419	-	65,752
Other	-	-	-	-	127,568	205,210	439	-	7,909	341,126
Total revenues	<u>995,756</u>	<u>1,657,021</u>	<u>398,826</u>	<u>93,297</u>	<u>288,702</u>	<u>210,164</u>	<u>29,219</u>	<u>9,419</u>	<u>7,909</u>	<u>3,690,313</u>
Expenditures:										
Current:										
Parks and recreation	-	-	5,000	33,611	-	-	-	-	3,908	42,519
Public service	711,739	3,006,280	31,518	-	-	-	-	-	-	3,749,537
Public safety	-	-	256,604	-	1,673,479	11,207	30,919	-	-	1,972,209
Capital outlay	-	43,992	53,481	51,633	-	3,207	-	187,876	-	340,189
Total expenditures	<u>711,739</u>	<u>3,050,272</u>	<u>346,603</u>	<u>85,244</u>	<u>1,673,479</u>	<u>14,414</u>	<u>30,919</u>	<u>187,876</u>	<u>3,908</u>	<u>6,104,454</u>
Excess (deficiency) of revenues over (under) expenditures	<u>284,017</u>	<u>(1,393,251)</u>	<u>52,223</u>	<u>8,053</u>	<u>(1,384,777)</u>	<u>195,750</u>	<u>(1,700)</u>	<u>(178,457)</u>	<u>4,001</u>	<u>(2,414,141)</u>
Other financing sources (uses):										
Transfers in	-	357,410	25,000	-	1,377,292	-	-	-	-	1,759,702
Transfers out	(212,613)	-	-	(15,426)	-	-	-	-	-	(228,039)
Net other financing sources (uses)	<u>(212,613)</u>	<u>357,410</u>	<u>25,000</u>	<u>(15,426)</u>	<u>1,377,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,531,663</u>
Net change in fund balances	71,404	(1,035,841)	77,223	(7,373)	(7,485)	195,750	(1,700)	(178,457)	4,001	(882,478)
Fund balance - beginning	301,191	1,584,824	360,856	1,234,502	7,485	228,271	26,162	415,975	847	4,160,113
Fund balance - ending	<u>\$ 372,595</u>	<u>\$ 548,983</u>	<u>\$ 438,079</u>	<u>\$ 1,227,129</u>	<u>\$ -</u>	<u>\$ 424,021</u>	<u>\$ 24,462</u>	<u>\$ 237,518</u>	<u>\$ 4,848</u>	<u>\$ 3,277,635</u>

THE CITY OF NORMAN, OKLAHOMA

NORMAN ROOM TAX FUND SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Hotel/motel tax	\$ 875,000	\$ -	\$ 875,000			\$ 979,618	\$ 104,618
Investment earnings	3,000	-	3,000			3,532	532
Total revenues	<u>878,000</u>	<u>-</u>	<u>878,000</u>			<u>983,150</u>	<u>105,150</u>
EXPENDITURES AND ENCUMBRANCES:							
Public service:							
Room tax	<u>665,085</u>	<u>47,132</u>	<u>712,217</u>	\$ 711,739	\$ -	711,739	478
Total expenditures and encumbrances	<u>665,085</u>	<u>47,132</u>	<u>712,217</u>	<u>\$ 711,739</u>	<u>\$ -</u>	<u>711,739</u>	<u>478</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	<u>212,915</u>	<u>(47,132)</u>	<u>165,783</u>			<u>271,411</u>	<u>105,628</u>
OTHER FINANCING USES:							
Transfers out:							
Westwood	<u>(205,711)</u>	<u>(6,902)</u>	<u>(212,613)</u>			<u>(212,613)</u>	<u>-</u>
Net other financing sources (uses)	<u>(205,711)</u>	<u>(6,902)</u>	<u>(212,613)</u>			<u>(212,613)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other uses	7,204	(54,034)	(46,830)			58,798	105,628
Fund balance, July 1, 2008 (Non-GAAP budgetary basis)	<u>215,540</u>	<u>-</u>	<u>215,540</u>			<u>215,540</u>	<u>-</u>
Fund balance, June 30, 2009 (Non-GAAP budgetary basis)	<u>\$ 222,744</u>	<u>\$ (54,034)</u>	<u>\$ 168,710</u>			<u>\$ 274,338</u>	<u>\$ 105,628</u>

THE CITY OF NORMAN, OKLAHOMA

COMMUNITY DEVELOPMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Intergovernmental:							
Community development block grant ("CDBG")	\$ 844,091	\$ 8,899	\$ 852,990			\$ 679,726	\$ (173,264)
Emergency shelter grant	-	125,000	125,000			150,000	25,000
Home grant	541,871	6,367	548,238			602,379	54,141
Investment earnings	-	-	-			7,412	7,412
Total revenues	<u>1,385,962</u>	<u>140,266</u>	<u>1,526,228</u>			<u>1,439,517</u>	<u>(86,711)</u>
EXPENDITURES AND ENCUMBRANCES:							
Public service:							
Community development	456,908	330,138	787,046	\$ 372,812	\$ 5,042	377,854	409,192
CDBG housing	387,183	221,132	608,315	381,379	-	381,379	226,936
Home grants	541,898	652,628	1,194,526	427,960	85,000	512,960	681,566
Emergency shelter grants	-	125,000	125,000	124,786	-	124,786	214
Kingsgate	<u>1,668,125</u>	<u>-</u>	<u>1,668,125</u>	<u>1,556,370</u>	<u>111,755</u>	<u>1,668,125</u>	<u>-</u>
Total expenditures and encumbrances	<u>3,054,114</u>	<u>1,328,898</u>	<u>4,383,012</u>	<u>\$ 2,863,307</u>	<u>\$ 201,797</u>	<u>3,065,104</u>	<u>1,317,908</u>
OTHER FINANCING SOURCES (USES):							
Operating transfers in:							
General Fund	-	357,410	357,410			357,410	-
Excess (deficiency) of revenues over (under) expenditures and encumbrances	(1,668,152)	(831,222)	(2,499,374)			(1,268,177)	1,231,197
Fund balance (deficit), July 1, 2008 (Non-GAAP budgetary basis)	<u>1,268,177</u>	<u>-</u>	<u>1,268,177</u>			<u>1,268,177</u>	<u>-</u>
Fund balance (deficit), June 30, 2009 (Non-GAAP budgetary basis)	<u>\$ (399,975)</u>	<u>\$ (831,222)</u>	<u>\$ (1,231,197)</u>			<u>\$ -</u>	<u>\$ 1,231,197</u>

THE CITY OF NORMAN, OKLAHOMA

SPECIAL GRANTS FUND SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Intergovernmental:							
County Court DUI	\$ 63,982	\$ -	\$ 63,982			\$ 74,256	\$ 10,274
Public safety grants	-	513,707	513,707			323,349	(190,358)
Public service grants	-	15,075	15,075			3,474	(11,601)
Recreation grants	-	325,000	325,000			5,000	(320,000)
Legal/Juvenile grants	-	-	-			-	-
Total intergovernmental	63,982	853,782	917,764			406,079	(511,685)
Investment earnings	-	-	-			5,329	5,329
Total revenues	63,982	853,782	917,764			411,408	(506,356)
EXPENDITURES AND ENCUMBRANCES:							
Juvenile grants	-	-	-	\$ -	\$ -	-	-
DUI enforcement	63,982	-	63,982	33,194	8,199	41,393	22,589
Traffic & alcohol enforcement	-	142,756	142,756	122,970	-	122,970	19,786
Bullet proof vest grant	-	4,567	4,567	-	-	-	4,567
Homeland security grant	-	150,000	150,000	9,869	5,473	15,342	134,658
JAG grant	-	5,213	5,213	2,523	-	2,523	2,690
Emergency management	-	60,387	60,387	55,282	3,029	58,311	2,076
OK LG Arts Council grant	-	5,000	5,000	5,000	-	5,000	-
SHPO / CLG grant	-	15,075	15,075	8,050	-	8,050	7,025
Misc police grants	-	29,964	29,964	4,964	25,000	29,964	-
Legacy Park trail grant	-	320,000	320,000	39,639	20,865	60,504	259,496
Drug evaluation/recognition	-	88,686	88,686	40,552	736	41,288	47,398
City beautification	-	24,700	24,700	23,467	-	23,467	1,233
Total expenditures and encumbrances	63,982	846,348	910,330	\$ 345,510	\$ 63,302	408,812	501,518
Excess (deficiency) of revenues over (under) expenditures and encumbrances	-	7,434	7,434			2,596	(4,838)

(Continued)

THE CITY OF NORMAN, OKLAHOMA

SPECIAL GRANTS FUND SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
Other financing sources (uses):							
Transfers in							
Capital Project Fund	<u>-</u>	<u>25,000</u>	<u>25,000</u>			<u>25,000</u>	<u>-</u>
Net other financing sources (uses)	<u>-</u>	<u>25,000</u>	<u>25,000</u>			<u>25,000</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other uses	-	32,434	32,434			27,596	(4,838)
Fund balance (deficit), July 1, 2008 (Non-GAAP budgetary basis)	<u>239,047</u>	<u>-</u>	<u>239,047</u>			<u>239,047</u>	<u>-</u>
Fund balance (deficit), June 30, 2009 (Non-GAAP budgetary basis)	<u>\$ 239,047</u>	<u>\$ 32,434</u>	<u>\$ 271,481</u>			<u>\$ 266,643</u>	<u>\$ (4,838)</u>

(Concluded)

THE CITY OF NORMAN, OKLAHOMA

PARK LAND FUND SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Investment earnings	\$ 85,000	\$ -	\$ 85,000			\$ 64,725	\$ (20,275)
Charges for services	<u>26,010</u>	<u>-</u>	<u>26,010</u>			<u>22,958</u>	<u>(3,052)</u>
Total revenues	<u>111,010</u>	<u>-</u>	<u>111,010</u>			<u>87,683</u>	<u>(23,327)</u>
EXPENDITURES AND ENCUMBRANCES:							
Parks and recreation	<u>20,000</u>	<u>114,210</u>	<u>134,210</u>	<u>\$ 81,293</u>	<u>\$ -</u>	<u>81,293</u>	<u>52,917</u>
Total expenditures and encumbrances	<u>20,000</u>	<u>114,210</u>	<u>134,210</u>	<u>\$ 81,293</u>	<u>\$ -</u>	<u>81,293</u>	<u>52,917</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	91,010	(114,210)	(23,200)			6,390	29,590
Other financing sources (uses):							
Transfers out							
Capital Project Fund	<u>-</u>	<u>(15,426)</u>	<u>(15,426)</u>			<u>(15,426)</u>	<u>-</u>
Net other financing sources (uses)	<u>-</u>	<u>(15,426)</u>	<u>(15,426)</u>			<u>(15,426)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances and other sources (uses)	91,010	(129,636)	(38,626)			(9,036)	29,590
Fund balance, July 1, 2008 (Non-GAAP budgetary basis)	<u>1,231,763</u>	<u>-</u>	<u>1,231,763</u>			<u>1,231,763</u>	<u>-</u>
Fund balance, June 30, 2009 (Non-GAAP budgetary basis)	<u>\$ 1,322,773</u>	<u>\$ (129,636)</u>	<u>\$ 1,193,137</u>			<u>\$ 1,222,727</u>	<u>\$ 29,590</u>

THE CITY OF NORMAN, OKLAHOMA

EMERGENCY COMMUNICATIONS FUND SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Charges for services:							
911 emergency revenue	\$ 155,216	\$ -	\$ 155,216			\$ 148,521	\$ (6,695)
Miscellaneous revenue	<u>76,755</u>	<u>-</u>	<u>76,755</u>			<u>127,568</u>	<u>50,813</u>
Total revenues	\$ <u>231,971</u>	\$ <u>-</u>	\$ <u>231,971</u>			\$ <u>276,089</u>	\$ <u>44,118</u>
EXPENDITURES AND ENCUMBRANCES:							
Public Safety	<u>1,581,947</u>	<u>279,315</u>	<u>1,861,262</u>	\$ <u>1,655,006</u>	\$ <u>1,000</u>	<u>1,656,006</u>	<u>205,256</u>
Total expenditures and encumbrances	<u>1,581,947</u>	<u>279,315</u>	<u>1,861,262</u>	\$ <u>1,655,006</u>	\$ <u>1,000</u>	<u>1,656,006</u>	<u>205,256</u>
Excess (deficiency) of revenues over expenditures and encumbrances	<u>(1,349,976)</u>	<u>(279,315)</u>	<u>(1,629,291)</u>			<u>(1,379,917)</u>	<u>249,374</u>
OTHER FINANCING SOURCES (USES):							
Transfers in:							
General Fund	<u>1,349,976</u>	<u>247,975</u>	<u>1,597,951</u>			<u>1,377,292</u>	<u>(220,659)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances, and other uses	-	(31,340)	(31,340)			(2,625)	28,715
Fund balance (deficit), July 1, 2008 (Non-GAAP budgetary basis)	<u>11,445</u>	<u>-</u>	<u>11,445</u>			<u>11,445</u>	<u>-</u>
Fund balance (deficit), June 30, 2009 June 30, 2005 (Non-GAAP budgetary basis)	\$ <u>11,445</u>	\$ <u>(31,340)</u>	\$ <u>(19,895)</u>			\$ <u>8,820</u>	\$ <u>28,715</u>

THE CITY OF NORMAN, OKLAHOMA

SEIZURES AND RESTITUTIONS FUND SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Intergovernmental:							
State Seizure/Restitution	\$ 9,000	\$ -	\$ 9,000			\$ 205,210	\$ 196,210
Federal Seizure/Restitution	9,000	-	9,000			-	(9,000)
Investment earnings	500	-	500			4,292	3,792
Miscellaneous income	-	-	-			-	-
Total revenues	<u>18,500</u>	<u>-</u>	<u>18,500</u>			<u>209,502</u>	<u>191,002</u>
EXPENDITURES AND ENCUMBRANCES:							
Public Safety:							
State seizures	-	13,000	13,000	\$ 5,560	\$ 6,395	11,955	1,045
Federal seizures	<u>2,600</u>	<u>12,000</u>	<u>14,600</u>	<u>8,854</u>	<u>1,377</u>	<u>10,231</u>	<u>4,369</u>
Total expenditures and encumbrances	<u>2,600</u>	<u>25,000</u>	<u>27,600</u>	<u>\$ 14,414</u>	<u>\$ 7,772</u>	<u>22,186</u>	<u>5,414</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	15,900	(25,000)	(9,100)			187,316	196,416
Fund balance, July 1, 2008 (Non-GAAP budgetary basis)	<u>228,348</u>	<u>-</u>	<u>228,348</u>			<u>228,348</u>	<u>-</u>
Fund balance, June 30, 2009 (Non-GAAP budgetary basis)	<u>\$ 244,248</u>	<u>\$ (25,000)</u>	<u>\$ 219,248</u>			<u>\$ 415,664</u>	<u>\$ 196,416</u>

THE CITY OF NORMAN, OKLAHOMA

CLEET FUND SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Fines and forfeitures:							
Cleet training revenue	\$ 32,300	\$ -	\$ 32,300			\$ 28,627	\$ (3,673)
Investment earnings	<u>-</u>	<u>-</u>	<u>-</u>			<u>473</u>	<u>473</u>
Total revenues	<u>32,300</u>	<u>-</u>	<u>32,300</u>			<u>29,100</u>	<u>(3,200)</u>
EXPENDITURES AND ENCUMBRANCES:							
Public Safety:							
Court Cleet Training	4,300	-	4,300	\$ 3,080	\$ -	3,080	1,220
Police Cleet Training	<u>29,005</u>	<u>360</u>	<u>29,365</u>	<u>27,479</u>	<u>570</u>	<u>28,049</u>	<u>1,316</u>
Total expenditures and encumbrances	<u>33,305</u>	<u>360</u>	<u>33,665</u>	<u>\$ 30,559</u>	<u>\$ 570</u>	<u>31,129</u>	<u>2,536</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	(1,005)	(360)	(1,365)			(2,029)	(664)
Fund balance, July 1, 2008 (Non-GAAP budgetary basis)	<u>25,830</u>	<u>-</u>	<u>25,830</u>			<u>25,830</u>	<u>-</u>
Fund balance, June 30, 2009 (Non-GAAP budgetary basis)	<u>\$ 24,825</u>	<u>\$ (360)</u>	<u>\$ 24,465</u>			<u>\$ 23,801</u>	<u>\$ (664)</u>

THE CITY OF NORMAN, OKLAHOMA

TAX INCREMENT DISTRICT SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Sales taxes	\$ -	\$ -	\$ -			\$ -	\$ -
Property taxes	-	-	-			-	-
Investment earnings	-	-	-			7,442	7,442
Total revenues	-	-	-			7,442	7,442
EXPENDITURES AND ENCUMBRANCES:							
General government:							
Capital projects	-	333,337	333,337	\$187,876	\$ 95,413	283,289	50,048
Total expenditures and encumbrances	-	333,337	333,337	\$187,876	\$ 95,413	283,289	50,048
Excess (deficiency) of revenues over (under) expenditures and encumbrances	-	(333,337)	(333,337)			(275,847)	57,490
Fund balance, July 1, 2008 (Non-GAAP budgetary basis)	407,976	-	407,976			407,976	-
Fund balance, June 30, 2009 (Non-GAAP budgetary basis)	\$ 407,976	\$ (333,337)	\$ 74,639			\$ 132,129	\$ 57,490

THE CITY OF NORMAN, OKLAHOMA

ART IN PUBLIC PLACES FUND SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Other revenue	\$ 5,000	\$ -	\$ 5,000			\$ 7,909	\$ 2,909
Total revenues	<u>5,000</u>	<u>-</u>	<u>5,000</u>			<u>7,909</u>	<u>2,909</u>
EXPENDITURES AND ENCUMBRANCES:							
Parks & recreation							
Donation	<u>-</u>	<u>3,908</u>	<u>3,908</u>	\$ 3,908	\$ -	3,908	-
Total expenditures and encumbrances	<u>-</u>	<u>3,908</u>	<u>3,908</u>	<u>\$ 3,908</u>	<u>\$ -</u>	<u>3,908</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	5,000	(3,908)	1,092			4,001	2,909
Fund balance, July 1, 2008 (Non-GAAP budgetary basis)	<u>847</u>	<u>-</u>	<u>847</u>			<u>847</u>	<u>-</u>
Fund balance, June 30, 2009 (Non-GAAP budgetary basis)	<u>\$ 5,847</u>	<u>\$ (3,908)</u>	<u>\$ 1,939</u>			<u>\$ 4,848</u>	<u>\$ 2,909</u>

THE CITY OF NORMAN, OKLAHOMA

DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Property tax	\$ 3,129,000	\$ -	\$ 3,129,000			\$ 3,090,574	\$ (38,426)
Sales tax	271,938	-	271,938			262,414	(9,524)
Total taxes	3,400,938	-	3,400,938			3,352,988	(47,950)
Investment earnings	42,000	-	42,000			43,558	1,558
Other revenue:							
Special assessments	40,400	-	40,400			79,534	39,134
Total revenues	3,483,338	-	3,483,338			3,476,080	(7,258)
EXPENDITURES AND ENCUMBRANCES:							
Debt service:							
Principal	2,430,000	-	2,430,000	\$ 2,430,000	\$ -	2,430,000	-
Interest and fiscal charges	780,786	220,791	1,001,577	780,875	-	780,875	220,702
Special assessments	100,086	157	100,243	100,242	-	100,242	1
Total expenditures and encumbrances	3,310,872	220,948	3,531,820	\$ 3,311,117	\$ -	3,311,117	220,703
Excess (deficiency) of revenues over (under) expenditures and encumbrances	172,466	(220,948)	(48,482)			164,963	213,445
OTHER FINANCING SOURCES (USES):							
Transfers out:							
General fund	(500,000)	(93,008)	(593,008)			(593,008)	-
Net other financing sources (uses)	(500,000)	(93,008)	(593,008)			(593,008)	-
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other sources (uses)	(327,534)	(313,956)	(641,490)			(428,045)	213,445
Fund balance, July 1, 2008 (Non-GAAP budgetary basis)	2,214,905	-	2,214,905			2,214,905	-
Fund balance, June 30, 2009 (Non-GAAP budgetary basis)	\$ 1,887,371	\$ (313,956)	\$ 1,573,415			\$ 1,786,860	\$ 213,445

THE CITY OF NORMAN, OKLAHOMA

CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Sales tax	\$ 10,544,110	\$ -	\$ 10,544,110			\$ 10,175,656	\$ (368,454)
Sales tax - UNP TIF	1,158,750	-	1,158,750			1,780,830	622,080
Property tax - UNP TIF	420,000	-	420,000			282,732	(137,268)
Investment earnings	355,000	-	355,000			564,877	209,877
Intergovernmental	180,960	75,000	255,960			-	(255,960)
Miscellaneous	-	148,625	148,625			260,183	111,558
Total revenues	<u>12,658,820</u>	<u>223,625</u>	<u>12,882,445</u>			<u>13,064,278</u>	<u>181,833</u>
EXPENDITURES AND ENCUMBRANCES:							
Personnel costs	455,056	-	455,056	\$ 460,286	\$ -	460,286	(5,230)
Capital projects	13,826,667	19,426,781	33,253,448	7,359,514	3,185,115	10,544,629	22,708,819
Capital projects - UNP TIF	18,614,898	642,586	19,257,484	4,328,244	142,333	4,470,577	14,786,907
Capital projects - HP	-	45,811	45,811	(45,812)	-	(45,812)	91,623
Debt service - UNP TIF	1,800,000	-	1,800,000	411,850	-	411,850	1,388,150
Debt service	34,000	11,186	45,186	242,393	-	242,393	(197,207)
Total expenditures and encumbrances	<u>34,730,621</u>	<u>20,126,364</u>	<u>54,856,985</u>	<u>\$ 12,756,475</u>	<u>\$ 3,327,448</u>	<u>16,083,923</u>	<u>38,773,061</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	(22,071,801)	(19,902,739)	(41,974,540)			(3,019,645)	38,954,891
OTHER FINANCING SOURCES (USES):							
Transfers Out:							
General fund	(3,042,722)	-	(3,042,722)			(2,583,442)	459,280
Special grants fund	-	(25,000)	(25,000)			(25,000)	-
Westwood fund	(66,500)	-	(66,500)			(12,495)	54,005
Transfers In:							
General fund	3,000,000	-	3,000,000			3,000,000	-
Parkland Fund	-	15,426	15,426			15,426	-
Loan proceeds - UNP TIF	15,000,000	-	15,000,000			4,480,813	(10,519,187)
Bond proceeds	2,034,000	-	2,034,000			10,685,000	8,651,000
Net other financing sources (uses)	<u>16,924,778</u>	<u>(9,574)</u>	<u>16,915,204</u>			<u>15,560,302</u>	<u>(1,354,902)</u>
Excess (deficiency) of revenues over expenditures and encumbrances and other sources (uses)	(5,147,023)	(19,912,313)	(25,059,336)			12,540,657	37,599,991
Fund balance, July 1, 2008 (Non-GAAP budgetary basis)							
Short-term loan adjustment	16,286,628	-	16,286,628			16,286,628	-
	-	-	-			(1,185,101)	(1,185,101)
Fund balance, June 30, 2009 (Non-GAAP budgetary basis)	<u>\$ 11,139,605</u>	<u>\$ (19,912,313)</u>	<u>\$ (8,772,708)</u>			<u>\$ 27,642,184</u>	<u>\$ 36,414,892</u>

**NOTES TO OTHER SUPPLEMENTARY INFORMATION ON BUDGETARY COMPARISON
SCHEDULES – SPECIAL REVENUE FUNDS, DEBT SERVICE FUND AND CAPITAL PROJECTS FUND**

Budget Reconciliations - Items required to adjust actual revenues, expenditures, and fund balances reported on the budgetary basis to those reported within the fund financial statements as of and for the year ended June 30, 2009, are as follows:

	Special Revenue Funds	Debt Service Fund	Capital Projects Fund
Fund balances, June 30, 2009 (Non-GAAP budgetary basis)	\$ 2,348,970	\$ 1,786,860	\$ 27,642,184
Current year encumbrances included in expenditures	369,853	-	3,327,448
Prior year encumbrances outstanding	92,526	-	2,027,748
Current year revenue accrual	518,598	88,670	2,313,729
Current year expenditure accrual	<u>(52,312)</u>	<u>(284,825)</u>	<u>(7,515)</u>
GAAP basis fund balances, June 30, 2009	<u>\$ 3,277,635</u>	<u>\$ 1,590,705</u>	<u>\$ 35,303,594</u>
Budgetary basis revenues	\$ 3,451,800	\$ 3,476,080	\$ 13,064,278
Current year revenue accrual	518,598	88,670	2,313,729
Prior year revenue accrual	<u>(280,085)</u>	<u>(67,969)</u>	<u>(2,174,256)</u>
GAAP basis revenues	<u>\$ 3,690,313</u>	<u>\$ 3,496,781</u>	<u>\$ 13,203,751</u>
Budgetary basis expenditures	\$ 6,263,466	\$ 3,311,117	\$ 16,083,923
Current year encumbrances included in expenditures	(369,853)	-	(3,327,448)
Prior year encumbrances paid	204,577	-	6,936,431
Current year expenditure accrual	52,312	284,825	7,515
Prior year expenditure accrual	<u>(46,048)</u>	<u>(64,171)</u>	<u>(5,913)</u>
GAAP basis expenditures	<u>\$ 6,104,454</u>	<u>\$ 3,531,771</u>	<u>\$ 19,694,508</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING SCHEDULE OF NET ASSETS

ENTERPRISE FUND - NORMAN MUNICIPAL AUTHORITY

JUNE 30, 2009

ASSETS	Westwood Park	Sanitation Services	Total
Current assets:			
Cash and cash equivalents	\$ 93,746	\$ 142,633	\$ 236,379
Restricted cash and cash equivalents	8,826	436,838	445,664
Investments	-	2,161,369	2,161,369
Receivables:			
Accounts, net of allowance for estimated uncollectible accounts	-	708,229	708,229
Interest	1,830	19,586	21,416
Due from other funds	-	4,096	4,096
Total current assets	<u>104,402</u>	<u>3,472,751</u>	<u>3,577,153</u>
Noncurrent assets:			
Restricted cash and cash equivalents	19,995	-	19,995
Restricted investments	213,395	-	213,395
Unamortized bond issue costs	33,128	4,019	37,147
Capital assets, net	<u>7,854,225</u>	<u>5,605,577</u>	<u>13,459,802</u>
Total noncurrent assets	<u>8,120,743</u>	<u>5,609,596</u>	<u>13,730,339</u>
Total assets	<u>8,225,145</u>	<u>9,082,347</u>	<u>17,307,492</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	27,226	277,706	304,932
Payroll payable	38,500	94,640	133,140
Accrued interest payable	8,826	7,219	16,045
Guaranty deposits	-	293,006	293,006
Revenue bonds payable	100,000	-	100,000
Notes payable	-	135,000	135,000
Compensated absences	<u>4,320</u>	<u>17,338</u>	<u>21,658</u>
Total current liabilities	<u>178,872</u>	<u>824,909</u>	<u>1,003,781</u>
Noncurrent liabilities:			
Notes payable	-	140,000	140,000
Compensated absences	71,690	287,702	359,392
Revenue bonds payable, net	<u>1,674,650</u>	<u>-</u>	<u>1,674,650</u>
Total noncurrent liabilities	<u>1,746,340</u>	<u>427,702</u>	<u>2,174,042</u>
Total liabilities	<u>1,925,212</u>	<u>1,252,611</u>	<u>3,177,823</u>
NET ASSETS			
Invested in capital assets, net	6,079,575	5,330,577	11,410,152
Restricted for debt service	233,390	136,613	370,003
Unrestricted	<u>(13,032)</u>	<u>2,362,546</u>	<u>2,349,514</u>
Total net assets	<u>\$ 6,299,933</u>	<u>\$ 7,829,736</u>	<u>\$ 14,129,669</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS ENTERPRISE FUND - NORMAN MUNICIPAL AUTHORITY FOR THE YEAR ENDED JUNE 30, 2009

	Westwood Park	Sanitation Services	Total
Operating revenues:			
Golf and pool fees	\$ 1,089,329	\$ -	\$ 1,089,329
Sanitation services, net	-	10,863,595	10,863,595
Other	987	110,068	111,055
	<u>1,090,316</u>	<u>10,973,663</u>	<u>12,063,979</u>
Total operating revenues			
Operating expenses:			
Salaries and benefits	771,520	3,634,635	4,406,155
Supplies and materials	122,293	1,078,748	1,201,041
Services and maintenance	344,650	4,678,635	5,023,285
Depreciation and amortization	143,215	877,886	1,021,101
	<u>1,381,678</u>	<u>10,269,904</u>	<u>11,651,582</u>
Total operating expenses			
Operating income (loss)	<u>(291,362)</u>	<u>703,759</u>	<u>412,397</u>
Nonoperating revenues (expenses):			
Investment earnings	12,428	82,516	94,944
Interest and fiscal changes	(117,213)	(19,707)	(136,920)
Miscellaneous income (expense)	-	(31,901)	(31,901)
	<u>(104,785)</u>	<u>30,908</u>	<u>(73,877)</u>
Net nonoperating revenues (expenses)			
Income (loss) before transfers	<u>(396,147)</u>	<u>734,667</u>	<u>338,520</u>
Transfers in (out):			
Transfers in	225,108	-	225,108
Transfers out	-	(56,165)	(56,165)
	<u>225,108</u>	<u>(56,165)</u>	<u>168,943</u>
Net transfers			
Net income (loss)	<u>(171,039)</u>	<u>678,502</u>	<u>507,463</u>
Net assets - beginning	<u>6,470,972</u>	<u>7,151,234</u>	<u>13,622,206</u>
Net assets - ending	<u>\$ 6,299,933</u>	<u>\$ 7,829,736</u>	<u>\$ 14,129,669</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING SCHEDULE OF CASH FLOWS

ENTERPRISE FUND - NORMAN MUNICIPAL AUTHORITY FOR THE YEAR ENDED JUNE 30, 2009

	Westwood Park	Sanitation Services	Total
Cash flows from operating activities:			
Cash received from customers	\$ 1,090,316	\$ 11,044,203	\$ 12,134,519
Cash paid to employees for services	(757,828)	(3,633,114)	(4,390,942)
Cash paid to suppliers	(461,644)	(5,747,906)	(6,209,550)
Other receipts (payments)	-	8,990	8,990
Net cash provided by operating activities	<u>(129,156)</u>	<u>1,672,173</u>	<u>1,543,017</u>
Cash flows from noncapital financing activities:			
Transfers in	225,108	-	225,108
Transfers out	-	(56,165)	(56,165)
Net cash provided by (used for) noncapital financing activities	<u>225,108</u>	<u>(56,165)</u>	<u>168,943</u>
Cash flows from capital and related financing activities:			
Proceeds from disposal of capital assets	-	30,000	30,000
Payments for the acquisition of capital assets	(12,495)	(3,175,665)	(3,188,160)
Principal payments on revenue bonds payable	(95,000)	-	(95,000)
Principal payments on notes payable	-	(125,000)	(125,000)
Interest and fiscal charges paid	(111,961)	(18,969)	(130,930)
Net cash used for capital and related financing activities	<u>(219,456)</u>	<u>(3,289,634)</u>	<u>(3,509,090)</u>
Cash flows from investing activities:			
Proceeds from maturity of investments	-	2,193,476	2,193,476
Payments for purchases of investments	-	(1,525,710)	(1,525,710)
Investment earnings received	10,362	94,940	105,302
Net cash used for investing activities	<u>10,362</u>	<u>762,706</u>	<u>773,068</u>
Net change in cash and cash equivalents	(113,142)	(910,920)	(1,024,062)
Cash and cash equivalents - beginning	<u>235,709</u>	<u>1,490,391</u>	<u>1,726,100</u>
Cash and cash equivalents - ending	<u>\$ 122,567</u>	<u>\$ 579,471</u>	<u>\$ 702,038</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (291,362)	\$ 703,759	\$ 412,397
Adjustments to reconcile operating income to net cash provided by operating activities:			
Miscellaneous expense	-	(31,901)	(31,901)
Bad debt expense	-	61,387	61,387
Depreciation	143,215	877,886	1,021,101
Loss on disposal of property, plant and equipment	-	44,100	44,100
Increase in accounts receivable, net	-	(7,448)	(7,448)
Increase in due from other funds	-	(3,209)	(3,209)
Increase in accounts payable and accrued liabilities	5,299	9,477	14,776
Increase in payroll payable	5,424	4,949	10,373
Increase in guaranty deposits	-	16,601	16,601
Increase (decrease) in compensated absences	8,268	(3,428)	4,840
Net cash provided by (used for) operating activities	<u>\$ (129,156)</u>	<u>\$ 1,672,173</u>	<u>\$ 1,543,017</u>
NONCASH ACTIVITIES:			
Change in unrealized (gain) loss on investments	<u>\$ (2,394)</u>	<u>\$ 8,279</u>	<u>\$ 5,885</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING SCHEDULE OF NET ASSETS

ENTERPRISE FUND - NORMAN UTILITIES AUTHORITY

JUNE 30, 2009

ASSETS	Water	Wastewater	Total
Current assets:			
Cash and cash equivalents	\$ 1,452,631	\$ -	\$ 1,452,631
Restricted cash and cash equivalents	19,893,142	9,540,747	29,433,889
Investments	5,927,899	6,751,426	12,679,325
Receivables:			
Accounts, net of allowance for estimated uncollectible accounts	944,404	705,348	1,649,752
Interest	53,878	165,264	219,142
Due from other funds	21,673	88,930	110,603
Due from Federal Government	-	74,695	74,695
Total current assets	<u>28,293,627</u>	<u>17,326,410</u>	<u>45,620,037</u>
Noncurrent assets:			
Restricted cash and cash equivalents	-	886,364	886,364
Restricted investments	-	11,485,682	11,485,682
Unamortized bond issue costs	380,350	236,136	616,486
Capital assets, net	<u>45,967,002</u>	<u>91,959,524</u>	<u>137,926,526</u>
Total noncurrent assets	<u>46,347,352</u>	<u>104,567,706</u>	<u>150,915,058</u>
Total assets	<u>74,640,979</u>	<u>121,894,116</u>	<u>196,535,095</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	455,760	394,598	850,358
Payroll payable	108,299	77,621	185,920
Accrued interest payable	162,978	59,078	222,056
Guaranty deposits	835,521	278,151	1,113,672
Revenue bonds payable	740,000	960,000	1,700,000
Notes payable	155,282	387,042	542,324
Compensated absences	<u>21,965</u>	<u>14,413</u>	<u>36,378</u>
Total current liabilities	<u>2,479,805</u>	<u>2,170,903</u>	<u>4,650,708</u>
Noncurrent liabilities:			
Notes payable	1,220,988	3,123,608	4,344,596
Compensated absences	364,468	239,168	603,636
Revenue bonds payable, net	<u>18,681,698</u>	<u>7,471,895</u>	<u>26,153,593</u>
Total noncurrent liabilities	<u>20,267,154</u>	<u>10,834,671</u>	<u>31,101,825</u>
Total liabilities	<u>22,746,959</u>	<u>13,005,574</u>	<u>35,752,533</u>
NET ASSETS			
Invested in capital assets, net	43,597,888	80,016,979	123,614,867
Restricted for debt service	465,789	638,518	1,104,307
Restricted for capital improvements	-	20,937,046	20,937,046
Unrestricted	<u>7,830,343</u>	<u>7,295,999</u>	<u>15,126,342</u>
Total net assets	<u>\$ 51,894,020</u>	<u>\$ 108,888,542</u>	<u>\$ 160,782,562</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

ENTERPRISE FUND - NORMAN UTILITIES AUTHORITY

FOR THE YEAR ENDED JUNE 30, 2009

	Water	Wastewater	Total
Operating revenues:			
Water service, net	\$ 13,898,301	\$ -	\$ 13,898,301
Wastewater service, net	-	10,927,785	10,927,785
Other	<u>159,952</u>	<u>-</u>	<u>159,952</u>
Total operating revenues	<u>14,058,253</u>	<u>10,927,785</u>	<u>24,986,038</u>
Operating expenses:			
Salaries and benefits	3,443,724	2,860,305	6,304,029
Supplies and materials	1,370,631	294,060	1,664,691
Services and maintenance	4,434,629	4,381,933	8,816,562
Depreciation and amortization	<u>1,599,600</u>	<u>3,478,014</u>	<u>5,077,614</u>
Total operating expenses	<u>10,848,584</u>	<u>11,014,312</u>	<u>21,862,896</u>
Operating income	<u>3,209,669</u>	<u>(86,527)</u>	<u>3,123,142</u>
Nonoperating revenues (expenses):			
Tax revenue	-	1,251,242	1,251,242
Investment earnings	305,542	708,525	1,014,067
Interest and fiscal charges	(910,683)	(447,346)	(1,358,029)
Miscellaneous income (expense)	<u>(48,244)</u>	<u>19,735</u>	<u>(28,509)</u>
Net nonoperating revenues	<u>(653,385)</u>	<u>1,532,156</u>	<u>878,771</u>
Income before capital contributions and operating transfers	<u>2,556,284</u>	<u>1,445,629</u>	<u>4,001,913</u>
Capital contributions - donated water and sewer distribution systems	1,144,143	911,268	2,055,411
Transfers in	-	-	-
Transfers out	<u>(566,250)</u>	<u>(293,456)</u>	<u>(859,706)</u>
Net capital contributions and transfers	<u>577,893</u>	<u>617,812</u>	<u>1,195,705</u>
Net income	3,134,177	2,063,441	5,197,618
Net assets - beginning	<u>48,759,843</u>	<u>106,825,101</u>	<u>155,584,944</u>
Net assets - ending	<u>\$ 51,894,020</u>	<u>\$ 108,888,542</u>	<u>\$ 160,782,562</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING SCHEDULE OF CASH FLOWS ENTERPRISE FUND - NORMAN UTILITIES AUTHORITY FOR THE YEAR ENDED JUNE 30, 2009

	Water	Wastewater	Total
Cash flows from operating activities:			
Cash received from customers	\$ 14,178,974	\$ 11,001,809	\$ 25,180,783
Cash paid to employees for services	(3,396,169)	(2,833,170)	(6,229,339)
Cash paid to suppliers	(5,640,489)	(5,537,396)	(11,177,885)
Other receipts (payments)	92	(64,931)	(64,839)
Net cash provided by operating activities	<u>5,142,408</u>	<u>2,566,312</u>	<u>7,708,720</u>
Cash flows from noncapital financing activities:			
Transfers out	<u>(566,250)</u>	<u>(293,456)</u>	<u>(859,706)</u>
Net cash used for noncapital financing activities	<u>(566,250)</u>	<u>(293,456)</u>	<u>(859,706)</u>
Cash flows from capital and related financing activities:			
Payments for the acquisition of capital assets	(4,382,150)	(5,957,000)	(10,339,150)
Proceeds from taxes	-	1,251,242	1,251,242
Principal payments on revenue bonds	(710,000)	(945,000)	(1,655,000)
Principal payments on notes payable	(150,683)	(387,042)	(537,725)
Interest and fiscal charges paid	<u>(904,025)</u>	<u>(354,881)</u>	<u>(1,258,906)</u>
Net cash used for capital and related financing activities	<u>(6,146,858)</u>	<u>(6,392,681)</u>	<u>(12,539,539)</u>
Cash flows from investing activities:			
Proceeds from maturity of investments	4,089,394	19,551,625	23,641,019
Payments for purchases of investments	(4,184,504)	(12,873,573)	(17,058,077)
Investment earnings received	<u>341,305</u>	<u>817,791</u>	<u>1,159,096</u>
Net cash used for investing activities	<u>246,195</u>	<u>7,495,843</u>	<u>7,742,038</u>
Net change in cash and cash equivalents	(1,324,505)	3,376,018	2,051,513
Cash and cash equivalents - beginning	<u>22,670,278</u>	<u>7,051,093</u>	<u>29,721,371</u>
Cash and cash equivalents - ending	<u>\$ 21,345,773</u>	<u>\$ 10,427,111</u>	<u>\$ 31,772,884</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 3,209,669	\$ (86,527)	\$ 3,123,142
Adjustments to reconcile operating income to net cash provided by operating activities:			
Miscellaneous income (expense)	(48,244)	19,735	(28,509)
Bad debt expense	83,612	72,465	156,077
Depreciation	1,599,600	3,478,014	5,077,614
Loss on disposal of property, plant and equipment	67,541	0	67,541
(Increase) decrease in accounts receivable, net	61,031	(14,727)	46,304
Increase in due from other funds	(19,205)	(84,666)	(103,871)
Increase (decrease) in accounts payable and accrued liabilities	164,771	(861,403)	(696,632)
Increase in payroll payable	23,645	15,767	39,412
Increase (decrease) in guaranty deposits	(23,922)	16,286	(7,636)
Increase in compensated absences	<u>23,910</u>	<u>11,368</u>	<u>35,278</u>
Net cash provided by operating activities	<u>\$ 5,142,408</u>	<u>\$ 2,566,312</u>	<u>\$ 7,708,720</u>
NONCASH ACTIVITIES:			
Donated water and sewer distribution systems	<u>\$ 1,144,143</u>	<u>\$ 911,268</u>	<u>\$ 2,055,411</u>
Change in unrealized (gain) loss on investments	<u>\$ 19,060</u>	<u>\$ 79,550</u>	<u>\$ 98,610</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF FIDUCIARY NET ASSETS JUNE 30, 2009

	Annuity Pool Fund	401(a) Plan Fund	Total
ASSETS			
Investments - mutual funds	\$ 564,510	\$ 36,267,844	\$ 36,832,354
Loans to 401(a) Plan participants	<u>-</u>	<u>3,414,803</u>	<u>3,414,803</u>
Total assets	<u>\$ 564,510</u>	<u>\$ 39,682,647</u>	<u>\$ 40,247,157</u>
LIABILITIES AND NET ASSETS			
Net assets:			
Held in trust for pension benefits	\$ 564,510	\$ -	\$ 564,510
Held in trust for retirement benefits	<u>-</u>	<u>39,682,647</u>	<u>39,682,647</u>
Total liabilities and net assets	<u>\$ 564,510</u>	<u>\$ 39,682,647</u>	<u>\$ 40,247,157</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FOR THE YEAR ENDED JUNE 30, 2009

ADDITIONS:	Annuity Pool Fund	401(a) Fund	Total
Contributions:			
Employer	\$ 29,123	\$ 2,064,373	\$ 2,093,496
Employee	<u>-</u>	<u>1,714,001</u>	<u>1,714,001</u>
Total contributions	29,123	3,778,374	3,807,497
Investment income (loss)	<u>(150,556)</u>	<u>(7,585,316)</u>	<u>(7,735,872)</u>
Total additions	<u>(121,433)</u>	<u>(3,806,942)</u>	<u>(3,928,375)</u>
DEDUCTIONS:			
Pension benefits paid	129,363	1,837,940	1,967,303
Administration costs	<u>2,428</u>	<u>18,314</u>	<u>20,742</u>
Total deductions	<u>131,791</u>	<u>1,856,254</u>	<u>1,988,045</u>
NET INCREASE	(253,224)	(5,663,196)	(5,916,420)
Net assets held in trust for pension and retirement benefits, Beginning of year	<u>817,734</u>	<u>45,345,843</u>	<u>46,163,577</u>
End of year	<u>\$ 564,510</u>	<u>\$39,682,647</u>	<u>\$40,247,157</u>

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2009

	Balance			Balance
	July 1, 2008	Additions	Deletions	June 30, 2009
CENTENNIAL AGENCY FUND:				
ASSETS				
Cash	\$ 756	\$ 715	\$ -	\$ 1,471
Investments	1,824	358	-	2,182
Interest receivable	26	-	(6)	20
Due from other funds	<u>-</u>	<u>13</u>	<u>-</u>	<u>13</u>
Total assets	<u>\$ 2,606</u>	<u>\$ 1,086</u>	<u>\$ (6)</u>	<u>\$ 3,686</u>
LIABILITIES				
Funds held for others	<u>\$ 2,606</u>	<u>\$ 1,086</u>	<u>\$ (6)</u>	<u>\$ 3,686</u>



Statistical Section

STATISTICAL SECTION

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

Contents	Page
Financial Trends	90-95
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	96-98
These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.	
Debt Capacity	99-103
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	104-105
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	106-108
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

THE CITY OF NORMAN, OKLAHOMA

NET ASSETS BY COMPONENT LAST SEVEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
Governmental activities							
Invested in capital assets, net of related debt	\$ 168,461,960	\$ 161,077,889	\$ 151,721,378	\$ 144,638,125	\$ 134,376,760	\$ 129,071,326	\$ 128,570,764
Restricted	1,590,705	2,233,957	1,359,284	1,613,892	789,936	1,528,939	1,349,754
Unrestricted	33,495,612	29,485,756	26,335,844	22,172,340	17,451,487	11,587,178	14,977,990
Total governmental activities net assets	\$ 203,548,277	\$ 192,797,602	\$ 179,416,506	\$ 168,424,357	\$ 152,618,183	\$ 142,187,443	\$ 144,898,508
Business-type activities							
Invested in capital assets, net of related debt	\$ 135,025,019	\$ 123,751,512	\$ 109,987,262	\$ 89,473,826	\$ 73,768,669	\$ 67,215,520	\$ 62,002,705
Restricted	22,411,356	24,610,916	27,853,537	33,173,855	32,154,744	22,836,310	15,855,487
Unrestricted	17,475,856	20,844,722	20,794,262	18,658,835	15,485,921	15,567,935	14,966,705
Total business-type activities net assets	\$ 174,912,231	\$ 169,207,150	\$ 158,635,061	\$ 141,306,516	\$ 121,409,334	\$ 105,619,765	\$ 92,824,897
Primary government							
Invested in capital assets, net of related debt	\$ 303,486,979	\$ 284,829,401	\$ 261,708,640	\$ 234,111,951	\$ 208,145,429	\$ 196,286,846	\$ 190,573,469
Restricted	24,002,061	26,844,873	29,212,821	34,787,747	32,944,680	24,365,249	17,205,241
Unrestricted	50,971,468	50,330,478	47,130,106	40,831,175	32,937,408	27,155,113	29,944,695
Total primary government net assets	\$ 378,460,508	\$ 362,004,752	\$ 338,051,567	\$ 309,730,873	\$ 274,027,517	\$ 247,807,208	\$ 237,723,405

Note: Accrual-basis financial information for the city government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented.

THE CITY OF NORMAN, OKLAHOMA

CHANGES IN NET ASSETS LAST SEVEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
EXPENSES							
Governmental activities:							
General government	\$ 3,751,170	\$ 3,829,737	\$ 4,832,140	\$ 4,320,751	\$ 4,003,837	\$ 4,972,208	\$ 5,279,090
Planning	3,139,732	2,892,976	2,659,676	2,541,205	2,481,637	2,583,757	2,562,191
City controller	3,317,241	3,128,315	1,768,656	1,674,137	1,639,898	1,930,423	1,733,489
Parks and recreation	5,441,885	4,975,386	4,922,448	4,533,259	4,377,816	4,432,087	4,091,801
Public works	18,412,370	21,420,245	15,465,589	15,406,784	14,756,411	20,422,492	20,429,527
Public service	3,871,811	2,655,470	1,961,034	2,003,240	2,581,878	1,998,243	1,880,099
Public safety	38,223,543	34,176,717	33,641,406	29,942,277	29,553,860	26,573,522	26,523,645
Interest on long-term debt	1,022,021	844,342	554,082	569,374	274,343	289,681	365,919
Total governmental activities expenses	<u>77,179,773</u>	<u>73,923,188</u>	<u>65,805,031</u>	<u>60,991,027</u>	<u>59,669,680</u>	<u>63,202,413</u>	<u>62,865,761</u>
Business-type activities:							
Westwood Park	1,498,891	1,343,650	1,221,446	1,238,681	1,206,417	1,172,430	986,296
Water	10,650,815	9,582,054	8,895,911	8,435,930	7,122,255	7,244,078	7,194,085
Wastewater	11,534,123	11,417,808	9,433,989	8,781,441	10,563,694	10,963,173	9,745,120
Sanitation	10,395,098	9,765,306	8,499,407	7,982,112	7,538,650	7,303,229	6,861,269
Total business-type activities expenses	<u>34,078,927</u>	<u>32,108,818</u>	<u>28,050,753</u>	<u>26,438,164</u>	<u>26,431,016</u>	<u>26,682,910</u>	<u>24,786,770</u>
Total primary government expenses	<u>\$ 111,258,700</u>	<u>\$ 106,032,006</u>	<u>\$ 93,855,784</u>	<u>\$ 87,429,191</u>	<u>\$ 86,100,696</u>	<u>\$ 89,885,323</u>	<u>\$ 87,652,531</u>

(Continued)

THE CITY OF NORMAN, OKLAHOMA

CHANGES IN NET ASSETS LAST SEVEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
PROGRAM REVENUES							
Governmental activities:							
Charges for services:							
General government	\$ 253,409	\$ 775,038	\$ 223,889	\$ 321,790	\$ 212,778	\$ 201,011	\$ 182,938
Planning	893,633	1,140,867	1,253,092	1,024,964	1,106,865	857,780	717,912
Parks and recreation	426,476	398,639	376,318	495,742	536,999	517,353	460,818
Public safety	2,877,921	3,112,702	3,219,228	3,052,862	2,717,420	2,688,111	2,740,784
Operating grants and contributions	6,427,085	10,611,762	5,808,782	6,023,313	6,481,206	2,621,504	5,252,528
Capital grants and contributions	8,102,826	8,507,544	8,913,773	9,867,700	8,963,036	6,251,683	4,538,761
Total governmental activities program revenues	18,981,350	24,546,552	19,795,082	20,786,371	20,018,304	13,137,442	13,893,741
Business-type activities:							
Charges for services:							
Westwood Park	1,089,329	1,103,631	917,367	970,765	918,127	813,963	366,456
Water	12,881,381	12,500,439	13,270,582	9,692,489	7,512,752	7,901,537	7,378,064
Wastewater	11,000,250	10,818,981	11,184,361	10,875,535	11,392,295	11,140,980	10,530,769
Sanitation	11,035,050	10,144,328	9,514,899	9,321,590	9,185,805	7,165,896	6,941,751
Capital grants and contributions	2,055,411	4,631,310	4,538,829	6,590,459	4,454,070	3,722,153	2,276,522
Total business-type activities program revenues	38,061,421	39,198,689	39,426,038	37,450,838	33,463,049	30,744,529	27,493,562
Total primary government revenues	\$ 57,042,771	\$ 63,745,241	\$ 59,221,120	\$ 58,237,209	\$ 53,481,353	\$ 43,881,971	\$ 41,387,303
NET (EXPENSE)/REVENUE							
Governmental activities	\$ (58,198,423)	\$ (49,376,636)	\$ (46,009,949)	\$ (40,204,656)	\$ (39,651,376)	\$ (50,064,971)	\$ (48,972,020)
Business-type activities	3,982,494	7,089,871	11,375,285	11,012,674	7,032,033	4,061,619	2,706,792
Total primary government net expense	\$ (54,215,929)	\$ (42,286,765)	\$ (34,634,664)	\$ (29,191,982)	\$ (32,619,343)	\$ (46,003,352)	\$ (46,265,228)

(Continued)

THE CITY OF NORMAN, OKLAHOMA

CHANGES IN NET ASSETS LAST SEVEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
GENERAL REVENUE AND OTHER CHANGES IN NET ASSETS							
Governmental activities:							
Sales taxes	\$ 52,261,757	\$ 45,565,002	\$ 42,254,425	\$ 40,475,824	\$ 38,468,473	\$ 36,718,650	\$ 34,269,487
Franchise taxes	6,215,692	5,797,844	5,646,417	5,670,247	4,752,757	4,701,024	4,273,363
Property taxes	3,373,306	3,485,026	2,219,753	1,989,565	529,570	1,290,799	847,504
State use taxes	2,401,933	2,025,502	1,793,426	1,382,344	1,354,892	1,120,771	951,941
Hotel/Motel taxes	991,435	905,341	766,801	669,023	633,319	618,176	556,028
Alcoholic beverage taxes	231,077	222,079	205,822	196,415	188,975	179,792	170,123
Cigarette taxes	705,377	641,678	646,688	700,998	298,191	-	-
Investment earnings	1,074,489	1,718,553	1,959,682	1,203,712	544,085	148,828	416,016
Miscellaneous	1,003,269	1,632,050	674,084	1,087,155	2,766,996	811,591	511,763
Transfers	690,763	764,657	835,000	2,635,547	544,858	166,394	1,026,361
Total governmental activities	68,949,098	62,757,732	57,002,098	56,010,830	50,082,116	45,756,025	43,022,586
Business-type activities:							
Sales taxes	-	-	1,737,585	6,860,051	6,526,840	6,246,464	5,681,683
Excise taxes	1,251,242	1,608,254	1,802,750	2,433,537	1,938,152	1,216,873	1,048,297
State use taxes	-	-	77,528	363,329	160,186	127,293	179,868
Investment earnings	1,109,011	2,561,016	3,416,220	1,633,778	893,835	311,878	610,149
Miscellaneous	53,097	77,605	(245,823)	229,660	(216,619)	393,182	(39,011)
Transfers	(690,763)	(764,657)	(835,000)	(2,635,547)	(544,858)	(166,394)	(1,026,361)
Total business-type activities	1,722,587	3,482,218	5,953,260	8,884,808	8,757,536	8,129,296	6,454,625
Total primary government	\$ 70,671,685	\$ 66,239,950	\$ 62,955,358	\$ 64,895,638	\$ 58,839,652	\$ 53,885,321	\$ 49,477,211
CHANGE IN NET ASSETS							
Governmental activities	\$ 10,750,675	\$ 13,381,096	\$ 10,992,149	\$ 15,806,174	\$ 10,430,740	\$ (4,308,946)	\$ (5,949,434)
Business-type activities	5,705,081	10,572,089	17,328,545	19,897,182	15,789,569	12,190,915	9,161,417
Total primary government	\$ 16,455,756	\$ 23,953,185	\$ 28,320,694	\$ 35,703,356	\$ 26,220,309	\$ 7,881,969	\$ 3,211,983
							(Concluded)

Note: Accrual-basis financial information for the city government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented.

THE CITY OF NORMAN, OKLAHOMA

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS**

(modified accrual basis of accounting)

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
General fund							
Reserved	\$ 1,819,264	\$ 1,825,186	\$ 1,012,154	\$ 421,204	\$ 626,408	\$ 440,402	\$ 1,132,334
Unreserved	<u>17,472,575</u>	<u>16,611,606</u>	<u>15,589,593</u>	<u>14,031,688</u>	<u>11,396,491</u>	<u>10,020,748</u>	<u>10,320,090</u>
Total general fund	<u>\$ 19,291,839</u>	<u>\$ 18,436,792</u>	<u>\$ 16,601,747</u>	<u>\$ 14,452,892</u>	<u>\$ 12,022,899</u>	<u>\$ 10,461,150</u>	<u>\$ 11,452,424</u>
All other governmental funds							
Reserved							
Encumbrances	\$ 5,682,896	\$ 8,769,381	\$ 7,400,109	\$ 8,083,495	\$ 3,967,941	\$ 4,238,974	\$ 6,216,917
Debt service	1,590,705	2,218,703	1,359,284	1,613,892	789,936	1,528,939	1,413,862
Unreserved, reported in:							
Capital projects fund	30,098,079	17,761,773	20,178,393	11,709,351	18,381,249	6,268,468	5,176,258
Special revenue funds	<u>2,800,254</u>	<u>3,863,008</u>	<u>4,217,793</u>	<u>3,452,739</u>	<u>3,202,233</u>	<u>727,788</u>	<u>795,820</u>
Total all other governmental funds	<u>\$ 40,171,934</u>	<u>\$ 32,612,865</u>	<u>\$ 33,155,579</u>	<u>\$ 24,859,477</u>	<u>\$ 26,341,359</u>	<u>\$ 12,764,169</u>	<u>\$ 13,602,857</u>

THE CITY OF NORMAN, OKLAHOMA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

(Dollars in Thousands)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
REVENUES										
Taxes	\$ 65,244	\$ 57,779	\$ 52,681	\$ 50,187	\$ 45,739	\$ 44,449	\$ 40,898	\$ 39,860	\$ 38,796	\$ 36,089
Licenses & permits	968	1,165	1,126	933	1,018	927	785	751	617	764
Intergovernmental revenues	7,456	12,946	7,174	7,106	7,059	5,143	5,631	6,040	4,919	5,133
Charges for services	10,874	10,070	9,326	8,988	8,448	8,218	7,534	7,554	3,324	3,016
Fines and forfeits	2,204	2,477	2,548	2,465	2,243	2,206	2,306	2,801	3,095	2,290
Investment earnings	1,075	1,718	1,959	1,204	544	149	416	793	1,914	1,540
Special assessment revenue	57	60	74	155	196	924	27	23	36	49
Other	1,196	1,399	846	1,392	2,939	870	681	800	1,011	647
Total revenues	<u>89,074</u>	<u>87,614</u>	<u>75,734</u>	<u>72,430</u>	<u>68,186</u>	<u>62,886</u>	<u>58,278</u>	<u>58,622</u>	<u>53,712</u>	<u>49,528</u>
EXPENDITURES										
General government	6,399	6,136	6,862	6,262	5,843	6,851	6,703	5,564	5,024	4,597
Planning	3,237	2,962	2,763	2,666	2,508	2,561	2,367	2,145	1,949	1,721
City controller	5,360	4,962	3,582	3,416	3,369	3,570	3,291	3,092	2,595	2,003
Parks & recreation	5,034	4,449	4,237	4,189	3,936	3,961	3,685	3,734	2,987	2,564
Public works	16,519	19,923	13,666	13,353	12,332	15,349	12,531	13,982	9,346	5,626
Public service	3,749	2,535	1,839	1,873	2,450	1,861	1,767	2,172	2,105	2,610
Public safety	34,643	32,593	30,808	29,688	27,818	24,431	25,128	23,943	21,723	19,032
Capital Outlay	18,043	11,212	10,293	9,688	4,940	5,765	5,966	4,165	6,839	10,913
Debt Service:										
Principal	2,510	1,470	1,470	2,414	1,317	1,210	1,166	1,130	1,344	1,311
Interest	1,022	844	554	568	274	290	365	448	524	617
Total expenditures	<u>96,516</u>	<u>87,086</u>	<u>76,074</u>	<u>74,117</u>	<u>64,787</u>	<u>65,849</u>	<u>62,969</u>	<u>60,375</u>	<u>54,436</u>	<u>50,994</u>
Excess of revenues over (under) expenditures	<u>(7,442)</u>	<u>528</u>	<u>(340)</u>	<u>(1,687)</u>	<u>3,399</u>	<u>(2,963)</u>	<u>(4,691)</u>	<u>(1,753)</u>	<u>(724)</u>	<u>(1,466)</u>
OTHER FINANCING SOURCES (USES)										
Bonds issued	15,166	-	9,950	-	11,195	798	-	-	-	-
Transfers in	8,867	5,639	5,612	7,904	4,613	5,023	5,057	4,694	4,122	6,001
Transfers out	(8,177)	(4,875)	(4,777)	(5,269)	(4,068)	(4,857)	(4,031)	(3,659)	(3,911)	(6,001)
Total other financing sources (uses)	<u>15,856</u>	<u>764</u>	<u>10,785</u>	<u>2,635</u>	<u>11,740</u>	<u>964</u>	<u>1,026</u>	<u>1,035</u>	<u>211</u>	<u>-</u>
Net change in fund balances	\$ 8,414	\$ 1,292	\$ 10,445	\$ 948	\$ 15,139	\$ (1,999)	\$ (3,665)	\$ (718)	\$ (513)	\$ (1,466)
Debt service as a percentage of noncapital expenditures	4.50%	3.05%	3.08%	4.63%	2.66%	2.50%	2.69%	2.81%	3.92%	4.81%

THE CITY OF NORMAN, OKLAHOMA

TAXABLE SALES BY CATEGORY LAST TEN FISCAL YEARS (Dollars in Thousands)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Apparel and accessory stores	\$ 2,613	\$ 2,297	\$ 2,162	\$ 2,306	\$ 2,279	\$ 2,191	\$ 2,081	\$ 1,900	\$ 1,767	\$ 1,580
General merchandise	13,656	11,759	11,323	12,055	10,783	10,242	10,033	8,890	7,334	6,114
Food stores	2,756	2,428	2,493	2,820	3,159	3,227	3,203	3,420	3,296	3,656
Eating and drinking establishments	8,015	7,134	6,714	6,917	6,475	6,186	5,641	5,036	4,325	3,932
Home furnishings and appliances	3,306	2,897	3,038	2,983	2,850	2,209	1,741	1,726	1,453	1,338
Building materials and farm tools	3,630	3,216	3,278	3,737	3,577	3,462	3,050	2,662	1,926	2,128
Auto dealers and service stations	1,253	1,098	1,094	1,165	1,173	1,181	1,162	1,125	1,011	929
Miscellaneous retail	4,444	3,926	3,982	3,933	3,972	3,806	3,516	3,244	2,813	2,608
All other outlets	12,436	10,897	10,862	11,607	10,992	10,586	9,900	9,214	8,235	7,648
Total	\$ 52,109	\$ 45,652	\$ 44,946	\$ 47,523	\$ 45,260	\$ 43,090	\$ 40,327	\$ 37,217	\$ 32,160	\$ 29,933
City direct sales tax rate	3.50%	3.00%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.00%	3.00%

Sources: Oklahoma Tax Commission

THE CITY OF NORMAN, OKLAHOMA

DIRECT AND OVERLAPPING SALES TAX RATES LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rate	State of Oklahoma	Cleveland County
2009	3.5 %	4.5 %	0.25 %
2008	3.0 %	4.5 %	0.00 %
2007	3.0 %	4.5 %	0.00 %
2006	3.5 %	4.5 %	0.00 %
2005	3.5 %	4.5 %	0.00 %
2004	3.5 %	4.5 %	0.00 %
2003	3.5 %	4.5 %	0.00 %
2002	3.5 %	4.5 %	0.00 %
2001	3.0 %	4.5 %	0.00 %
2000	3.0 %	4.5 %	0.00 %

Source: Oklahoma Tax Commission

Note: Voters approved a .25% County jail tax effective April 1, 2009. Voters also approved a .5% City public safety sales tax effective October 1, 2008 to September 30, 2015.

THE CITY OF NORMAN, OKLAHOMA

SALES TAX REVENUE PAYERS BY INDUSTRY

FISCAL YEARS 2009 AND 2008

(Dollars in Thousands)

	Fiscal Year 2009				Fiscal Year 2008			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail trade	1,327	48.5 %	\$39,673	76.1 %	1,288	47.1 %	\$34,755	66.7 %
Transportation and utilities	141	5.2 %	5,593	10.7 %	145	5.3 %	4,676	9.0 %
Services	445	16.3 %	3,322	6.4 %	447	16.3 %	2,972	5.7 %
Wholesale trade	455	16.6 %	1,889	3.6 %	463	16.9 %	1,757	3.4 %
Manufacturing	173	6.3 %	1,252	2.4 %	180	6.6 %	1,091	2.1 %
Agricultural	14	0.5 %	80	0.2 %	14	0.5 %	76	0.1 %
Construction	17	0.6 %	15	0.0 %	17	0.6 %	27	0.1 %
Mining	5	0.2 %	7	0.0 %	4	0.1 %	4	0.0 %
Finance, insurance and real estate	10	0.4 %	9	0.0 %	13	0.5 %	25	0.0 %
Government	1	0.0 %	89	0.2 %	-	0.0 %	-	0.0 %
Nonclassifiable	147	5.4 %	180	0.3 %	142	5.2 %	269	0.5 %
Total	2,735	100.0 %	\$52,109	100.0 %	2,713	99.2 %	\$45,652	87.6 %

Sources: Oklahoma Tax Commission

Notes: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

THE CITY OF NORMAN, OKLAHOMA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS (dollars in thousands, except per capita)

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Special Assessment Debt	Term Loans	Term	Revenue Bonds	Term Loans	Capital Leases				
2000	\$ 9,905	\$ 266	\$ -	\$ 16,410	\$ 9,566	\$ -	\$ -	\$ 36,147	0.7 %	382.48	
2001	8,610	217	-	16,015	12,024	-	-	36,866	0.7 %	385.25	
2002	7,530	166	-	17,530	11,037	-	-	36,263	0.7 %	369.33	
2003	6,420	110	-	16,550	10,096	-	-	33,176	0.6 %	327.44	
2004	5,270	847	-	15,205	9,131	103	75	30,556	0.5 %	293.28	
2005	15,275	721	-	14,055	8,141	41	75	38,267	0.6 %	358.86	
2006	12,945	638	-	13,905	7,122	8	41	34,651	0.5 %	318.64	
2007	21,505	558	-	33,595	6,478	8	8	62,144	0.9 %	565.78	
2008	20,115	479	-	31,885	5,825	-	-	58,304	0.7 %	526.20	
2009	28,370	399	4,481	30,135	5,162	-	-	68,547	0.8 %	622.72	

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

¹ See the Schedule of Demographic and Economic Statistics on page 104 for personal income and population data.

THE CITY OF NORMAN, OKLAHOMA

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

(dollars in thousands, except per capita)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value ¹ of Property	
				Per Capita ²	
2000	\$ 9,905	\$ 2,450	\$7,455	1.91%	78.88
2001	8,610	2,048	6,562	1.59%	68.57
2002	7,530	1,819	5,711	1.30%	58.16
2003	6,420	1,414	5,006	1.09%	49.41
2004	5,270	1,529	3,741	0.76%	35.91
2005	15,275	790	14,485	2.77%	135.84
2006	12,945	1,614	11,331	1.99%	104.20
2007	21,505	1,359	20,146	3.27%	183.42
2008	20,115	2,219	17,896	2.69%	161.51
2009	28,370	1,591	26,779	3.74%	239.49

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

¹ See the Schedule of Legal Debt Margin Information on page 102 for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics on page 104.

THE CITY OF NORMAN, OKLAHOMA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2009 (dollars in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Debt repaid with property taxes: County	\$ -	46.15%	\$ -
Debt repaid with property taxes: Norman Public Schools	48,300	97.01%	46,856
Debt repaid with property taxes: McLoud Public Schools	1,145	0.01%	0
Debt repaid with property taxes: Robin Hill Public Schools	235	0.11%	0
Debt repaid with property taxes: Noble Public Schools	1,350	0.72%	10
Debt repaid with property taxes: Mid Del Public Schools	31,850	0.02%	6
Debt repaid with property taxes: Little Axe Public Schools	1,800	0.19%	3
Debt repaid with property taxes: Moore Public Schools	<u>34,762</u>	1.91%	<u>664</u>
Subtotal, overlapping debt	119,442		47,540
City of Norman direct debt			<u>27,370</u>
Total direct and overlapping debt			<u>\$ 74,910</u>

Sources: Assessed value data used to estimate applicable percentages and debt outstanding provided by the Cleveland County Assessor.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the City of Norman. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City's boundaries and dividing it by the county's total taxable assessed value.

THE CITY OF NORMAN, OKLAHOMA

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS (dollars in thousands)

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Assessed value of property	\$ 715,777	\$ 665,056	\$ 616,042	\$ 568,867	\$ 523,590	\$ 495,332	\$ 459,766	\$ 438,754	\$ 413,885	\$ 390,709
Debt limit ¹ , 10% of assessed value	71,578	66,506	61,604	56,887	52,359	49,533	45,977	43,875	41,389	39,071
Amount of debt applicable to limit:										
General Obligation Bonds back by property taxes	-	-	-	-	-	-	-	-	-	-
Less: Resources restricted to paying principal	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 71,578	\$ 66,506	\$ 61,604	\$ 56,887	\$ 52,359	\$ 49,533	\$ 45,977	\$ 43,875	\$ 41,389	\$ 39,071
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Debt limit ² , 30% of assessed value	\$ 214,733	\$ 199,517	\$ 184,813	\$ 170,660	\$ 157,077	\$ 148,600	\$ 137,930	\$ 131,626	\$ 124,166	\$ 117,213
Amount of debt applicable to limit:										
General Obligation Bonds	28,370	20,115	21,505	12,945	15,275	5,270	6,420	7,530	8,610	9,905
Less: Resources restricted to paying principal	(1,591)	(2,219)	(1,359)	(1,614)	(790)	(1,529)	(1,350)	(1,819)	(2,048)	(2,450)
Total net debt applicable to limit	26,779	17,896	20,146	11,331	14,485	3,741	5,070	5,711	6,562	7,455
Legal debt margin	\$ 187,954	\$ 181,621	\$ 164,667	\$ 159,329	\$ 142,592	\$ 144,859	\$ 132,860	\$ 125,915	\$ 117,604	\$ 109,758
Total net debt applicable to the limit as a percentage of debt limit	12.47%	8.97%	10.90%	6.64%	9.22%	2.52%	3.68%	4.34%	5.28%	6.36%

¹ Article X, Section 26 of the Oklahoma Constitution states that bonds issued for road and/or bridge improvements cannot exceed ten percent (10%) of the net assessed valuation (gross valuation minus homestead) of the City.

² Article X, Section 27 of the Oklahoma Constitution authorizes cities and towns to issue bonds for utilities. The courts have defined utilities broadly as anything used by the public. If the City's debt exceeds 30% of its net assessed valuation, the City can still sell its general obligation bonds; however, due to collateralization requirements, it may be difficult to attract Oklahoma banks to bid on the bonds and therefore affect the marketability of the bonds.

THE CITY OF NORMAN, OKLAHOMA

PLEDGED-REVENUE COVERAGE LAST TEN FISCAL YEARS (dollars in thousands)

Fiscal Year	NUA Revenue Bonds & Term Loans					NMA Revenue Bonds and Term Loans					Special Assessment Term Loans				
	Gross Revenue ¹	Operating Expenses ²	Available Revenue	Debt Service		Gross Revenue ¹	Operating Expenses ²	Available Revenue	Debt Service		Special Assessment Collections	Debt Service		Coverage	
				Principal	Interest				Principal	Interest		Principal	Interest		
2000	\$ 14,762	\$ 7,674	\$ 7,088	\$ 888	\$ 1,269	\$ 3.29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41	\$ 46	22	0.60
2001	14,548	9,849	4,699	897	982	2.50	(638)	-	86	(7.42)	119	49	19	1.75	
2002	17,495	12,145	5,350	1,307	953	2.37	805	480	149	1.28	38	50	17	0.57	
2003	18,870	12,306	6,564	1,491	914	2.73	6,994	430	257	0.99	84	56	12	1.24	
2004	19,550	13,337	6,213	2,614	813	1.81	7,724	525	242	1.03	947	60	8	13.93	
2005	24,282	10,130	14,152	1,595	690	6.19	7,803	545	214	3.43	215	127	38	1.30	
2006	28,405	9,828	18,577	1,300	365	11.16	8,341	575	169	2.99	169	83	31	1.48	
2007	33,524	5,663	27,861	1,454	1,063	11.07	8,681	200	160	6.09	74	80	27	0.69	
2008	31,428	7,888	23,540	2,153	1,401	6.62	9,931	210	147	5.00	60	80	24	0.58	
2009	27,662	13,513	14,149	2,193	1,358	3.98	10,630	220	136	4.93	57	80	20	0.57	

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

¹ Total revenues (including interest) exclusive of sewer sales and use taxes and capital improvement charges.

² Total operating expenses exclusive of depreciation, amortization, Sewer Maintenance Fund expenses and Sewer Sales and Use Tax Fund expenses.

THE CITY OF NORMAN, OKLAHOMA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal year	Population ¹	Personal Income (billions of dollars) ⁵	Per Capita Income ²	Median Age ²	School Enrollment ³	Unemployment Rate ⁴
2000	94,506	\$5.00	\$20,279	32.1	12,720	2.30%
2001	95,694	5.1	21,148	29.3	12,596	2.20%
2002	98,187	5.4	23,874	29.3	12,402	3.50%
2003	101,318	5.8	23,874	29.3	12,433	4.20%
2004	104,188	6.1	23,874	29.3	12,672	3.50%
2005	106,636	6.5	26,240	32.9	12,767	4.70%
2006	108,748	6.9	27,440	33.3	12,736	4.10%
2007	109,837	7	23,089	30	13,296	4.70%
2008	110,803	7.9	24,532	29.6	13,563	3.70%
2009	111,817	8.1	26,371	29.4	14,025	4.80%

Data Sources

¹ Years 2001-09 estimated by the City of Norman Planning Department. Year 2000 obtained from census data

² Norman Chamber of Commerce, NEDC, Oklahoma Department of Commerce 2002-2005 estimated, U.S. Census Bureau, American Community Survey 2006-2008 estimated

³ Norman Public Schools

⁴ U.S. Department of Labor

⁵ Personal income estimated except for 2000 Census data

THE CITY OF NORMAN, OKLAHOMA

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	2009			2000		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
The University of Oklahoma	12,098	1	22.51%	8,430	1	16.41%
Norman Regional Hospital	2,506	2	4.66%	1,785	2	3.47%
Norman Public Schools	1,715	3	3.19%	1,546	3	3.01%
York International/Johnson Controls	974	4	1.81%	1,100	4	2.14%
City of Norman	780	5	1.45%	737	5	1.43%
Department of Mental Health & Substance Abuse	775	6	1.44%	-	-	-
USPS National Center for Employee Development	640	7	1.19%	500	8	0.97%
NOAA National Severe Storm Laboratory	400	8	0.74%	-	-	-
Moore-Norman Technology Center	399	9	0.74%	-	-	-
ClientLogic / Sitel	380	10	0.71%	-	-	-
Oklahoma Veteran's Center - Norman	-	-	-	360	9	0.07%
United Design Corporation	-	-	-	600	6	1.17%
Griffin Memorial Hospital	-	-	-	516	7	1.00%
Harold's Corporate Headquarters	-	-	-	233	10	0.45%
Total	<u>20,667</u>		<u>38.44%</u>	<u>15,807</u>		<u>30.12%</u>

Source: Various employers within the City of Norman.

THE CITY OF NORMAN, OKLAHOMA

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

FUNCTION	Full-time Equivalent Employees as of June 30									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General government	48	44	45	45	45	50	54	52	50	48
Planning	39	39	38	39	38	38	38	39	38	37
City controller	38	38	37	38	36	40	43	42	41	36
Parks & recreation	63	85	80	83	76	77	90	85	81	82
Public works	107	102	92	95	95	97	100	103	101	98
Public safety										
Police	192	186	177	184	161	181	179	185	180	168
Fire	133	131	127	124	125	128	122	125	122	120
Westwood	20	35	33	35	33	31	34	29	29	30
Water	50	50	51	47	47	50	50	44	44	42
Wastewater	42	42	40	42	40	41	42	44	45	44
Sanitation	53	52	52	49	48	48	48	45	53	59
Total	785	804	772	781	744	781	800	793	784	764

Source: City Payroll Office

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

THE CITY OF NORMAN, OKLAHOMA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

FUNCTION	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Planning										
Building permits issued	1,252	1,271	1,249	1,557	1,401	1,580	1,363	1,138	981	1,279
Building inspections conducted	25,925	26,061	28,194	32,681	31,236	32,604	29,961	23,515	21,210	26,079
Police										
Physical arrests	8,227	5,628	5,938	4,570	5,983	4,374	2,194	5,365	6,581	6,882
Parking violations	14,332	13,883	14,917	21,075	18,164	19,928	20,525	22,642	22,474	23,911
Traffic violations	17,349	21,868	22,298	22,111	34,221	20,334	35,381	28,501	28,289	14,362
Non-traffic violations	4,745	4,881	5,281	6,089	5,699	5,184	5,251	4,672	5,184	N/A
Fire										
Calls answered	10,376	11,050	9,601	9,137	8,224	7,571	7,116	7,059	6,636	6,170
Inspections	2,815	3,083	3,879	3,589	3,947	4,367	3,329	4,026	2,642	2,604
Sanitation										
Refuse collected (tons per day)	276	228	252	252	249	248	256	249	252	247
Recyclables collected (tons per day)	12	9	7	6	6	6	6	7	7	7
Highways and streets										
Street resurfacing (miles)	11	6	10	18	17	21	15	28	21	16
Street patching (tons of asphalt used)	3,521	2,451	4,092	5,018	3,358	3,652	1,804	1,250	749	11,970
Parks and recreation										
Athletic field permits issued	154,757	169,933	166,167	168,182	154,405	159,397	131,242	168,946	164,044	151,228
Community center admissions	152,071	149,581	125,983	124,586	151,220	139,405	136,679	163,986	164,490	160,938
Water										
New connections	562	537	604	794	882	1,380	633	528	359	735
Water main breaks	143	112	206	216	130	202	181	102	150	92
Average daily consumption (thousands of gallons)	12,420	12,320	13,270	14,430	12,370	12,140	11,820	15,740	12,220	11,720
Peak daily consumption (thousands of gallons)	23,380	22,330	24,260	22,520	21,320	23,700	22,110	22,740	22,500	23,050
Wastewater										
Average daily sewage treatment (thousands of gallons)	10,800	10,300	10,700	9,800	10,200	9,770	9,940	9,370	10,100	10,100

Sources: Various city departments.

Note: No indicators are available for the general government function.

THE CITY OF NORMAN, OKLAHOMA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

FUNCTION	Fiscal year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	100	85	85	85	85	85	85	91	93	75
Fire stations	7	7	7	7	7	7	7	7	6	6
Sanitation										
Collection trucks	42	39	39	36	36	36	36	36	36	N/A
Highways and streets										
Streets (miles)	738	735	835	804	793	787	778	770	591	588
Streetlights	5,497	5,381	5,323	5,221	5,090	4,835	4,607	4,549	4,485	4,451
Traffic signals	170	165	159	155	155	148	145	142	142	133
Parks and recreation										
Acreage	1,133	1,131	1,125	1,004	1,004	999	939	939	939	939
Playgrounds	50	50	50	50	50	48	47	46	46	42
Swimming pools	5	5	5	5	5	6	6	6	6	6
Tennis courts	22	22	22	22	22	26	26	26	24	28
Community centers	5	5	5	5	5	10	10	10	6	6
Golf courses	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	531	520	510	498	490	481	459	461	448	440
Fire hydrants	5,038	4,904	4,779	4,566	4,401	4,170	4,030	3,920	3,802	3,680
Water towers	4	5	5	5	5	5	5	5	5	5
Maximum daily capacity (thousands of gallons)	19,577	20,100	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
Wastewater										
Sanitary sewers (miles)	462	455	451	438	431	423	400	400	394	386
Manholes	10,665	10,585	10,490	10,176	9,960	9,707	9,261	9,165	8,429	8,391
Maximum daily treatment capacity (thousands of gallons)	24,000	24,000	24,000	30,000	30,000	24,000	24,000	24,000	30,000	12,000

Sources: Various city departments.

Note: No capital asset indicators are available for the general government function.



For the eighth consecutive year, Norman has been designated as a “Tree City U.S.A.” by the National Arbor Day Foundation, and Keep Oklahoma Beautiful presented the City of Norman its Environmental Excellence Award for local governments in 2009. The City has expanded its composting and recycling facilities and has taken major steps towards converting its vehicle fleet to compressed natural gas and alternative fuels.





All photos provided by Jeremy Green - www.GreenHousePhotoGallery.com