

**CITY OF NORMAN, OKLAHOMA
FINANCE COMMITTEE AGENDA**

**MUNICIPAL BUILDING CONFERENCE ROOM
201 WEST GRAY**

THURSDAY, NOVEMBER 10, 2016

5:00 P.M.

- 1. DISCUSSION REGARDING THE FYE 2016 CITY OF NORMAN AUDIT.**
- 2. DISCUSSION REGARDING THE 2017 MEETING CALENDAR.**
- 3. SUBMISSION OF THE REVENUE/EXPENDITURE REPORTS.**
- 4. SUBMISSION OF THE REPORT ON OPEN POSITIONS.**
- 5. MISCELLANEOUS COMMENTS.**

ITEM 1

FYE 2016 AUDIT

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, 2016. 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 ____ of this report.

Financial Highlights

- The assets and deferred outflow of resources of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$574,668,185 (net position).
- The City's total net position increased by \$50,258,881.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$180,600,576, an increase of \$40,577,756 in comparison with the prior year. Approximately 95% or \$171,726,140 was nonspendable, restricted, committed or assigned for specific purposes. Approximately 5% or \$8,874,436 was unassigned at fiscal year end.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,874,436 or 12% of total general fund expenditures.
- The City's total debt increased by \$30,623,694 (22 percent) during the current fiscal year. Key factors of this change were issuance of General Obligation Bonds, Series 2016 (\$15,000,000), issuance of the Norman Municipal Authority, Sales Tax Revenue Note, Series 2015B (\$43,160,000), refinance of the General Obligation Bonds, Series 2005A (\$3,970,000) and General Obligation Bonds, Series 2007A (\$4,260,000) with the General Obligation Bonds, Series 2016A (\$7,775,000) and refinance of the Norman Utility Authority OWRB Drinking Water SRF Loan, Series 2009A (9,192,916) with the Norman Utility Authority, Utility Revenue Notes Series 2016 (\$9,380,000). Also, the City made its normally scheduled 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 position presents information on all the City's assets, deferred outflow of resources and liabilities, with the difference between the assets plus deferred outflows of resources less liabilities is reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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"), the Norman Utilities Authority (the "NUA") and the Norman Economic Development Authority (the "NEDA"). 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 NEDA includes financing and operating economic development activities for the City.

The government-wide financial statements can be found on pages ____ 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 thirteen 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, public safety sales tax fund, debt service fund, and capital projects fund, all of which are considered to be major funds. Data from the other eight 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 ____ of this report.

Proprietary funds - The City maintains two different types of proprietary funds. 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. The City uses one internal service fund to account for its

retained risks. These services predominantly benefit governmental rather than business-type functions and have been included within *governmental activities* in the government-wide financial statements.

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 ____ 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 ____ 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 ____ 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 budgetary comparison schedules for the general fund and public safety sales tax fund. Required supplementary information can be found on pages ____ 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 ____ of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$568,295,604 at the close of the most recent fiscal year.

**Net Position
As of June 30**

	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 199,446,975	\$ 156,238,568	\$ 57,841,033	\$ 58,245,194	\$ 257,288,008	\$ 214,483,762
Capital assets	355,334,659	321,908,723	255,668,079	222,229,879	611,002,738	544,138,602
Total assets	554,781,634	478,147,291	313,509,112	280,475,073	868,290,746	758,622,364
Deferred outflows	6,267,455	4,002,621	1,046,720	1,114,794	7,314,175	5,117,415
Long-term liabilities	201,263,678	149,786,295	50,204,640	35,973,924	251,468,318	185,760,219
Other liabilities	28,349,594	25,109,755	16,507,721	17,257,551	44,857,315	42,367,306
Total liabilities	229,613,272	174,896,050	66,712,361	53,231,475	296,325,633	228,127,525
Deferred inflows	4,762,568	11,202,950	-	-	4,762,568	11,202,950
Net position:						
Net investment in capital assets	283,831,364	282,047,232	200,903,810	183,385,272	484,735,174	465,432,504
Restricted	86,079,582	62,156,755	10,407,001	10,023,153	96,486,583	72,179,908
Unrestricted	(43,086,232)	(48,153,075)	36,532,660	34,949,967	(6,553,572)	(13,203,108)
Total net position	\$ 326,824,714	\$ 296,050,912	\$ 247,843,471	\$ 228,358,392	\$ 574,668,185	\$ 524,409,304

By far the largest portion of the City's net position (84 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 position (17 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a negative \$6,553,572.

There was an increase of \$19.5 million in the net position 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 position increased by \$30.8 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**

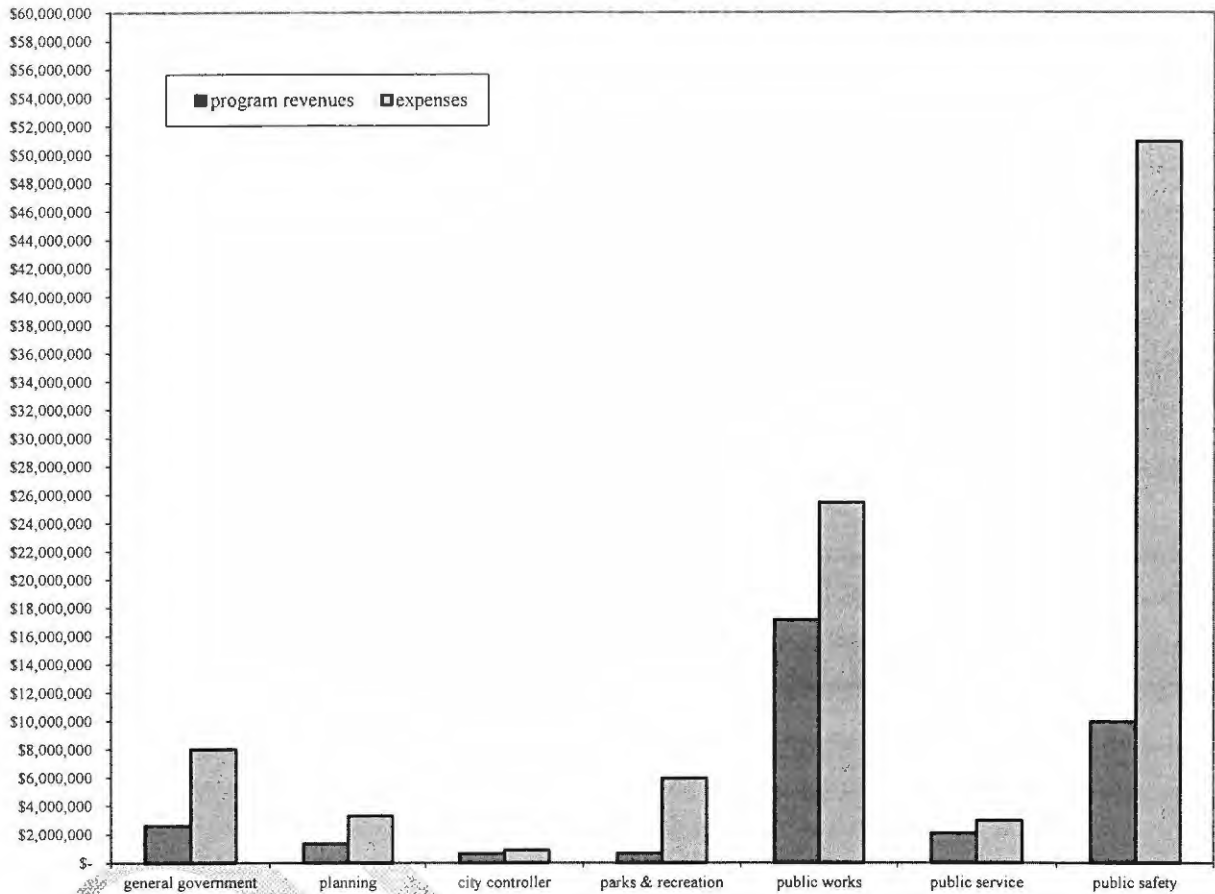
	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
Program Revenues:						
Charges for services	\$ 8,360,103	\$ 8,544,476	\$ 52,856,808	\$ 46,821,734	\$ 61,216,911	\$ 55,366,210
Operating grants & contributions	10,375,508	7,758,836	-	-	10,375,508	7,758,836
Capital grants & contributions	15,614,024	29,958,311	10,525,831	7,703,017	26,139,855	37,661,328
General revenues:						
Sales and excise taxes	70,981,084	65,778,553	1,709,914	2,149,079	72,690,998	67,927,632
Franchise taxes	6,743,712	7,155,689	-	-	6,743,712	7,155,689
Property taxes	9,794,490	11,620,098	-	-	9,794,490	11,620,098
Use taxes	3,467,863	2,864,048	-	-	3,467,863	2,864,048
Other taxes	2,970,804	2,859,352	-	-	2,970,804	2,859,352
Investment earnings	1,965,790	323,863	515,716	250,382	2,481,506	574,245
Miscellaneous	1,943,106	2,196,990	690,071	1,066,246	2,633,177	3,263,236
Total revenues	132,216,484	139,060,216	66,298,340	57,990,458	198,514,824	197,050,674
Expenses:						
General government	7,999,471	8,500,923	-	-	7,999,471	8,500,923
Planning	3,320,979	3,297,788	-	-	3,320,979	3,297,788
City controller	893,000	706,793	-	-	893,000	706,793
Parks and recreation	5,936,777	5,194,010	-	-	5,936,777	5,194,010
Public works	25,389,053	22,130,634	-	-	25,389,053	22,130,634
Public service	2,976,064	2,875,451	-	-	2,976,064	2,875,451
Public safety	50,921,384	47,480,003	-	-	50,921,384	47,480,003
Interest on long-term debt	5,277,210	2,325,103	-	-	5,277,210	2,325,103
Westwood park	-	-	1,340,514	1,352,050	1,340,514	1,352,050
Water	-	-	14,843,372	13,258,111	14,843,372	13,258,111
Wastewater	-	-	17,222,233	15,477,741	17,222,233	15,477,741
Sanitation	-	-	12,135,886	12,298,641	12,135,886	12,298,641
Total expenses	102,713,938	92,510,705	45,542,005	42,386,543	148,255,943	134,897,248
Change in net assets before transfers	29,502,546	46,549,511	20,756,335	15,603,915	50,258,881	62,153,426
Transfers	1,271,256	1,085,283	(1,271,256)	(1,085,283)	-	-
Change in net assets	30,773,802	47,634,794	19,485,079	14,518,632	50,258,881	62,153,426
Net assets, beginning	296,050,912	297,966,270	228,358,392	213,839,760	524,409,304	511,806,030
Cumulative effect of accounting change	-	(49,550,152)	-	-	-	(49,550,152)
Net assets, beginning revised	296,050,912	248,416,118	228,358,392	213,839,760	524,409,304	462,255,878
Net assets, ending	\$ 326,824,714	\$ 296,050,912	\$ 247,843,471	\$ 228,358,392	\$ 574,668,185	\$ 524,409,304

Governmental activities –Governmental activities increased the City’s net position by \$30.8 million. In the prior year, governmental activities increased the City’s net position by \$47.6 million. Key elements of this change are as follows:

- Sales tax revenue within the governmental activities (the City’s primary fund source) increased by \$5,202,531 or 7.91% over the prior fiscal year. However, voters approved a ½ cent sales tax increase to pay for quality-of-life projects (Norman Forward) beginning January 1, 2016. Excluding this tax increase, sales tax revenue increased \$654,578 or 1.00% over the prior fiscal year. The City and State’s economy has slowed significantly in the last fiscal year due to lower energy prices.
- Franchise taxes decreased \$411,977 or 5.76% over the prior fiscal year. This decrease can also be attributed depressed energy prices within Oklahoma economy.
- Capital grants and contributions decreased \$14,344,287 or 47.9% from the prior fiscal year. Most of this figure in both years is donated infrastructure (i.e., roads) within developments by private developers. The decrease can be attributed to decreased development activity.

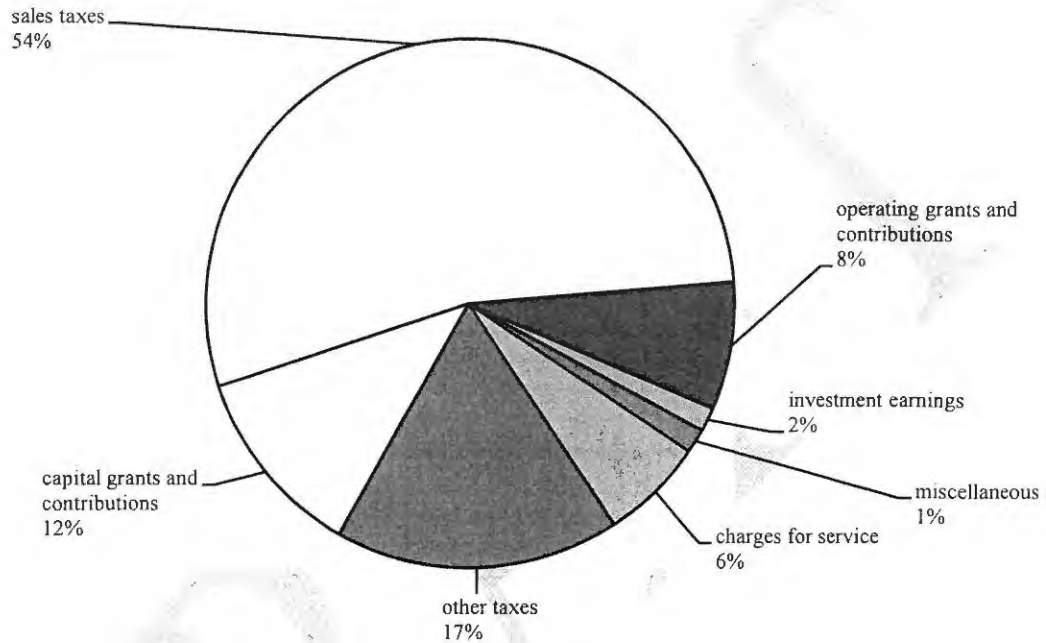
- Public safety expenses increased \$10,752,968 or 22.6% from the prior fiscal year. Most of this increase (\$8.911,789) relates to pension expenses for the City's share of police and fire pension items.

Expenses and Program Revenues – Governmental Activities



Although governmental expenses exceed program revenue, most governmental activities are financed through general revenues such as taxes.

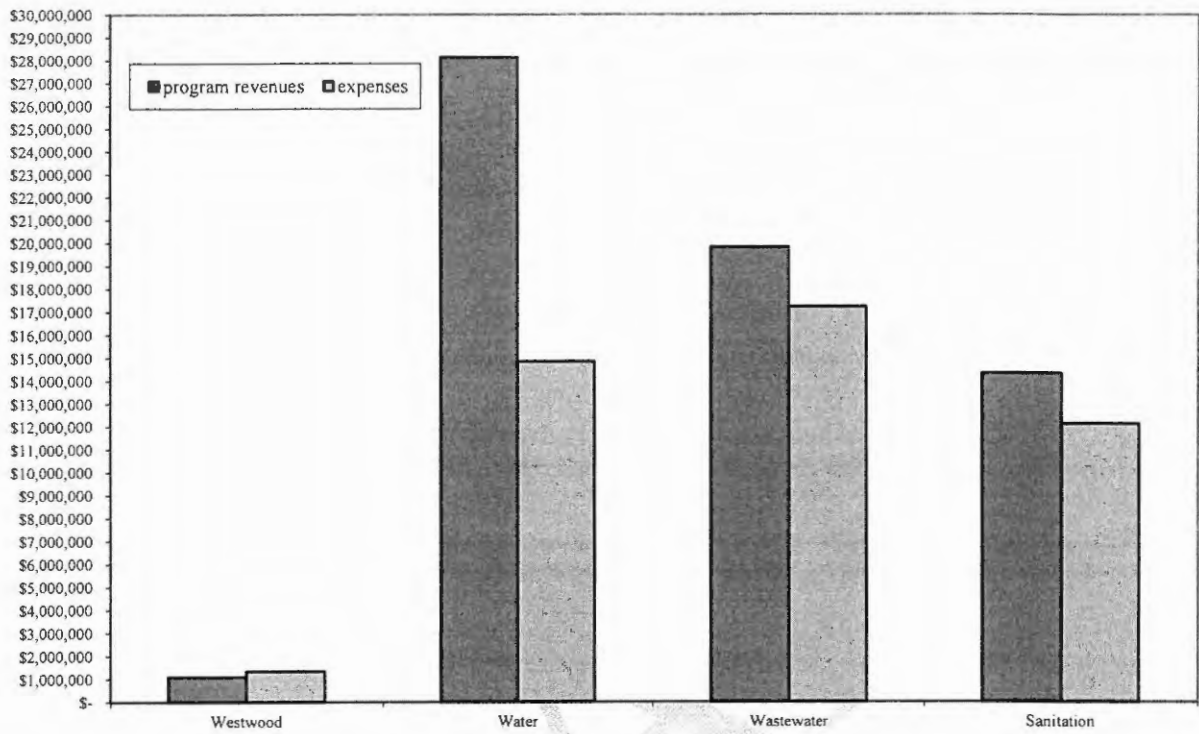
Revenues by Source - Governmental Activities



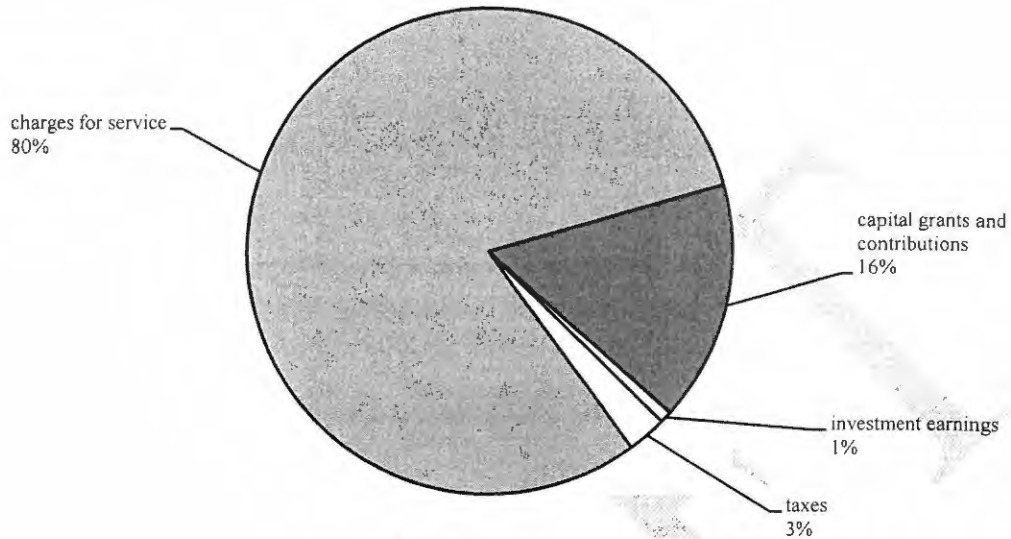
Business-type activities – Business-type activities increased the City’s net position by \$19.5 million. In the prior year, business-type activities increased the City’s net position by \$14.5 million. Key elements of this change are as follows:

- Charges for service revenue increased \$6,035,074 or 12.9% from the prior fiscal year. The majority of this increase was due to a water rate increase that went into effect January 1, 2015.
- Tax revenue decreased \$439,165 or 20.4% from the prior fiscal year. This tax represents an excise tax on development to fund wastewater improvements. The decrease is directly attributable to development activity.
- Water expenses increased \$1,585,261 or 11.9% over the prior fiscal year. Most of this increase was due to several maintenance water projects.

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, unassigned 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 \$180,600,576, an increase of \$40,577,756 from the prior year. Approximately 4.9 percent of this total amount (\$8,874,436) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is either nonspendable, restricted, committed or assigned to indicate that it is not available for new spending.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,874,436 while total fund balance reached \$14,402,909. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 12 percent of total General Fund expenditures, while total fund balance represents 20 percent of that same amount.

The fund balance of the City's General Fund increased by \$3,551 during the current fiscal year compared to an increase of \$1,260,129 in the previous year. Key factors in the current year change are as follows:

- Sales tax revenues within the General Fund increased \$1,193,340 or 3.1% over the prior fiscal year.

- Franchise tax revenues within the General Fund decreased by \$411,977 or 5.8% from the prior fiscal year. Most of this decrease was within the electric and telephone franchises.
- Public safety activities increased \$1,155,777 or 3.3% over the prior fiscal year. A portion of the increase was due to increased salary and benefit amounts within the Fire Suppression division (\$390,986). Also, the Animal Control division increased \$370,627 primarily due to vehicle and equipment replacement.

The Public Safety Sales Tax Fund has a total fund balance of \$30,442,599 all of which is restricted for public safety activities. The net decrease in fund balance during the current year was (\$1,059,617). A portion of this decrease was due to increased salary and benefit costs (\$942,184) and the purchase of equipment (\$474,861).

The Debt Service Fund has a total fund balance of \$6,552,492 all of which is restricted for the payment of debt service. The net decrease in the fund balance during the current year was \$861,031 due to normally scheduled payments.

The Capital Projects Fund has a total fund balance of \$63,494,113. The net decrease in fund balance during the current year was \$15,139,340. This net decrease was due to the spending down of general obligation bond monies received in previous years.

The Norman Forward Fund has a total fund balance of \$44,157,849. This fund was created in the current fiscal year by voter approval of a ½ cent sales tax to pay for quality-of-life projects. In June 2016, the Norman Municipal Authority issued \$43,160,000 in revenue notes to fund the first group of 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 position of the NMA and NUA funds were \$9,035,741 and \$27,496,879, respectively. The total growth in net position for these funds was \$2,528,007 and \$17,970,874, 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

During the year there was a \$2,946,409 increase in appropriations between the original and final amended budget. Following are the main components of the increase:

- \$1,055,191 in increases to the general government budget. The City Manager’s Office received \$1,107,276 in increases with \$1,156,638 reflecting a 2% across-the-board budget cut initiated by the City Manager. These funds were unspent at year-end.
- \$877,569 in increases to the public works budget. The Engineering Department received \$496,524 in increases with the most significant being a \$500,000 transfer from the 2% emergency reserve to cover storm recovery expenses.
- \$426,633 in increases to the parks and recreation budget. The Park Maintenance division received \$421,866 in increases with the most significant portion (\$431,497) representing carryover encumbrances for 3 new large trucks.

On June 28, 2011, the City adopted ordinance O-1011-58 changing the City’s reserve policy. The ordinance establishes that the General Fund will have an unappropriated reserve of at least three percent (3%) of annually budgeted expenditures, in addition to an appropriated emergency reserve of two percent (2%) of annually budgeted expenditures. In addition, the ordinance establishes the Net Revenue

Stabilization Fund (i.e., “Rainy Day Fund”) which has a targeted balance of not less than three percent (3%) but not more than six percent (6%) of annually budgeted General Fund expenditures. As of June 30, 2016 the Rainy Day Fund had a balance of \$3,226,149.

The net difference between the General Fund amended budget and actual amounts received/expended can be briefly summarized as follows:

- General Fund revenues were below expectations by \$2,148,652.
 - Franchise fees were below expectations by \$1,106,236, mainly within the electrical and telephone franchises.
 - Intergovernmental revenues were below expectations by \$126,634. These are state revenues and can be attributed to the overall condition of the economy.
 - Fines and forfeits were below expectations by \$253,456. This can be attributed to the community policing program.
- General Fund expenditures and encumbrances were below expectations by \$7,273,127.
 - City Council expenditures were \$757,569 below expectation due to lack of expense of all the 2% reserve.
 - City Manager’s expenditures were \$1,155,492 below expectation due to cost cutting measures (i.e., mandatory 2% across-the-board cut).
 - Fleet Fuel and Parts expenditures were \$1,321,768 below expectation primarily due to fuel related savings.
 - Park Maintenance expenditures were \$612,063 below expectation due to rollover encumbrances expensed in prior years.
 - Street maintenance expenditures were \$453,350 below expectations. A significant portion of this was due to savings within salary and benefits and rollover encumbrances expensed in prior years.
- Net General Fund transfers were \$778,312 more than expected. The Capital Fund transferred \$4,123,544 to the General Fund to cover purchases of capital outlay; this was more than expected.

The City closed the year with a fund balance that was higher than what was budgeted by \$5,902,787.

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, 2016, amounted to \$611,002,738 (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 12% (10% increase for governmental activities and a 15% increase for business-type activities).

**Capital Assets
As of June 30**

	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 62,909,900	\$ 60,545,047	\$ 10,271,832	\$ 10,198,409	\$ 73,181,732	\$ 70,743,456
Buildings and improvements	62,073,390	49,343,572	184,526,620	175,176,768	246,600,010	224,520,340
Machinery and equipment	50,084,346	46,750,405	148,661,780	139,298,055	198,746,126	186,048,460
Infrastructure	518,998,989	490,904,948	-	-	518,998,989	490,904,948
Construction in progress	48,610,889	49,182,411	65,368,669	41,914,246	113,979,558	91,096,657
Less: Accumulated depreciation	(387,342,855)	(374,817,660)	(153,160,822)	(144,357,599)	(540,503,677)	(519,175,259)
Total	\$ 355,334,659	\$ 321,908,723	\$ 255,668,079	\$ 222,229,879	\$ 611,002,738	\$ 544,138,602

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

- Various sewer lift station projects were completed at a cost of \$7,791,630.
- Various roadway projects were completed in conjunction with ODOT at a cost of \$17,321,695. The donated portion funded by ODOT amounted to \$10,510,071.
- Certain road bond projects were completed at a cost of \$3,238,389 consisting of rural road projects, urban asphalt pavement projects and urban concrete pavement projects.
- 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 \$48,610,889.
- A variety of water and sewer projects were underway; NUA construction in progress as of the end of the current fiscal year was \$66,368,804.

Additional information on the City's capital assets can be found in note 4 on page ___ of this report.

Long-term debt – At the end of the current fiscal year, the City had total bonded debt outstanding of \$70,535,000. Of this amount, \$69,535,000 comprises debt backed by the full faith and credit of the government. The remainder of the City's bonded debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds) of \$1,000,000. The City also had notes payable outstanding of \$102,154,152 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	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 69,535,000	\$ 63,510,000	\$ -	\$ -	\$ 69,535,000	\$ 63,510,000
Revenue bonds	-	22,825,000	1,000,000	1,135,000	1,000,000	23,960,000
Notes payable	78,650,000	13,586,306	23,504,152	41,009,152	102,154,152	54,595,458
Total	\$ 148,185,000	\$ 99,921,306	\$ 24,504,152	\$ 42,144,152	\$ 172,689,152	\$ 142,065,458

The City's total debt increased by \$30,623,694 (22 percent) during the current fiscal year. Key factors of this change were issuance of General Obligation Bonds, Series 2016 (\$15,000,000), issuance of the Norman Municipal Authority, Sales Tax Revenue Note, Series 2015B (\$43,160,000), refinance of the General Obligation Bonds, Series 2005A (\$3,970,000) and General Obligation Bonds, Series 2007A (\$4,260,000) with the General Obligation Bonds, Series 2016A (\$7,775,000) and refinance of the Norman Utility Authority OWRB Drinking Water SRF Loan, Series 2009A (9,192,916) with the Norman Utility Authority, Utility Revenue Notes Series 2016 (\$9,380,000). Also, the City made its normally scheduled payments.

The City maintained an "Aa2" rating from Moody's for those general obligation debt issues that are rated by the service. The NUA maintained an "Aa3" rating from Moody's for those debt issues that they rate.

Additional information on the City's long-term debt can be found in note 4 on pages ____ 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 4.2 percent, which is an increase of .4 percent from a year ago. This compares favorably to the state's average unemployment rate of 4.8 percent and favorably to the national average rate of 4.9 percent.
- Inflationary trends in the region compare favorably to national indices.
- The City's major source of revenue is sales tax revenue. Sales tax revenue increased 1.00% over the prior year total when excluding a new ½ cent voter approved tax that began January 1, 2016.

All of these factors were considered in preparing the City's budget for the 2017 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

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THE CITY OF NORMAN, OKLAHOMA
STATEMENT OF NET POSITION
JUNE 30, 2016

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 16,751,024	\$ 1,311,274	\$ 18,062,298
Restricted cash and cash equivalents	119,637,710	3,114,309	122,752,019
Investments	37,453,800	37,489,880	74,943,680
Restricted investments	11,144,314	-	11,144,314
Receivables:			
Taxes	13,956,549	-	13,956,549
Accounts, net of allowance for estimated uncollectible Business-Type accounts of \$269,271	1,072,951	4,236,825	5,309,776
Interest	81,552	77,139	158,691
Due from Federal Government	1,062,674	-	1,062,674
Internal balances	(1,734,495)	1,734,495	-
Inventory	20,896	-	20,896
Total current assets	<u>199,446,975</u>	<u>47,963,922</u>	<u>247,410,897</u>
Non-current assets:			
Restricted cash and cash equivalents	-	3,943,041	3,943,041
Restricted investments	-	5,934,070	5,934,070
Capital assets not subject to depreciation	111,520,789	74,107,568	185,628,357
Capital assets, net	<u>243,813,870</u>	<u>181,560,511</u>	<u>425,374,381</u>
Total non-current assets	<u>355,334,659</u>	<u>265,545,190</u>	<u>620,879,849</u>
Total assets	<u>554,781,634</u>	<u>313,509,112</u>	<u>868,290,746</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred resources related to pensions	6,267,455	-	6,267,455
Deferred charge on refunding	151,465	1,046,720	1,198,185
Total deferred outflows of resources	<u>6,418,920</u>	<u>1,046,720</u>	<u>7,465,640</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other accrued liabilities	3,781,252	5,244,915	9,026,167
Payroll payable	3,630,661	716,130	4,346,791
Accrued interest payable	1,194,590	290,237	1,484,827
Retainage payable	172,307	2,265,550	2,437,857
Guaranty deposits	6,151,722	1,584,260	7,735,982
Current portion of long-term debt	13,419,062	6,406,629	19,825,691
Total current liabilities	<u>28,349,594</u>	<u>16,507,721</u>	<u>44,857,315</u>
Non-current liabilities:			
Long-term debt and other liabilities	201,263,678	50,204,640	251,468,318
Total non-current liabilities	<u>201,263,678</u>	<u>50,204,640</u>	<u>251,468,318</u>
Total liabilities	<u>229,613,272</u>	<u>66,712,361</u>	<u>296,325,633</u>
DEFERRED INFLOW OF RESOURCES			
Deferred resources related to pensions	4,762,568	-	4,762,568
Total deferred outflows of resources	<u>4,762,568</u>	<u>-</u>	<u>4,762,568</u>
NET POSITION			
Net investment in capital assets	283,831,364	200,903,810	484,735,174
Restricted for:			
Debt service	6,552,492	1,067,921	7,620,413
Capital improvements	27,953,854	9,339,080	37,292,934
Public safety	31,692,973	-	31,692,973
Public parks and recreation	1,406,398	-	1,406,398
Public service	16,433,142	-	16,433,142
Public works	2,040,723	-	2,040,723
Unrestricted (deficit)	(43,086,232)	36,532,660	(6,553,572)
Total net position	<u>\$ 326,824,714</u>	<u>\$ 247,843,471</u>	<u>\$ 574,668,185</u>

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary government							
Governmental activities:							
General government	\$ 7,999,471	\$ 2,612,495	\$ -	\$ -	\$ (5,386,976)	\$ -	\$ (5,386,976)
Planning	3,320,979	1,353,411	-	-	(1,967,568)	-	(1,967,568)
City controller	893,000	642,726	-	-	(250,274)	-	(250,274)
Parks and recreation	5,936,777	653,613	10,816	-	(5,272,348)	-	(5,272,348)
Public works	25,389,053	-	1,473,106	15,614,024	(8,301,923)	-	(8,301,923)
Public service	2,976,064	-	2,087,663	-	(888,401)	-	(888,401)
Public safety	50,921,384	3,097,858	6,803,923	-	(41,019,603)	-	(41,019,603)
Interest on long-term debt	5,277,210	-	-	-	(5,277,210)	-	(5,277,210)
Total governmental activities	<u>102,713,938</u>	<u>8,360,103</u>	<u>10,375,508</u>	<u>15,614,024</u>	<u>(68,364,303)</u>	<u>-</u>	<u>(68,364,303)</u>
Business-type activities:							
Westwood Park	1,340,514	1,098,470	-	-	-	(242,044)	(242,044)
Water	14,843,372	21,496,086	-	6,632,268	-	13,284,982	13,284,982
Wastewater	17,222,233	15,923,396	-	3,893,563	-	2,594,726	2,594,726
Sanitation	12,135,886	14,338,856	-	-	-	2,202,970	2,202,970
Total business-type activities	<u>45,542,005</u>	<u>52,856,808</u>	<u>-</u>	<u>10,525,831</u>	<u>-</u>	<u>17,840,634</u>	<u>17,840,634</u>
Total primary government	<u>\$ 148,255,943</u>	<u>\$ 61,216,911</u>	<u>\$ 10,375,508</u>	<u>\$ 26,139,855</u>	<u>(68,364,303)</u>	<u>17,840,634</u>	<u>(50,523,669)</u>
General revenues:							
Taxes (unrestricted unless otherwise noted):							
Sales taxes					39,641,576	-	39,641,576
Sales taxes - restricted					31,339,508	-	31,339,508
Excise taxes - restricted					-	1,709,914	1,709,914
Franchise taxes					6,743,712	-	6,743,712
Property taxes - restricted					9,794,490	-	9,794,490
Use taxes					2,767,369	-	2,767,369
Use taxes - restricted					700,494	-	700,494
Hotel/Motel taxes					1,825,087	-	1,825,087
Alcoholic beverage taxes					306,225	-	306,225
Cigarette taxes					839,492	-	839,492
Investment earnings					1,965,790	515,716	2,481,506
Miscellaneous					1,943,106	690,071	2,633,177
Transfers					1,271,256	(1,271,256)	-
Total general revenues and transfers					<u>99,138,105</u>	<u>1,644,445</u>	<u>100,782,550</u>
Change in net position					<u>30,773,802</u>	<u>19,485,079</u>	<u>50,258,881</u>
Net position - beginning					<u>296,050,912</u>	<u>228,358,392</u>	<u>524,409,304</u>
Net position - ending					<u>\$ 326,824,714</u>	<u>\$ 247,843,471</u>	<u>\$ 574,668,185</u>

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2016

	General	Public Safety Sales Tax	Debt Service	Capital Projects	Norman Forward	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 1,192,510	\$ -	\$ -	\$ -	\$ 1,444,281	\$ 13,451,408	\$ 16,088,199
Investments	6,298,774	-	7,356,741	14,807,276	211,033	4,577,033	33,250,857
Receivables:							
Taxes	7,805,815	1,593,201	-	2,800,526	1,592,976	164,031	13,956,549
Accounts	1,014,957	-	-	29,662	-	28,332	1,072,951
Interest	11,186	12,043	13,066	29,288	374	8,130	74,087
Due from Federal Government	-	-	-	40,375	-	872,835	913,210
Due from other funds	2,486,223	16,423	-	-	390,302	3,454,183	6,347,131
Inventory	20,896	-	-	-	-	-	20,896
Restricted Assets:							
Cash and cash equivalents	1,809,160	22,517,738	-	54,194,403	41,116,409	-	119,637,710
Investments	2,764,061	6,780,726	-	1,599,527	-	-	11,144,314
Total assets	<u>\$ 23,403,582</u>	<u>\$30,920,131</u>	<u>\$ 7,369,807</u>	<u>\$ 73,501,057</u>	<u>\$44,755,375</u>	<u>\$ 22,555,952</u>	<u>\$ 202,505,904</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable and other accrued liabilities	\$ 1,371,246	\$ 24,858	\$ -	\$ 1,223,071	\$ 592,686	\$ 499,948	\$ 3,711,809
Payroll payable	3,077,231	452,674	-	51,767	-	29,746	3,611,418
Due to other funds	-	-	817,315	6,965,113	-	475,644	8,258,072
Retainage payable	-	-	-	167,467	4,840	-	172,307
Guaranty deposits	4,552,196	-	-	1,599,526	-	-	6,151,722
Total liabilities	<u>9,000,673</u>	<u>477,532</u>	<u>817,315</u>	<u>10,006,944</u>	<u>597,526</u>	<u>1,005,338</u>	<u>21,905,328</u>
FUND BALANCES							
Nonspendable	20,896	-	-	-	-	-	20,896
Restricted	-	30,442,599	6,552,492	60,482,364	44,153,196	21,130,637	162,761,288
Committed	3,226,149	-	-	-	-	-	3,226,149
Assigned	2,281,428	-	-	3,011,749	4,653	419,977	5,717,807
Unassigned	8,874,436	-	-	-	-	-	8,874,436
Total fund balances	<u>14,402,909</u>	<u>30,442,599</u>	<u>6,552,492</u>	<u>63,494,113</u>	<u>44,157,849</u>	<u>21,550,614</u>	<u>180,600,576</u>
Total liabilities and fund balances balances	<u>\$ 23,403,582</u>	<u>\$30,920,131</u>	<u>\$ 7,369,807</u>	<u>\$ 73,501,057</u>	<u>\$44,755,375</u>	<u>\$ 22,555,952</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	355,334,659
Internal service funds are used by management to charge the costs of risk management activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	1,376,487
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(210,487,008)</u>
Net assets of governmental activities	<u>\$ 326,824,714</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, 2016

	General	Public Safety Sales Tax	Debt Service	Capital Projects	Norman Forward	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 49,152,657	\$ 9,951,670	\$9,124,209	\$17,971,394	\$ 4,787,219	\$ 1,825,087	\$ 92,812,236
Licenses and permits	1,399,427	-	-	-	-	-	1,399,427
Intergovernmental revenues	2,524,650	-	-	72,206	-	3,798,662	6,395,518
Charges for services	10,791,859	-	-	-	-	173,853	10,965,712
Fines and forfeitures	2,424,545	-	-	-	-	-	2,424,545
Investment earnings	74,252	82,652	86,877	1,228,117	4,653	55,707	1,532,258
Other	1,440,288	551	-	122,409	-	199,388	1,762,636
Total revenues	<u>67,807,678</u>	<u>10,034,873</u>	<u>9,211,086</u>	<u>19,394,126</u>	<u>4,791,872</u>	<u>6,052,697</u>	<u>117,292,332</u>
Expenditures:							
Current:							
General government	9,098,919	-	-	643,265	-	-	9,742,184
Planning	3,357,705	-	-	96,782	-	-	3,454,487
City controller	3,134,310	-	-	6,556	-	-	3,140,866
Parks and recreation	4,163,684	-	-	804,550	146,836	51,600	5,166,670
Public works	14,334,842	-	-	4,211,760	-	25,095	18,571,697
Public service	-	-	-	-	-	2,962,826	2,962,826
Public safety	36,203,464	8,259,137	-	175,865	-	1,440,581	46,079,047
Capital outlay	3,119,426	2,333,847	-	22,566,449	3,187,057	1,703,283	32,910,062
Debt service:							
Principal retirement	121,306	-	8,527,675	1,018,798	-	-	9,667,779
Interest and fiscal charges	-	501,506	2,117,090	826,898	460,130	-	3,905,624
Total expenditures	<u>73,533,656</u>	<u>11,094,490</u>	<u>10,644,765</u>	<u>30,350,923</u>	<u>3,794,023</u>	<u>6,183,385</u>	<u>135,601,242</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,725,978)</u>	<u>(1,059,617)</u>	<u>(1,433,679)</u>	<u>(10,956,797)</u>	<u>997,849</u>	<u>(130,688)</u>	<u>(18,308,910)</u>
Other financing sources (uses):							
Transfers in	6,021,435	-	-	7,007,361	5,582,696	16,422,383	35,033,875
Transfers out	(291,906)	-	(861,031)	(26,485,404)	(5,582,696)	(1,381,672)	(34,602,709)
Issuance of debt	-	-	-	15,295,500	43,160,000	-	58,455,500
Net other financing sources (uses)	<u>5,729,529</u>	<u>-</u>	<u>(861,031)</u>	<u>(4,182,543)</u>	<u>43,160,000</u>	<u>15,040,711</u>	<u>58,886,666</u>
Net change in fund balances	<u>3,551</u>	<u>(1,059,617)</u>	<u>(2,294,710)</u>	<u>(15,139,340)</u>	<u>44,157,849</u>	<u>14,910,023</u>	<u>40,577,756</u>
Fund balances, July 1, 2015	14,399,358	31,502,216	8,847,202	78,633,453	-	6,640,591	140,022,820
Fund balances, June 30, 2016	<u>\$ 14,402,909</u>	<u>\$ 30,442,599</u>	<u>\$6,552,492</u>	<u>\$63,494,113</u>	<u>\$ 44,157,849</u>	<u>\$ 21,550,614</u>	<u>\$ 180,600,576</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, 2016

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

Net change in fund balances - total governmental funds	\$ 40,577,756
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.	18,375,642
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	15,050,294
Debt service principal retirement expensed in fund level financial statements but treated as reduction in outstanding debt in government-wide financial statements	17,897,779
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	-
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	(2,220,719)
The issuance of long-term debt provides current financial resources to governmental funds	(65,935,000)
Decrease in liability for incurred claims and compensated absences and miscellaneous expensed in government-wide financial statements	(325,633)
Employer retirement contributions made to pension plans are expensed in fund-level financial statements but treated as increases to deferred outflows of resources in government-wide financial statements	3,619,370
Internal service funds are used by management to charge the costs of insurance services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>3,734,313</u>
Change in net assets of governmental activities	<u>\$ 30,773,802</u>

See notes to financial statements

THE CITY OF NORMAN, OKLAHOMA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2016

	Business-type Activities			Governmental
	Norman Municipal Authority	Norman Utilities Authority	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 642,693	\$ 668,581	\$ 1,311,274	\$ 662,825
Restricted cash and cash equivalents	556,489	2,557,820	3,114,309	-
Investments	8,399,582	29,090,298	37,489,880	4,202,943
Receivables:				
Accounts, net of allowance estimated uncollectible accounts	910,405	3,326,420	4,236,825	-
Interest	14,924	62,215	77,139	7,465
Due from Federal Government	-	-	-	149,464
Due from other funds	241,624	1,492,871	1,734,495	176,446
Total current assets	<u>10,765,717</u>	<u>37,198,205</u>	<u>47,963,922</u>	<u>5,199,143</u>
Noncurrent assets:				
Restricted cash and cash equivalents	538,031	3,405,010	3,943,041	-
Restricted investments	-	5,934,070	5,934,070	-
Capital assets, net	17,793,157	237,874,922	255,668,079	-
Total noncurrent assets	<u>18,331,188</u>	<u>247,214,002</u>	<u>265,545,190</u>	<u>-</u>
Total assets	<u>29,096,905</u>	<u>284,412,207</u>	<u>313,509,112</u>	<u>5,199,143</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred charge on refunding	-	1,046,720	1,046,720	-
Total deferred outflows of resources	<u>-</u>	<u>1,046,720</u>	<u>1,046,720</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	453,804	4,791,111	5,244,915	69,565
Payroll payable	300,711	415,419	716,130	19,243
Accrued interest payable	27,421	262,816	290,237	-
Retainage payable	-	2,265,550	2,265,550	-
Guaranty deposits	379,622	1,204,638	1,584,260	-
Revenue bonds payable	145,000	-	145,000	-
Notes payable	560,000	5,629,091	6,189,091	-
Compensated absences	27,005	45,533	72,538	2,088
Total current liabilities	<u>1,893,563</u>	<u>14,614,158</u>	<u>16,507,721</u>	<u>90,896</u>
Noncurrent liabilities:				
Notes payable	2,575,000	45,690,490	48,265,490	-
Compensated absences	410,550	692,223	1,102,773	31,760
Liability for incurred claims	-	-	-	3,700,000
Revenue bonds payable, net	836,377	-	836,377	-
Total noncurrent liabilities	<u>3,821,927</u>	<u>46,382,713</u>	<u>50,204,640</u>	<u>3,731,760</u>
Total liabilities	<u>5,715,490</u>	<u>60,996,871</u>	<u>66,712,361</u>	<u>3,822,656</u>
NET POSITION				
Net investment in capital assets	13,658,157	187,245,653	200,903,810	-
Restricted for debt service	687,477	380,444	1,067,921	-
Restricted for capital improvements	-	9,339,080	9,339,080	-
Unrestricted	9,035,741	27,496,879	36,532,620	1,376,487
Total net position	<u>\$ 23,381,375</u>	<u>\$ 224,462,056</u>	<u>\$ 247,843,431</u>	<u>\$ 1,376,487</u>

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	Business-type Activities			Governmental
	Norman Municipal Authority	Norman Utilities Authority	Total	Internal Service Fund
Operating revenues:				
Golf and pool fees	\$ 1,098,470	\$ -	\$ 1,098,470	\$ -
Water service, net	-	22,652,213	22,652,213	-
Wastewater service, net	-	15,923,396	15,923,396	-
Sanitation services, net	14,180,841	-	14,180,841	-
Self-insurance charges:				
Charges for services	-	-	-	12,386,259
Risk management administration	-	-	-	419,866
Workers' compensation	-	-	-	1,927,432
Unemployment compensation	-	-	-	9,227
Other	198,633	547,273	745,906	271,539
Total operating revenues	15,477,944	39,122,882	54,600,826	15,014,323
Operating expenses:				
Salaries and benefits	5,023,430	7,066,683	12,090,113	911,237
Supplies and materials	1,055,372	1,859,982	2,915,354	-
Services, maintenance and claims	5,702,180	13,199,344	18,901,524	11,263,078
Depreciation and amortization	1,529,488	9,628,483	11,157,971	-
Total operating expenses	13,310,470	31,754,492	45,064,962	12,174,315
Operating income (loss)	2,167,474	7,368,390	9,535,864	2,840,008
Nonoperating revenues (expenses):				
Excise tax revenue	-	1,709,914	1,709,914	-
Investment earnings	101,579	414,137	515,716	54,215
Interest and fiscal charges	(170,119)	(1,410,476)	(1,580,595)	-
Miscellaneous income	88,309	(38,705)	49,604	-
Net nonoperating revenues (expenses)	19,769	674,870	694,639	54,215
Income before capital contributions and transfers	2,187,243	8,043,260	10,230,503	2,894,223
Capital contributions - donated water and sewer distribution systems	-	10,525,831	10,525,831	-
Transfers in	340,764	-	340,764	861,031
Transfers out	-	(1,612,019)	(1,612,019)	(20,941)
Net capital contributions and transfers	340,764	8,913,812	9,254,576	840,090
Net income (loss)	2,528,007	16,957,072	19,485,079	3,734,313
Net position - beginning	20,853,408	207,504,984	228,358,392	(2,357,826)
Net position - ending	\$ 23,381,415	\$ 224,462,056	\$ 247,843,471	\$ 1,376,487
See notes to financial statements				

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	Business-type Activities			Governmental
	Norman Municipal Authority	Norman Utilities Authority	Total	Interal Service Fund
Cash flows from operating activities:				
Cash received from customers	\$ 15,490,137	\$ 38,843,737	\$ 54,333,874	\$ -
Cash received from interfund charges for health insurance	-	-	-	12,657,798
Cash received from interfund charges for risk management services	-	-	-	2,356,525
Cash paid to employees for services	(4,968,082)	(7,019,593)	(11,987,675)	(919,512)
Cash paid to suppliers	(6,682,418)	(15,187,871)	(21,870,289)	(12,256,087)
Other receipts (payments)	(117,138)	6,567,357	6,450,219	(319,407)
Net cash provided by (used for) operating activities	3,722,499	23,203,630	26,926,129	1,519,317
Cash flows from noncapital financing activities:				
Transfers in	340,764	-	340,764	861,031
Transfers out	-	(1,612,019)	(1,612,019)	(20,941)
Net cash provided by (used for) noncapital financing activities	340,764	(1,612,019)	(1,271,255)	840,090
Cash flows from capital and related financing activities:				
Proceeds from disposal of capital assets	102,887	63,601	166,488	-
Payments for the acquisition of capital assets	(1,775,716)	(40,572,831)	(42,348,547)	-
Proceeds from taxes	-	1,709,914	1,709,914	-
Principal payments on revenue bonds	(135,000)	-	(135,000)	-
Proceeds from notes payable	-	29,710,914	29,710,914	-
Principal payments on notes payable	(545,000)	(15,700,871)	(16,245,871)	-
Interest and fiscal charges paid	(170,553)	(1,286,761)	(1,457,314)	-
Net cash provided by (used for) capital and related financing activities	(2,523,382)	(26,076,034)	(28,599,416)	-
Cash flows from investing activities:				
Proceeds from maturity of investments	1,876,627	15,720,925	17,597,552	-
Payments for purchases of investments	(4,622,244)	(19,273,820)	(23,896,064)	(4,203,010)
Investment earnings received	107,382	467,119	574,501	46,817
Net cash used for investing activities	(2,638,235)	(3,085,776)	(5,724,011)	(4,156,193)
Net change in cash and cash equivalents	(1,098,354)	(7,570,199)	(8,668,553)	(1,796,786)
Cash and cash equivalents - beginning	2,835,567	14,201,610	17,037,177	2,459,611
Cash and cash equivalents - ending	\$ 1,737,213	\$ 6,631,411	\$ 8,368,624	\$ 662,825
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 2,167,474	\$ 7,368,390	\$ 9,535,864	\$ 2,840,008
Adjustments to reconcile operating income to net cash provided by operating activities:				
Miscellaneous revenue (expense)	88,309	(38,705)	49,604	-
Bad debt expense	103,848	304,359	408,207	-
Depreciation	1,529,488	9,628,483	11,157,971	-
Loss on disposal of property, plant and equipment	31,100	8,080,619	8,111,719	-
Increase in accounts receivable, net	(105,067)	(616,701)	(721,768)	-
Increase in due from Federal Government	-	-	-	(149,464)
Increase in due from other funds	(236,547)	(1,474,557)	(1,711,104)	(169,943)
Increase (decrease) in accounts payable and accrued liabilities	75,134	(898,664)	(823,530)	6,991
Increase in payroll payable	47,544	63,743	111,287	4,292
Decrease in liability for incurred claims	-	-	-	(1,000,000)
Increase in retainage payable	-	770,119	770,119	-
Increase in guaranty deposits	13,412	33,197	46,609	-
Increase (decrease) in compensated absences	7,804	(16,653)	(8,849)	(12,567)
Net cash provided by operating activities	\$ 3,722,499	\$ 23,203,630	\$ 26,926,129	\$ 1,519,317
NONCASH ACTIVITIES:				
Donated water and sewer distribution systems	\$ -	\$ 10,525,831	\$ 10,525,831	\$ -
Change in unrealized loss on investments	\$ 7,235	\$ 40,083	\$ 47,318	\$ -

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS JUNE 30, 2016

	Pension Trust Fund	Centennial Agency Fund
ASSETS		
Cash and cash equivalents	\$ -	\$ 726
Investments		
Mutual funds	72,900,425	-
U.S. Agencies	-	8,355
Interest receivable	-	15
Loans to 401(a) Plan participants	<u>3,590,928</u>	<u>-</u>
Total assets	<u>\$ 76,491,353</u>	<u>\$ 9,096</u>
LIABILITIES AND NET POSITION		
Funds held for others	\$ -	\$ 9,096
Net position:		
Held in trust for pension benefits	305,981	-
Held in trust for retirement benefits	<u>76,185,372</u>	<u>-</u>
Total liabilities and net position	<u>\$ 76,491,353</u>	<u>\$ 9,096</u>

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	Pension Trust Fund
ADDITIONS:	
Contributions:	
Employer	\$ 2,432,541
Employee	<u>1,981,397</u>
Total contributions	4,413,938
Investment income	<u>(696,094)</u>
Total additions	<u>3,717,844</u>
DEDUCTIONS:	
Pension benefits paid	4,096,925
Administration costs	<u>(71,678)</u>
Total deductions	<u>4,025,247</u>
NET INCREASE	(307,403)
Net position held in trust for pension and retirement benefits, Beginning of year	<u>76,798,756</u>
End of year	<u>\$ 76,491,353</u>

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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"). 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. The accompanying 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. 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 and does not issue separate financial statements.

The Norman Utilities Authority ("NUA") was established February 2, 1970. Activities of the NUA include financing and operating certain 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 and does not issue separate financial statements.

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 within the Capital Project Fund in the governmental funds balance sheet and does not issue separate financial statements.

The Norman Economic Development Authority ("NEDA") was established June 12, 2012. Activities of the NEDA include financing and operating economic development activities for the City. The governing body of the NEDA is the same as the City's governing body. The City is the sole beneficiary of the NEDA and receives all trust properties upon termination. The City maintains all accounting records. As of June 30, 2015, NEDA had no transactions.

Basis of presentation –The City follows Governmental Accounting Standards Board ("GASB") statements in the preparation of its financial statements. Additional information regarding the basis of accounting and the differences in presentation are contained in the 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 position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

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

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. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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 and claims and judgments 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. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. 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 the general operations of the City and all other financial transactions not reported in other funds.

Public Safety Sales Tax Fund – Established to receive revenues from a special half-cent sales tax dedicated to public safety activities.

Debt Service Fund - The Debt Service Fund accounts for the accumulation of financial resources that are restricted or assigned 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, committed or assigned 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 received from the US Department of Housing and Urban Development (“HUD”).
- *Special Grants Fund* - Established to account for revenues and expenditures of other miscellaneous grants received from various sources.
- *Park Land Fund* - Established by City ordinance to receive revenues from developer fees dedicated to the acquisition of park land around the City.
- *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 property tax revenue received 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 – A blended component unit established to account for the construction and operation of Westwood Park recreational facilities and the City’s sanitation services.

Norman Utilities Authority – A blended component unit established to account for the water and wastewater utility systems for the City.

Risk Management Internal Service Fund – Established to account for the resources utilized by departments to provide for the self-insurance of Workers' Compensation and Unemployment Insurance and to pay claims and receive premiums on insurance for employee health and property loss on a long-term cost-reimbursement basis.

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 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. 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 and the internal service fund 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 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, 2016, 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.

Land and construction in progress are not depreciated. The other property, plant, equipment and infrastructure are 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 position. Bond premiums and discounts, 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 expensed during the current period.

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, 2016, 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 statements for claims and judgments payable. A liability for these amounts is reported in governmental funds when they become due and payable.

1. *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 employee's 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 position and displayed in three components:
 1. *Net investment in capital assets* – 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 position* – 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, 2014 related to three ordinances benefiting the City's wastewater system which provide funds that are being held to complete capital projects.
 3. *Unrestricted net position* – All other assets that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted net positions 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.

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows and based on the nature of any limitations requiring the use of resources for specific purposes.

- a) *Nonspendable* – Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.
- b) *Restricted* – Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- c) *Committed* – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the City through formal action of the highest level of decision making authority. The City Council is the highest level of decision making authority that can, by adoption of an Ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action by City Council is taken (the adoption of another ordinance) to remove or revise the limitation.

- d) *Assigned* – Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- e) *Unassigned* – Includes the residual balance of the General Fund that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes with the General Fund.

When both restricted and unrestricted sources (the total of committed, assigned, and unassigned fund balance) are available for use, generally it is the City's policy to use restricted resources first. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Cost Sharing Defined Benefit Pension Plans

The City participates in two cost-sharing multiple-employer defined benefit pension plans, the Oklahoma Firefighters Pension & Retirement System (OFPRS) and the Oklahoma Police Pension and Retirement System (OPPRS) (the Plans). For purposes of measuring the net pension asset, liability, deferred outflows of resources and deferred inflows of resources related to the pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this line item. The first item is a deferred charge on refunding reported in the government-wide statement of net position and the statement of net position for proprietary funds. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to certain contributions and assumptions made to the Plans by the City and State of Oklahoma that were received by the Plan subsequent to the measurement date and will be recognized as a reduction of the net pension liability (or an increase in the cases of a net pension asset) in future years. See note 4(b) and 4(c) for additional information.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has one item that qualified for reporting in this line item. The net difference between estimated and actual

assumptions used in the calculation of net pension liabilities and assets occur subsequent to measurement date and will be recognized as an increase in the net pension liability (or a reduction in the case of a net pension asset).

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, 2016 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 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 position.
- 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.

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 position - The governmental fund balance sheet includes reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. 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 \$210,728,884 difference are as follows:

General obligation bonds payable	\$ 71,418,971
Deferred charge on refunding	(151,465)
Revenue bonds payable	65,985,000
Notes payable	12,665,000
Compensated absences	7,682,254
Net OPEB obligation	8,935,150
Net pension liability	44,262,395
Deferred outflows of resources	(6,267,455)
Deferred inflow of resources	4,762,568
Accrued interest payable	<u>1,194,590</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 210,487,008</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 position 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 \$18,375,642 difference are as follows:

Capital outlay	\$ 32,910,062
Depreciation expense	<u>(14,534,420)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 18,375,642</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 \$15,050,294 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.	\$ 15,567,098
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.	(388,949)
The statement of activities reports gains 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>(127,855)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 15,050,294</u>

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 \$2,016,499 difference are as follows:

Accrued interest payable	\$ 696,067
Change in net OPEB obligation	477,950
Change in debt issuance premium or discount	<u>1,046,702</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 2,220,719</u>

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, 2016 amounted to \$38,162,870. Unencumbered appropriations lapse at year end while encumbered appropriations are carried over to the ensuing fiscal year until utilized or

canceled and are classified within the restricted, committed or assigned fund balance category, as appropriate, based on the criteria of the fund balance classifications.

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’s policy for collateralization is that pledged securities will have a market value of at least 102% of the value of funds on deposit and that collateral be limited to either 1) U.S. Treasury, agency and instrumentality securities or 2) direct debt obligations of municipalities, counties, and school districts in Oklahoma. As of June 30, 2016, none of the City’s bank balance of \$59,426,807 was exposed to custodial credit risk. As of June 30, 2016, the City carrying balance of these deposits was \$60,512,247.

Interest Rate Risk – As of June 30, 2016, the City had the following investments subject to interest rate risk:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Money Market Mutual Funds	\$ 87,759,172	0.10
U.S. Treasury Notes	20,325,219	1.97
Federal Home Loan Bank	11,657,320	0.62
Federal Farm Credit Bank	15,745,659	1.64
Federal National Mortgage Association	30,831,444	2.01
Federal Home Loan Mortgage Corporation	9,948,550	2.08
Total fair value	<u>\$ 176,267,364</u>	
Portfolio weighted average maturity		0.82

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.

The following schedules reconcile the carrying amounts of deposits and investments above to the government-wide statement of net position:

Primary Government:

Carrying value of deposits -	
Pooled and nonpooled funds	\$ 60,512,247
Money market mutual funds	87,759,172
Less: Certificates or deposits classified as investments	<u>(3,514,061)</u>
	<u>\$ 144,757,358</u>

Cash as reported on the government-wide statement of net position -	
Cash and cash equivalents	\$ 18,062,298
Restricted cash and cash equivalents - current	122,752,019
Restricted cash and cash equivalents - long-term	<u>3,943,041</u>
	<u>\$ 144,757,358</u>

Carrying value of investments -	
Pooled and nonpooled funds	\$ 176,267,364
Site development certificate of deposits	3,514,061
Less: Money market mutual funds classified as cash equivalent	<u>(87,759,172)</u>
	<u>\$ 92,022,253</u>

As reported on the government-wide statement of net position -	
Investments	\$ 74,943,869
Restricted investments - current	11,144,314
Restricted investments - long-term	<u>5,934,070</u>
	<u>\$ 92,022,253</u>

Credit Risk –The City’s investment policy does not cover credit risk. The City’s investments as of June 30, 2016 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	Aaa	AA+
Federal Home Loan Mortgage Corporation	Aaa	AA+
Federal Home Loan Bank	Aaa	AA+
Federal National Mortgage Association	Aaa	AA+
Money Market Mutual Funds	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 Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association, United States Treasury Notes and Federal Home Loan Mortgage Corporation. These investments are 13%, 17%, 34%, 22% and 11%, respectively, of the City’s total investments.

Fiduciary Funds – The City’s fiduciary funds are not included in the risks and amounts identified above and are invested in mutual funds traded on public exchanges and have substantially the same risks as the primary government.

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, 2016, 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.

Investments Measured at Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2016:

- US Treasury securities of \$20,325,219 are valued using quoted market prices (Level 1 inputs).
- Federal government agencies securities of \$68,182,973 are valued using quoted market prices (Level 1 inputs).
- Certificate of Deposits of \$3,514,061 are valued at face value (Level 2 inputs).
- Money market mutual funds of \$87,759,172 are valued using quoted market prices (Level 1 inputs).

Amount Due From Federal Government - The amount shown in both the government-wide and fund financial statements as due from the Federal government represents \$1,022,299 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, 2016 consisted of the following:

Transfers Out	Transfers In						Total Transfers Out
	General Fund	Nonmajor Governmental Funds	Capital Projects Fund	Norman Forward Fund	Enterprise Funds	Internal Service Fund	
General Fund	\$ -	\$ 45,154	\$ 246,752	\$ -	\$ -	\$ -	\$ 291,906
Norman Forward Fund	-	-	5,582,696	-	-	-	5,582,696
Nonmajor Governmental Funds	-	-	1,177,913	-	203,760	-	1,381,673
Debt Svs Fund	-	-	-	-	-	861,031	861,031
Capital Projects Fund	4,388,475	16,377,229	-	5,582,696	137,004	-	26,485,404
Internal Service Fund	20,941	-	-	-	-	-	20,941
Enterprise Funds	<u>1,612,019</u>	-	-	-	-	-	<u>1,612,019</u>
Total Transfers In	<u>\$ 6,021,435</u>	<u>\$ 16,422,383</u>	<u>\$ 7,007,361</u>	<u>\$ 5,582,696</u>	<u>\$ 340,764</u>	<u>\$ 861,031</u>	<u>\$ 36,235,670</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 Capital Projects Fund transferred \$4,255,036 to the General Fund to pay for the purchase of vehicles and equipment and fund street maintenance projects.
- The Capital Projects Fund transferred \$15,607,229 to the Community Development Fund to provide up-front payment of Community Development Block Grant – Disaster Recovery (CDBG-DR) grant fund expenses stemming from 2015 spring storms.
- The Debt Services Fund transferred \$861,031 to the Risk Management Internal Service Fund to pay for judgments awarded against the City and funded via the property tax rolls over a three year period.
- The Capital Projects Fund transferred \$5,582,696 to the Norman Forward Fund to front funds to start projects and was subsequently transferred back once adequate sales taxes were collected.

Capital Assets – Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 60,545,047	\$ 2,364,853	\$ -	\$ 62,909,900
Construction in progress	49,182,411	27,374,272	(27,945,794)	48,610,889
Capital assets, being depreciated:				
Buildings	31,004,553	5,003,371	-	36,007,924
Improvements other than buildings	18,339,019	7,726,447	-	26,065,466
Machinery and equipment	28,940,684	3,377,389	(1,661,871)	30,656,202
Vehicles	17,809,721	2,482,571	(864,148)	19,428,144
Infrastructure	490,904,948	28,094,041	-	518,998,989
Totals at historical cost	<u>696,726,383</u>	<u>76,422,944</u>	<u>(30,471,813)</u>	<u>742,677,514</u>
Less accumulated depreciation				
Buildings	(13,528,657)	(953,455)	-	(14,482,112)
Improvements other than buildings	(11,573,538)	(575,978)	-	(12,149,516)
Machinery and equipment	(19,868,088)	(2,315,148)	1,145,075	(21,038,161)
Vehicles	(10,604,110)	(1,470,822)	864,149	(11,210,783)
Infrastructure	(319,243,267)	(9,219,016)	-	(328,462,283)
Total accumulated depreciation	<u>(374,817,660)</u>	<u>(14,534,419)</u>	<u>2,009,224</u>	<u>(387,342,855)</u>
Governmental activities capital assets, net	<u>\$ 321,908,723</u>	<u>\$ 61,888,525</u>	<u>\$ (28,462,589)</u>	<u>\$ 355,334,659</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 10,198,409	\$ 73,423	\$ -	\$ 10,271,832
Construction in progress	41,914,246	31,546,881	(8,092,458)	65,368,669
Capital assets, being depreciated:				
Buildings and improvements	175,176,768	10,530,395	(1,180,543)	184,526,620
Machinery and equipment	139,298,055	10,797,131	(1,433,406)	148,661,780
Totals at historical cost	<u>366,587,478</u>	<u>52,947,830</u>	<u>(10,706,407)</u>	<u>408,828,901</u>
Less accumulated depreciation				
Buildings and improvements	(93,873,514)	(4,336,426)	748,052	(97,461,888)
Machinery and equipment	(50,484,085)	(6,821,545)	1,606,696	(55,698,934)
Total accumulated depreciation	<u>(144,357,599)</u>	<u>(11,157,971)</u>	<u>2,354,748</u>	<u>(153,160,822)</u>
Business-type activities capital assets, net	<u>\$ 222,229,879</u>	<u>\$ 41,789,859</u>	<u>\$ (8,351,659)</u>	<u>\$ 255,668,079</u>

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

Governmental activities:

General government	\$449,994
Planning	68,129
City controller	361,551
Parks and recreation	858,214
Public works	10,567,474
Public service	200
Public safety	<u>2,228,858</u>
Total depreciation expense – governmental activities	<u>\$14,534,420</u>

Business-type activities:

Westwood park	\$153,203
Utilities authority	9,628,483
Sanitation services	<u>1,376,285</u>
Total depreciation expense – business-type activities	<u>\$11,157,971</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. Overall the ERS plan is not entriical to the City's financial statement as a whole. Therefore the information is provided is for informational purposes only and is not intended to comply with the provisions of GASB Statement 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement 27*.

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, 2016, and for the year ended, the ERS held no securities issued by the City or other related parties.

1. *Annuity Pool* - As of July 1, 2015, the date of the last actuarial study, the Annuity Pool participants included only 11 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 July 1, 2015 the Actuarial Accrued Liability for the Annuity Pool was \$616,054 and the market value of assets in the Annuity Pool was \$362,588. The City’s actuary has suggested an annual contribution for a period of ten years commencing July 1, 2016. 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 made a \$35,000 contribution to the plan in 2016. 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, 2016 was \$28,206,365, and total City payroll was \$54,937,490.

Substantially all full-time, non-uniformed employees of the City are required to participate in the 401(a) Plan. At June 30, 2016, there were 547 plan participants. Participants are required to contribute 6.5% of their compensation to the 401(a) Plan each pay period. This contribution is matched by the City at a rate of 8.5% 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 2016 were \$4,230,954. The contributions expressed in dollars and percent of covered payroll were: City - \$2,397,541, 8.5%, participants - \$1,833,413, 6.5%. 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
2014	4,079,841	100%
2015	4,120,467	100%
2016	4,230,954	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 Position
June 30, 2016**

	Annuity Pool Fund	401(a) Plan Fund	Total
Assets			
Investments - mutual funds	\$ 305,981	\$ 72,594,444	\$ 72,900,425
Loans to 401(a) Plan participants	-	3,590,928	3,590,928
Total assets	<u>\$ 305,981</u>	<u>\$ 76,185,372</u>	<u>\$ 76,491,353</u>
Liabilities and Net Position			
Net assets - Held in trust for pension benefits	\$ 305,981	\$ -	\$ 305,981
Net assets - Held in trust for retirement benefits	-	76,185,372	76,185,372
Total liabilities and net position	<u>\$ 305,981</u>	<u>\$ 76,185,372</u>	<u>\$ 76,491,353</u>

**Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2016**

	Annuity Pool Fund	401(a) Plan Fund	Total
Additions:			
Contributions - employer	\$ 35,000	\$ 2,397,541	\$ 2,432,541
Contributions - employee	-	1,981,397	1,981,397
Investment income	3,983	(700,077)	(696,094)
Total additions	<u>38,983</u>	<u>3,678,861</u>	<u>3,717,844</u>
Deductions:			
Pension benefits paid	84,659	4,012,266	4,096,925
Administration costs	1,690	(73,368)	(71,678)
Total deductions	<u>86,349</u>	<u>3,938,898</u>	<u>4,025,247</u>
Net increase (decrease)	(47,366)	(260,037)	(307,403)
Net assets held in trust for pension and retirement benefits:			
Beginning of year	353,347	76,445,409	76,798,756
End of year	<u>\$ 305,981</u>	<u>\$ 76,185,372</u>	<u>\$ 76,491,353</u>

b. *Oklahoma Firefighters Pension and Retirement System (OFPRS)*

Plan Description - Members of the City's Fire Department are covered by the Oklahoma Firefighters Pension and Retirement System (OFPRS), which is a statewide cost sharing multiple-employer public employee retirement system (the OFPRS Plan). The plan is administered by a board of trustees (the Board) appointed under state statute. Benefit provisions are contained in the Plan document and were established and can be amended by action of the OFPRS' board of trustees. The plan issues a publicly available financial report that can be obtained at www.ok.gov/fprs/.

Benefits Provided - In general, the OFPRS Plan provides defined retirement benefits based on members' final average compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon death of eligible members. The Plan's benefits are established and amended by state statute. Retirement provisions are as follows:

Hired Prior to November 1, 2013 - Normal retirement is attained upon completing 20 years of service. The normal retirement benefit is equal to 50% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service.

Hired After November 1, 2013 - Normal retirement is attained upon completing 22 years of service. The normal retirement benefit is equal to 55% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. Also must be age 50 to begin receiving benefits.

All firefighters are eligible for immediate disability benefits. For paid firefighters, the disability in-the-line-of-duty benefit for firefighters with less than 20 years of service is equal to 50% of final average monthly compensation, based on the most recent 30 months of service. For firefighters with over 20 years of service, a disability in-the-line-of-duty is

calculated based on 2.5% of final average monthly compensation, based on the most recent 30 months, per year of service, with a maximum of 30 years of service. For disabilities not-in-the-line-of-duty, the benefit is limited to only those with less than 20 years of service and is 50% of final average monthly compensation, based on the most recent 60-month salary as opposed to 30 months.

A \$5,000 lump sum death benefit is payable to the qualified spouse or designated recipient upon the participant's death. The \$5,000 death benefit does not apply to members electing the vested benefit.

Firefighters hired prior to November 1, 2013, with 20 or more years of service may elect to participate in the Oklahoma Firefighters Deferred Retirement Option Plan (the "Deferred Option Plan"). Firefighters hired after November 1, 2013, with 22 or more years or more of service may elect to participate in the Deferred Option Plan. Active participation (having benefit payments credited to the account) in the Deferred Option Plan shall not exceed 5 years. Under the Deferred Option Plan, retirement benefits are calculated based on compensation and service at the time of election. The retirement benefits plus half of the municipal contributions on behalf of the participant are deposited into a deferred retirement account. The Deferred Option Plan accounts are credited with interest at a rate of 2% below the rate of return on the investment portfolio of the Plan, with a guaranteed minimum interest rate equal to the assumed actuarial interest rate of 7.5%, as approved by the Board. The participant is no longer required to make contributions. Upon retirement, the firefighter receives his/her monthly retirement benefit as calculated at the time of election. The member can elect to either leave the account balance accumulated in the Deferred Option Plan account or they can elect to have the balance paid to them either as a lump sum or in specified monthly payments. If the member elects to leave their account balance in the Deferred Option Plan account, they will continue to earn interest on their balance at the rate described above; however, no more benefit payments will be credited to their account. The member can leave their account balance in the Deferred Option Plan account until the age of 70½. When the member reaches 70½ years of age, they must either begin receiving regular monthly payments, based on the annuity method, or a lump sum distribution.

The Deferred Option Plan was modified effective November 1, 2013, to limit post-retirement interest for new members to a rate of return on the portfolio, less a 1% administrative fee. In addition, the members participating must withdraw all money by the age of 70½.

In the 2003 Legislative Session, Senate Bill 286 and House Bill 1464 created a "Back" DROP for members of the System effective July 1, 2003. The "Back" DROP is a modified deferred retirement option plan. The "Back" DROP allows the member flexibility by not having to commit to terminate employment within 5 years. Once a member has met their normal retirement period of 20 years for those hired prior to November 1, 2013, and 22 years for those hired after November 1, 2013, the member can choose, upon retirement, to be treated as if the member had entered into the Deferred Option Plan. A member, however, cannot receive credit to the Deferred Option Plan account based upon any years prior to when the member reached their normal retirement date. Once a member is ready to retire, the member can make the election to participate in the "Back" DROP and can receive a Deferred Option Plan benefit based upon up to 5 years of participation. The member's regular retirement benefit will not take into account any years of service credited to the "Back" DROP. Firefighters with 20 years of service or who were receiving pension benefits as of May 26, 1983, are entitled to post-retirement adjustments equal to one-half the increase or decrease for top-step firefighters. Pensions will not be adjusted below the level at which the firefighter retired.

Contributions – The Board has the authority to establish and amend the contribution requirements of the City and active employees. Members of the OFPRS are required to pay 9% of their base pay to the pension plan (starting November 1, 2013) until they reach 20 years of service, after which no contributions are required. The City is contractually required to pay 14% of base salary (starting November 1, 2013). For the year ended June 30, 2016, the total contribution to the system amounted to \$2,655,997 of which \$1,616,694 was made by the City and \$1,039,303 was made by the employees. These contributions represent 14% (City) and 8% (member) of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The total amount contributed to the system by the State of Oklahoma on behalf of the City was approximately \$3,759,000 and does not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2016, the City reported a liability of \$44,103,551, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the City’s proportion was 4.155192%

For the year ended June 30, 2016, the City recognized pension expense of \$4,151,845. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 871,347	\$ -
Employer change in proportion	2,155,886	-
Net difference between projected and actual earnings on pension plan investments	-	3,287,604
City contributions during measurement date	-	2,667
City's contributions subsequent to the measurement date	1,615,405	-
Total	\$ 4,642,638	\$ 3,290,271

At June 30, 2016, the City reported \$1,615,405 as deferred outflows of resources related to pensions resulting from City’s contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the years ending June 30, 2017. Other amounts reported as

deferred outflows of resources and deferred inflows of resources totaling \$263,038 related to pensions will be recognized as a (reduction) or increase in pension expense as follows:

2017	\$	622,999
2018		622,999
2019		622,999
2020		(994,032)
2021		(483,719)
Thereafter		<u>(128,208)</u>
	\$	<u>263,038</u>

Actuarial Assumptions – The total pension liability in the July 1, 2015, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary increases	3.5% to 9.0%, average, including inflation
Ad hoc cost of living adjustments	Half of the dollar amount of a 3% assumed Increase in base pay for retirees with 20 years of Service as of May 26, 1983
Investment rate of return	7.5%, net of pension plan investment expense, Including an inflation rate of 3%

Mortality rates were based on the RP-2000 Blue Collar Healthy Combined with generational mortality improvement using Scale AA for healthy lives and no mortality improvement for disabled lives.

The actuarial assumptions used in the July 1, 2015 valuation was based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	20%	5.48%
Domestic Equity	37%	9.61%
International Equity	20%	9.24%
Real Estate	10%	7.76%
Other Assets	13%	6.88%
	100%	

Discount Rate – The single discount rate used to measure the total pension liability was 7.5% for the year ended June 30, 2015. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The City’s proportionate share of the net pension liability has been calculated using a discount rate of 7.5%. The following presents the City’s proportionate share of the net pension liability calculated using a discount rate 1% higher and 1% lower than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	\$ 55,796,131	\$ 44,103,551	\$ 33,065,963

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued OFPRS Plan financial report, which can be located at www.ok.gov/fprs/.

b. *Oklahoma Police Pension and Retirement System (OPPRS)*

Plan Description - Members of the City’s Police Department are covered by the Oklahoma Police Pension and Retirement System (OPPRS), which is a statewide cost sharing multiple-employer public employee retirement system (the OPPRS Plan). The plan is administered by a board of trustees (the Board) appointed under state statute. Benefit provisions are contained in the Plan document and were established and can be amended by action of the OPPRS’ board of trustees. The plan issues a publicly available financial report that can be obtained at www.ok.gov/OPPRS/.

Benefits Provided – In general, the OPPRS Plan provides defined retirement benefits based on members’ final average compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon death of eligible members.

The Plan's benefits are established and amended by state statute. Retirement provisions are as follows:

- The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 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 the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had 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 highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.
- 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 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. After 10 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. This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment. Effective July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date.
- Survivor's benefits are payable in full 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 entitled to a pension benefit. Effective July 1, 1999, a \$5,000 death benefit is also paid, in addition to any survivor's pension benefits under the Plan, to the participant's beneficiary or estate for active or retired members.
- The Deferred Option allows participants otherwise eligible for a normal retirement benefit to defer terminating employment and drawing retirement benefits for a period not to exceed 5 years. Under the Deferred Option, retirement benefits are calculated based on compensation and service at the time of election and a separate account is established for each participant. During the participation period, the employee's retirement benefit is credited to the participant's account along with a portion of the employer's contribution and interest. Interest is credited at a rate of 2% below the rate of return on the investment portfolio of the Plan, with a guaranteed minimum interest equal to the assumed actuarial interest of 7.5%. Employee contributions cease once participation in the Deferred Option is elected. At the conclusion of participation in the Deferred Option, the participant will receive the balance in the separate account under payment terms allowed by the Deferred Option and will then begin receiving retirement benefit payments as calculated at the time of election.
- In the 2003 Legislative Session, Senate Bill 688 and House Bill 1464 created a "Back" DROP for members of the System. The "Back" DROP is a modified deferred retirement option plan. The "Back" DROP allows the member flexibility by not having to commit to terminate

employment within 5 years. Once a member has met their normal retirement period of 20 years, the member can choose, upon retirement, to be treated as if the member had entered into the "Back" DROP. A member, however, cannot receive credit to the "Back" DROP account based upon any years prior to when the member reached their normal retirement date. Once a member is ready to retire, the member can make the election to participate in the "Back" DROP and can receive a "Back" DROP benefit based upon up to 5 years of participation. The member's regular retirement benefit will not take into account any years of service credited to the "Back" DROP.

- In 2006, the Board approved a method of payment called the Deferred Option Payout Provision (the "Payout Provision"). The Payout Provision allows a retired member who has completed participation in the Deferred Option or the "Back" DROP the ability to leave their account balance in the Plan. The retired member's account balance will be commingled and reinvested with the total assets, and therefore the member will not be able to direct their personal investments. Written election must be made to the Board no more than 30 days following the termination of employment.
- Upon participating in the Payout Provision, a retired member shall not be guaranteed a minimum rate of return on their investment. A retired member shall earn interest on their account as follows:
 - a) The retired member shall earn two percentage points below the net annual rate of return of the investment portfolio of the System.
 - b) If the portfolio earns less than a 2% rate of return, but more than zero, the retired member shall earn zero percentage points.
 - c) If the portfolio earns less than zero percentage points, there shall be a deduction from the retired member's balance equal to the net annual rate of return of the investment portfolio of the System.

Interest as earned above shall be credited to the retired member's account.

The Oklahoma Legislature has the authority to grant percentage increases or special one-time payments to persons receiving benefits from the Plan. Additionally, certain retirees are entitled to receive a cost-of-living adjustment (COLA) when a COLA is granted to active police officers in the retiree's city. Participants eligible to receive both types of benefit increases are to receive the greater of the legislative increase or the benefit increase the participant would receive pursuant to the COLA provision.

Contributions – The Board has the authority to establish and amend the contribution requirements of the City and active employees. Members of the OPPRS are required to pay 8% of their base pay to the pension plan. The City is contractually required to pay 13% of base salary. For the year ended June 30, 2016, the total contribution to the system amounted to \$2,505,991 of which \$1,549,355 was made by the City and \$956,636 was made by the employees. These contributions represent 13% (City) and 8% (member) of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The total amount contributed to the system by the State of Oklahoma on behalf of the City was approximately \$1,386,000 and does not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2016, the City reported an liability of \$158,844, for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2015. The City’s proportion of the net pension asset was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the City’s proportion was 3.8957%

For the year ended June 30, 2016, the City recognized pension expense of \$613,997. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 878,347
Employer change in proportion	74,582	-
Net difference between projected and actual earnings on pension plan investments	-	611,225
City contributions during measurement period	-	(17,275)
City's contributions subsequent to the measurement date	<u>1,550,235</u>	<u>-</u>
Total	<u>\$ 1,624,817</u>	<u>\$ 1,472,297</u>

At June 30, 2016, the City reported \$1,550,235 as deferred outflows of resources related to pensions resulting from City’s contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources totaling \$1,397,715 related to pensions will be recognized as a (reduction) or increase in pension expense as follows:

2017	\$ 629,869
2018	629,869
2019	629,869
2020	(543,420)
2021	<u>51,528</u>
	<u>\$ 1,397,715</u>

Actuarial Assumptions – The total pension liability in the July 1, 2015, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary increases	4.5% to 17.0%, average, including inflation
Ad hoc cost of living adjustments	Police officers eligible to receive increased Benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary of 3%.
Investment rate of return	7.5%, net of pension plan investment expense.

Mortality rates were based on the RP-2000 Blue Collar Healthy Combined with generational mortality improvement using Scale AA with age set back four years for active, pre-retirement employees. For active post-retirement employees, mortality rates were based on the RP-2000 Blue Collar Healthy Combined index with generational mortality improvement using Scale AA. For disabled pensioners, mortality rates index were based on the RP-2000 Blue Collar Healthy Combined index with age set forward four years.

The actuarial assumptions used in the July 1, 2015 valuation was based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	25%	2.83%
Domestic Equity	35%	6.47%
International Equity	15%	6.98%
Real Estate	10%	5.50%
Private Equity	10%	5.96%
Commodities	5%	3.08%
	100%	

Discount Rate – The single discount rate used to measure the total pension liability was 7.5% for the year ended June 30, 2015. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates, actuarially

determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate – The City's proportionate share of the net pension liability (asset) has been calculated using a discount rate of 7.5%. The following presents the City's proportionate share of the net pension liability (asset) calculated using a discount rate 1% higher and 1% lower than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability (asset)	\$ 9,544,510	\$ 158,844	\$ (7,753,924)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued OPPRS Plan financial report, which can be located at www.ok.gov/OPPRS/.

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.

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 they 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 they 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, 2016, membership consisted of:

Retirees and beneficiaries currently receiving benefits	36
Terminated employees entitled to benefits but not yet receiving them	0
Active employees	<u>758</u>
Total	<u>794</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, 2015, 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 –The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net Obligation (Asset)
June 30, 2011	\$ 2,293,535	\$ 81,072	3.5%	\$ 5,963,314
June 30, 2012	1,412,385	234,405	16.6%	7,141,294
June 30, 2013	1,131,187	212,753	18.8%	8,059,728
June 30, 2016	660,934	182,984	27.7%	8,935,150

The net OPEB obligation (NOO) as of June 30, 2016, was calculated as follows:

Annual required contribution	\$ 681,731
Interest on net OPEB obligation	338,289
Adjustment to annual required contribution	(359,086)
Annual OPEB cost	660,934
Contributions made	182,984
Increase (decrease) in net OPEB obligation	477,950
Net OPEB obligation, beginning of year	<u>8,457,200</u>
 Net OPEB obligation, end of year	 <u>\$ 8,935,150</u>

Funded Status and Funding Progress – The funded status of the plan as of June 30, 2016, was as follows:

Actuarial accrued liability (AAL)	\$ 9,723,246
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 9,723,246
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 47,222,487
UAAL as a percentage of covered payroll	20.6%

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, 2016 actuarial valuation, the entry age 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 annual healthcare cost trend of 2.5%. Dental trends were assumed to be 70% of medical trends. The rates included an inflation assumption that declines over time from 2.5% to 1.3%. 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, 2016, the guaranty deposit accounts of the City included the following deposit liabilities:

Governmental activities:

Oil and gas drilling escrow	\$219,000
Site improvements	5,536,948
Contractor's escrow	110,948
Park improvement	9,395
Court fines and bond deposits	59,448
Others	<u>215,983</u>
Total governmental activities	<u>\$6,151,722</u>

Business-type activities:

Utility deposits	<u>\$1,584,260</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, 2016, the net assessed valuation approximated \$930,798,000. The City had no such bonds outstanding at June 30, 2016. There is no such limit on the issuance of other types of general obligation bonds.

General obligation bonds outstanding as of June 30, 2016 are as follows:

\$5,210,000 2008A Combined Purpose General Obligation bonds, due in annual installments of \$575,000 to \$610,000 beginning June 1, 2010 through December 1, 2018 at interest rates ranging from 3.375% to 4.25% (for various street improvements)	\$ 1,760,000
\$15,000,000 2012B General Obligation bonds, due in annual installments of \$3,750,000 beginning March 1, 2014 through March 1, 2017 at interest rates ranging from .50% to 2.00% (for citywide pavement reconstruction)	3,750,000
\$3,035,000 2012C General Obligation bonds, due in annual installments of \$750,000 to \$785,000 beginning March 1, 2014 through March 1, 2017 at interest rates ranging from 1.00% to 2.00% (for construction of Animal Shelter)	785,000
\$20,050,000 2012D General Obligation bonds, due in annual installments of \$1,055,000 to \$1,060,000 beginning December 1, 2014 through December 1, 2032 at interest rates ranging from 2.5% to 3.0% (for various street reconstruction projects)	17,940,000
\$22,525,000 2015 General Obligation bonds, due in annual installments of \$1,185,000 to \$1,195,000 beginning June 1, 2017 through June 1, 2035 at interest rates ranging from 0.5% to 4.00% (for various street reconstruction projects)	22,525,000
\$15,000,000 2016 General Obligation bonds, due in annual installments of \$7,500,000 beginning June 1, 2018 through June 1, 2019 at interest rates ranging from 1.5% to 2.0% (for various street reconstruction projects)	15,000,000
\$7,775,000 2016A General Obligation bonds, due in annual installments of \$365,000 to \$795,000 beginning June 1, 2017 through July 1, 2027 at interest rates ranging from 4.0% to 5.0% (for refunding of the City's Series 2005A and 2007A Combined Purpose General Obligation Bonds)	<u>7,775,000</u>
Total general obligation bonds	<u>\$ 69,535,000</u>

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

Fiscal Year	Principal	Interest	Total
2017	\$ 8,090,000	\$ 1,777,126	\$ 9,867,126
2018	11,085,000	1,606,589	12,691,589
2019	11,130,000	1,409,075	12,539,075
2020	3,025,000	1,185,420	4,210,420
2021	3,030,000	1,089,520	4,119,520
2022 – 2026	14,745,000	3,990,181	18,735,181
2027 – 2031	11,565,000	1,952,184	13,517,184
2032 – 2035	<u>6,865,000</u>	<u>444,025</u>	<u>7,309,025</u>
Total	<u>\$ 69,535,000</u>	<u>\$ 13,454,120</u>	<u>\$ 82,989,120</u>

On June 1, 2016, the City issued \$7,775,000 in general obligation bonds with an average interest rate of 2.21% to advance refund \$3,970,000 of outstanding 2005A general obligation bonds with an average interest rate of 2.45% and \$4,260,000 of outstanding 2007A general obligation bonds with an average interest rate of 2.27%. The net proceeds of \$8,711,394 (after payment of \$194,125 in underwriting fees and other issue costs) plus an additional \$448,500 of 2005A general obligation bond sinking fund monies and \$245,000 of 2007A general obligation bond sinking fund monies were placed in an escrow with a trustee agent to provide for all future debt service payments on the 2005A general obligation bonds and 2007A general obligation bonds. As a result, the 2005A general obligation bonds and 2007A general obligation bonds are considered defeased and the liability for those bonds has been removed from the governmental funds.

The advance refunding resulted in the recognition of an accounting loss of \$165,235 for the year ended June 30, 2016. This loss on refunding is shown as a deferred outflow of resources on the accompanying Statement of Net Position and is being amortized using the straight-line method over the respective remaining lives of the old debt issuances. The City reduced its aggregate debt service payments over the next 11 years by approximately \$307,000 and obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$435,571.

The General Obligation Bonds Series 2016A (\$7,775,000) are backed by the full faith and credit of the City of Norman.

- b. *Revenue Bonds* - Revenue Bonds outstanding consist of debt issued by the NUA. The bonds are not indebtedness of the State of Oklahoma or of the City, but are obligations payable solely from resources of the NUA.

The revenue bonds outstanding as of June 30, 2016 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%	<u>\$ 1,000,000</u>
Total revenue bonds	<u>\$ 1,000,000</u>

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

Fiscal Year	Principal	Interest	Total
2017	\$ 145,000	\$ 60,924	\$ 205,924
2018	150,000	52,369	202,369
2019	160,000	43,181	203,181
2020	170,000	33,381	203,381
2021	180,000	22,969	202,969
2022	195,000	11,944	206,944
Total	\$ 1,000,000	\$ 224,768	\$ 1,224,768

The Municipal Revenue Bonds Series 2002 (\$2,315,000) 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. Proceeds were used to complete capital project improvements to the golf course property. As stated above, the bonds are payable solely from Westwood facility operations and room tax collections and are payable through 2022. Annual principal and interest payments on the bonds are expected to require less than 29 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,000,000. Principal and interest paid for the current year was \$203,1754. Total Westwood net revenues and room tax collections were \$1,924,223 for the current year.

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.

c. *Notes Payable* - Notes payable as of June 30, 2016 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%.	\$ 188,264
\$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.	870,513
\$3,590,000 sanitation system loan payable to various holders due in semi-annual installments ranging from \$95,000 to \$155,000 beginning October 1, 2010 through October 1, 2024. The loan has a 3.45% interest rate.	2,320,000
\$14,215,000 Norman Tax Increment Finance Authority Tax Increment Revenue Note, Taxable Series 2013, due in annual payments ranging from \$750,000 to \$2,790,000 beginning September 1, 2014 through September 1, 2023. The loan has a 3.81% interest rate.	12,665,000
\$4,964,024 Clean Water SRF loan payable to the OWRB due in annual installments ranging between \$212,595 and \$349,740 beginning September 15, 2013 through March 15, 2031. The loan has a 2.91% interest rate.	4,307,454
\$50,300,000 Clean Water SRF loan payable to the OWRB due in annual installments ranging from \$1,410,000 to \$3,880,000 beginning March 15, 2015 and ending September 15, 2029. The loan has a 1.75% interest rate with a .5% administration fee. As of June 30, 2016 only \$25,789,964 has been drawdown.	21,513,346
\$17,505,000 Norman Utilities Authority, Utility Revenue Notes, Refunding Series 2015, due in annual installments of \$730,000 to \$1,315,000 from November 1, 2015 to November 1, 2026, at an interest rate of 2.13%	15,075,000

\$22,825,000 Norman Municipal Authority Revenue Note, Taxable Series 2015, due in annual payments ranging from \$900,000 to \$1,185,000 beginning September 1, 2016 through March 1, 2027. The loan has a 2.330% interest rate	22,825,000
\$1,620,000 sanitation system loan payable to various holders due in semi-annual installments ranging from \$30,000 to \$165,000 beginning October 1, 2013 through October 1, 2018. The loan has a 1.1455% interest rate.	815,000
\$43,160,000 Norman Municipal Authority Revenue Note, Taxable Series 2015B, due in annual payments ranging from \$500,000 to \$5,845,000 beginning January 1, 2017 through January 1, 2029. The loan has a 2.98% interest rate	43,160,000
\$9,380,000 Norman Utilities Authority Revenue Note, Refunding Series 2016, due in annual installments ranging from \$190,000 to \$755,000 beginning September 1, 2016 through September 1, 2030. The loan has a \$2.23% interest rate.	9,380,000
\$8,250,000 Norman Tax Increment Finance Authority Norman University North Park Project Plan Revenue Note, Series 2011, due in annual installments beginning July 1, 2012 through June 30, 2031, at interest rates not to exceed 8%.	-
Total notes payable	<u>\$ 133,119,577</u>

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

Fiscal Year	Principal	Interest	Total
2017	\$ 10,517,794	\$ 3,790,266	\$ 14,308,060
2018	10,337,499	3,862,506	14,200,005
2019	10,607,235	3,613,679	14,220,914
2020	11,037,560	3,349,844	14,387,404
2021	11,713,672	3,062,102	14,775,774
2022 – 2026	69,279,840	10,264,971	79,544,811
2027 – 2031	41,079,167	2,092,332	43,171,499
2032 – 2034	1,308,463	17,485	1,325,948
Less unfund note	<u>(32,761,653)</u>	-	<u>(32,761,653)</u>
Total	<u>\$ 133,119,577</u>	<u>\$ 30,053,185</u>	<u>\$ 163,172,762</u>

On May 19, 2016, the City issued \$9,380,000 in notes payable with an average interest rate of 2.23% to advance refund \$9,192,916 of outstanding 2009A notes payable with an average interest rate of 3.28%. The net proceeds of \$9,292,587 (after payment of \$219,104 in underwriting fees and other issue costs) were placed in an escrow with a trustee agent to provide for all future debt

service payments on the 2009A notes payable. As a result, the 2009A notes payable are considered defeased and the liability for those bonds has been removed from the enterprise funds.

The advance refunding resulted in the recognition of an accounting loss of \$99,672 for the year ended June 30, 2016. This loss on refunding is shown as a deferred outflow of resources on the accompanying Statement of Net Position – Proprietary Funds and is being amortized using the straight-line method over the respective remaining lives of the old debt issuances. The City reduced its aggregate debt service payments over the next 15 years by approximately \$438,000 and obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$677,966.

The Utility Revenue Notes Series 2016 (\$9,380,000) are collateralized by the leasehold interest in the water 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. Proceeds from the Series 2016 were used to advance refund previous water notes. The notes are payable solely from water customer net revenues and are payable through 2030. Annual principal and interest payments on the water notes are expected to require less than 5% of net revenues. The total principal and interest remaining to be paid on the notes is \$9,380,000. Principal and interest paid for the current year was zero. Total water customer net revenues were \$15,923,396 for the current year.

- e. *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, 2016, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 63,510,000	\$ 22,775,000	\$ (16,750,000)	\$ 69,535,000	\$ 8,090,000
Issuance premium/(discount)	685,804	1,426,019	(227,852)	1,883,971	-
Total bonds payable	64,195,804	24,201,019	(16,977,852)	71,418,971	8,090,000
Sales tax revenue notes	22,825,000	43,160,000	-	65,985,000	2,310,000
Notes payable	13,586,306	-	(921,306)	12,665,000	850,000
Capital leases	226,473	-	(226,473)	-	-
Liability for incurred claims	4,700,122	10,535,416	(11,535,416)	3,700,122	1,500,000
Net OPEB obligation	8,457,200	660,934	(182,984)	8,935,150	-
Net pension obligation	40,457,734	3,804,661	-	44,262,395	-
Compensated absences	7,403,036	5,793,257	(5,480,191)	7,716,102	669,062
Government activity long-term liabilities	<u>\$ 161,851,675</u>	<u>\$ 88,155,287</u>	<u>\$ (35,324,222)</u>	<u>\$ 214,682,740</u>	<u>\$ 13,419,062</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 1,135,000	\$ -	\$ (135,000)	\$ 1,000,000	\$ 145,000
Less deferred amounts:					
For issuance premium and (discount)	(21,727)	3,104	-	(18,623)	-
Total bonds payable	1,113,273	3,104	(135,000)	981,377	145,000
Notes payable	41,009,152	29,710,914	(16,245,875)	54,474,191	6,189,091
Less deferred amounts:					
For issuance premium and (discount)	(21,393)	1,783	-	(19,610)	-
Total notes payable	40,987,759	29,712,697	(16,245,875)	54,454,581	6,189,091
Compensated absences	1,184,160	915,297	(924,146)	1,175,311	72,538
Business-type activity long-term liabilities	<u>\$ 43,285,192</u>	<u>\$ 30,631,098</u>	<u>\$ (17,305,021)</u>	<u>\$ 56,611,269</u>	<u>\$ 6,406,629</u>

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

5. FUND BALANCE

The following table shows the fund balance classifications as shown on the governmental funds balance sheet as of June 30, 2016:

	General	Public Safety Sales Tax	Debt Service	Capital Projects	Norman Forward	Other Governmental Funds	Total Governmental Funds
FUND BALANCES							
Nonspendable:							
Inventory	\$ 20,896	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,896
Restricted:							
Debt service reserve	-	-	6,552,492	-	-	-	6,552,492
Arts and humanities	-	-	-	-	-	52,702	52,702
Convention and tourism	-	-	-	-	-	111,411	111,411
Grant activities	-	-	-	-	-	18,718,863	18,718,863
Bond capital projects	-	-	-	33,436,029	40,154,543	-	73,590,572
Other capital projects	-	-	-	27,046,335	3,998,653	1,464,301	32,509,289
Seizures	-	-	-	-	-	769,572	769,572
CLEET	-	-	-	-	-	13,788	13,788
Public safety	-	30,442,599	-	-	-	-	30,442,599
Committed:							
Economic stabilization	3,226,149	-	-	-	-	-	3,226,149
Assigned:							
Other capital projects	-	-	-	3,011,749	4,653	-	3,016,402
Grant activities	-	-	-	-	-	419,977	419,977
Orders on purchase	2,281,428	-	-	-	-	-	2,281,428
Unassigned:	8,874,436	-	-	-	-	-	8,874,436
Total fund balances	#####	<u>\$ 30,442,599</u>	<u>\$6,552,492</u>	<u>\$63,494,113</u>	<u>\$ 44,157,849</u>	<u>\$ 21,550,614</u>	<u>\$ 180,600,576</u>

On June 28, 2011, the City adopted ordinance O-1011-58 changing the City's reserve policy. The ordinance establishes that the General Fund will have an unappropriated reserve of at least three percent (3%) of annually budgeted expenditures, in addition to an appropriated emergency reserve of two percent (2%) of annually budgeted expenditures. In addition, the ordinance establishes the Net Revenue Stabilization Fund (i.e., "Rainy Day Fund") which has a targeted balance of not less than three percent (3%) but not more than six percent (6%) of annually budgeted General Fund expenditures. Further, expenditures of the reserved amounts may occur only when specific circumstances exist. As of June 30, 2016 the Rainy Day Fund had a balance of \$3,226,149.

6. RISK MANAGEMENT

The City is self-insured against the following risks:

- Employee health claims to a maximum liability of \$250,000 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 \$250,000 limit are covered by insurance. The City’s unpaid claims liability of \$3,700,122 reported at June 30, 2016 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. A liability for these amounts are recorded in governmental funds when they become due and payable. As of June 30, 2016, no liability has been recognized in the governmental fund financial statements. There are no allocated or unallocated claim adjustment expenditures/expenses included in the liability for unpaid claims.

At June 30, 2016, 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 2015	\$ 6,200,122	\$ 10,293,745	\$ (11,793,745)	\$ 4,700,122
Fiscal year 2016	\$ 4,700,122	\$ 10,535,416	\$ (11,535,416)	\$ 3,700,122

7. SEGMENT INFORMATION

The City operates various segments within its enterprise funds. Condensed financial statement information for these segments for the year ended June 30, 2016 was as follows:

	Norman Municipal Authority		
	Westwood Park	Sanitation Services	Total
Current assets:			
Cash and cash equivalents	\$ 144,523	\$ 498,130	\$ 642,653
Restricted cash and cash equivalents	5,077	551,412	556,489
Investments	-	8,399,582	8,399,582
Receivables:			
Accounts, net of allowance	-	910,405	910,405
Due from other funds	2	14,922	14,924
Interest	-	241,624	241,624
Total current assets	<u>149,602</u>	<u>10,616,075</u>	<u>10,765,677</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	219,185	318,846	538,031
Capital assets, net	7,340,028	10,453,129	17,793,157
Total noncurrent assets	<u>7,559,213</u>	<u>10,771,975</u>	<u>18,331,188</u>
Total assets	<u>\$ 7,708,815</u>	<u>\$ 21,388,050</u>	<u>\$ 29,096,865</u>
Current liabilities:			
Accounts payable and accrued expenses	\$ 75,114	\$ 378,690	\$ 453,804
Payroll payable	75,558	225,153	300,711
Accrued interest payable	5,077	22,344	27,421
Guaranty deposits	-	379,622	379,622
Revenue bonds payable	145,000	-	145,000
Notes payable	-	560,000	560,000
Compensated absences	6,357	20,648	27,005
Total current liabilities	<u>307,106</u>	<u>1,586,457</u>	<u>1,893,563</u>
Non-current liabilities:			
Long-term debt and other liabilities	933,023	4,475,361	5,408,384
Total liabilities	<u>1,240,129</u>	<u>6,061,818</u>	<u>7,301,947</u>
Invested in capital assets, net of related debt	6,340,028	7,318,129	13,658,157
Restricted for debt service	219,185	468,292	687,477
Unrestricted	(90,527)	9,126,268	9,035,741
Total net assets	<u>6,468,686</u>	<u>16,912,689</u>	<u>23,381,375</u>

continued

Norman Municipal Authority			
	Westwood Park	Sanitation Services	Total
Charges for services and goods, net	1,098,470	14,180,841	15,279,311
Other	133	198,500	198,633
Total operating revenues	<u>1,098,603</u>	<u>14,379,341</u>	<u>15,477,944</u>
Operating expenses	1,134,484	10,646,538	11,781,022
Depreciation	153,203	1,376,285	1,529,488
Total operating expenses	<u>1,287,687</u>	<u>12,022,823</u>	<u>13,310,510</u>
Operating income (loss)	<u>(189,084)</u>	<u>2,356,518</u>	<u>2,167,434</u>
Investment earnings	283	101,296	101,579
Interest expense	(72,457)	(97,662)	(170,119)
Miscellaneous income (expense)	19,630	68,679	88,309
(expenses)	<u>(52,544)</u>	<u>72,313</u>	<u>19,769</u>
Income before capital contributions and transfers	(241,628)	2,428,831	2,187,203
Transfers, net	340,764	-	340,764
Change in net assets	99,136	2,428,831	2,527,967
Total net assets - beginning	<u>6,369,550</u>	<u>14,483,858</u>	<u>20,853,408</u>
Total net assets - ending	<u>6,468,686</u>	<u>16,912,689</u>	<u>23,381,375</u>
Net cash provided (used) by:			
Operating activities	48,641	3,673,818	3,722,459
Noncapital financing activities	340,764	-	340,764
Capital and related financing activities	(327,889)	(2,195,493)	(2,523,382)
Investing activities	282	(2,638,517)	(2,638,235)
Beginning cash and cash equivalents	306,987	2,528,580	2,835,567
Ending cash and cash equivalents	<u>\$ 368,785</u>	<u>\$ 1,368,388</u>	<u>\$ 1,737,173</u>

concluded

8. 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, 2016, the City maintained a litigation reserve, including judgments that have been awarded but not yet paid, of approximately \$_____.

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, 2016, rent expenditures approximated \$524,000 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, 2016, the City paid the District \$1,103,715.

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, 2016 is as follows:

	Total Construction In Progress	Total Project	Remaining To Complete
General Government	\$ 48,610,889	\$ 155,171,723	\$ 106,560,834
Norman Municipal Authority:			
Sanitation	13,667	258,750	245,083
Norman Utilities Authority:			
Water Fund	13,858,228	30,317,900	16,459,672
Wastewater Fund	51,496,774	58,206,457	6,709,683
	<u>\$ 113,979,558</u>	<u>\$ 243,954,830</u>	<u>\$ 129,975,272</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.

Encumbrances – As discussed in note three above, budgetary information, budgetary basis of accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2016 the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General fund	\$ 2,281,428
Public safety sales tax fund	1,109,170
Capital projects fund	7,606,682
Norman forward fund	5,493,925
Nonmajor governmental funds	11,599,392
Total	<u>\$ 28,090,597</u>

9. RECENTLY ISSUED ACCOUNTING STANDARDS

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

GASB Statement No. 74 - Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This statement establishes accounting and financial reporting standards related to improving the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. It is the result of a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity and creating additional transparency. This standard is effective for financial reporting periods beginning after June 15, 2016. Earlier application is encouraged. The City has not yet determined the potential impact, if any; this statement could have on its financial statements.

GASB Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. GASB Statement No. 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures. For defined benefit OPEB, GASB Statement No. 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This standard is effective for financial reporting periods beginning after June 15, 2017. Earlier application is encouraged. The City has not yet determined the potential impact, if any; this statement could have on its financial statements.

GASB Statement No. 76 - The Hierarchy of GAAP for State and Local Governments. The objective of GASB Statement No. 76 is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. GASB Statement No. 76 reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This standard is effective for financial reporting periods beginning after June 15, 2015 and should be applied retroactively. Earlier application is encouraged. The City has not yet determined the potential impact, if any; this statement could have on its financial statements.

GASB Statement No. 77 - Tax Abatement Disclosures. This Statement establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (1) agreements that are entered into by the reporting government and (2) agreements that are entered into by other governments and that reduce the reporting government’s tax revenues. The provisions of this Statement should be applied to all state and local governments subject to such tax abatement agreements. This standard is effective for financial reporting periods beginning after December 15, 2015. Earlier application is encouraged. The City has not yet determined the potential impact, if any; this statement could have on its financial statements.

* * * * *

THE CITY OF NORMAN, OKLAHOMA

Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) Year Ended June 30, 2016

Pension and Retirement System (OFPRS)	2015 *	2016 *
City's proportion of the net pension liability or asset	3.9342%	4.1552%
City's proportion share of the net pension liability or (asset)	\$ 40,457,734	\$ 44,103,551
City's covered-employee payroll	\$ 10,791,880	\$ 11,547,814
City's proportion share of the net pension liability as a percentage of its covered-employee payroll	374.891%	381.921%
Plan fiduciary net position as a percentage of the total pension liability	68.27%	68.27%
Oklahoma Police Pension and Retirement System (OPPRS)		
City's proportion of the net pension liability or asset	3.8053%	3.8957%
City's proportion share of the net pension liability or (asset)	\$ (1,281,185)	\$ 158,844
City's covered-employee payroll	\$ 10,791,880	\$ 11,918,115
City's proportion share of the net pension liability as a percentage of its covered-employee payroll	-11.872%	1.333%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%

* - The amounts present for each fiscal year were determined as of the measurement date, June 30 2014 and 2015, respectively.

Note to Schedule: Only fiscal years 2015 and 2016 are presented because 10 year data is not yet available.

THE CITY OF NORMAN, OKLAHOMA

Schedule of the City's Contributions Year Ended June 30, 2016

	<u>2015</u>	<u>2016</u>
Oklahoma Firefighters Pension and Retirement System (OFPRS)		
Contractually required contribution	\$ 1,586,248	\$ 1,615,405
Contributions in relation to the contractually required contribution	<u>1,586,248</u>	<u>1,615,405</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 11,330,342	\$ 11,547,814
Contributions as a percentage of covered-employee payroll	14%	14%
Oklahoma Police Pension and Retirement System (OPPRS)		
Contractually required contribution	\$ 1,452,409	\$ 1,550,235
Contributions in relation to the contractually required contribution	<u>1,452,409</u>	<u>1,550,235</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 11,172,374	\$ 11,918,115
Contributions as a percentage of covered-employee payroll	13%	13%

Note to Schedule: Only fiscal year 2015 and 2016 are presented because 10 year data is not yet available.

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 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 %	\$ 43,228,176	50.6 %
July 1, 2009	-	23,583,965	23,583,965	0.0 %	46,679,049	50.5 %
July 1, 2010	-	23,864,121	23,864,121	0.0 %	45,799,387	52.1 %
July 1, 2011	-	15,646,369	15,646,369	0.0 %	47,612,796	32.9 %
July 1, 2012	-	13,533,967	13,533,967	0.0 %	50,189,708	27.0 %
July 1, 2013	-	5,258,480	5,258,480	0.0 %	43,368,706	12.1 %

Note: The City began biennial reporting of OPEB information. Therefore the July 1, 2016 information is the most recent available.

THE CITY OF NORMAN, OKLAHOMA

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

Fiscal Ended June 30	Employer Contributions	Annual Required Contribution	Percentage Contributed
2009	\$ 135,989	\$ 2,141,656	6.3 %
2010	478,102	2,254,586	21.2 %
2011	81,072	2,352,070	3.4 %
2012	234,405	1,505,447 ¹	15.6 %
2013	212,753	1,242,633	17.1 %
2014	313,189	580,638 ¹	53.9 %
2015	160,995	580,638	37.0 %
2016	182,984	681,731	27.7 %

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

¹ Changes in assumptions were made for the claim costs incurred for medical benefits based on the actual reported claims and expenses incurred by the City over the previous 24 months.

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, 2016

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
Taxes:							
Sales taxes	\$ 39,667,500	\$ -	\$ 39,667,500			\$ 39,919,064	\$ 251,564
Franchise taxes	7,878,562	-	7,878,562			6,772,326	(1,106,236)
State use taxes	2,472,000	-	2,472,000			2,679,029	207,029
Total taxes	<u>50,018,062</u>	<u>-</u>	<u>50,018,062</u>			<u>49,370,419</u>	<u>(647,643)</u>
Licenses and permits:							
Licenses	365,574	-	365,574			297,164	(68,410)
Permits	1,117,611	-	1,117,611			1,102,263	(15,348)
Total licenses and permits	<u>1,483,185</u>	<u>-</u>	<u>1,483,185</u>			<u>1,399,427</u>	<u>(83,758)</u>
State Shared Revenues:							
State motor fuel	267,652	-	267,652			222,270	(45,382)
Alcoholic beverage	293,495	-	293,495			300,676	7,181
Cigarette	869,742	-	869,742			829,200	(40,542)
State motor vehicle registration	903,660	-	903,660			855,769	(47,891)
Total intergovern- mental revenues	<u>2,334,549</u>	<u>-</u>	<u>2,334,549</u>			<u>2,207,915</u>	<u>(126,634)</u>
Charges for services:							
Zoning & subdivision	147,464	-	147,464			151,409	3,945
Public safety	383,857	-	383,857			346,441	(37,416)
Health	172,177	51,923	224,100			224,750	650
Recreation fees	421,600	-	421,600			479,760	58,160
Credit card confience fees	669,825	-	669,825			642,726	(27,099)
911 emergency fees	28,052	-	28,052			32,017	3,965
Total charges for services	<u>1,822,975</u>	<u>51,923</u>	<u>1,874,898</u>			<u>1,877,103</u>	<u>2,205</u>
Fines and forfeits:							
Police court fines	2,678,000	-	2,678,000			2,539,363	(138,637)
Miscellaneous forfeitures	-	-	-			(114,819)	(114,819)
Total fines and forfeits	<u>2,678,000</u>	<u>-</u>	<u>2,678,000</u>			<u>2,424,544</u>	<u>(253,456)</u>
Investment earnings	40,000	-	40,000			28,334	(11,666)
Other revenue:							
Contributions	4,740	7,610	12,350			12,236	(114)
Rents and royalties	213,602	-	213,602			213,237	(365)
Cost allocations	9,924,967	-	9,924,967			8,914,642	(1,010,325)
Sale of fixed assets	150,000	-	150,000			86,358	(63,642)
Miscellaneous revenues	1,028,058	297,880	1,325,938			1,372,684	46,746
Total other revenue	<u>11,321,367</u>	<u>305,490</u>	<u>11,626,857</u>			<u>10,599,157</u>	<u>(1,027,700)</u>
Total revenues	<u>69,698,138</u>	<u>357,413</u>	<u>70,055,551</u>			<u>67,906,899</u>	<u>(2,148,652)</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, 2016

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
General government:							
City council	\$ 2,494,670	\$ (701,608)	\$ 1,793,062	\$ 1,032,469	\$ 3,024	\$ 1,035,493	\$ 757,569
City manager's office	435,560	1,107,276	1,542,836	387,344	-	387,344	1,155,492
Community relations	261,189	13,071	274,260	265,160	3,000	268,160	6,100
Communications	-	4,418	4,418	33,991	-	33,991	(29,573)
City clerk's office	583,848	(12,579)	571,269	574,017	279	574,296	(3,027)
Municipal court	1,103,795	(20,659)	1,083,136	1,046,915	7	1,046,922	36,214
Legal administration	1,166,336	122,970	1,289,306	1,192,860	-	1,192,860	96,446
Information Technology	2,247,183	467,593	2,714,776	1,885,350	235,234	2,120,584	594,192
Human resource admin	783,629	5,411	789,040	701,556	77,044	778,600	10,440
Safety administration	134,298	(3,782)	130,516	106,538	3,091	109,629	20,887
Building services admin	137,440	6,080	143,520	103,564	901	104,465	39,055
Custodial services	212,636	(3,988)	208,648	189,155	-	189,155	19,493
Building repair services	444,339	53,448	497,787	413,017	4,760	417,777	80,010
Human rights commission	230	-	230	21	-	21	209
Children's rights commission	176	-	176	140	-	140	36
Social & voluntary services	175,000	5,746	180,746	172,329	2,671	175,000	5,746
Norman public library	404,686	25,000	429,686	265,878	-	265,878	163,808
Firehouse art center	91,822	-	91,822	75,735	-	75,735	16,087
Historical museum	45,291	-	45,291	39,576	-	39,576	5,715
Sooner theatre	92,504	-	92,504	84,510	-	84,510	7,994
Employee training	8,726	(8,500)	226	167	-	167	59
Employee assistance program	24,993	-	24,993	24,948	-	24,948	45
Special studies & contributions	4,900	6,438	11,338	-	3,066	3,066	8,272
Municipal elections	92,115	(10,500)	81,615	66,476	15,139	81,615	-
Sister cities program	1,000	-	1,000	1,005	-	1,005	(5)
Holiday decorations	40,741	(644)	40,097	38,849	-	38,849	1,248
Total general government	10,987,107	1,055,191	12,042,298	8,701,570	348,216	9,049,786	2,992,512
Planning:							
Planning commission	347	(90)	257	250	-	250	7
Historic district commission	2,782	(1,781)	1,001	239	-	239	762
Greenbelt commission	490	(490)	-	-	-	-	-
Planning administration	481,346	297	481,643	524,954	663	525,617	(43,974)
Geographic information	415,421	5,847	421,268	400,552	1,955	402,507	18,761
Development services	1,617,399	(9,629)	1,607,770	1,530,997	21,427	1,552,424	55,346
Revitalization	873,666	(14,426)	859,240	742,774	1,730	744,504	114,736
Current planning	216,138	(2,373)	213,765	213,780	-	213,780	(15)
Total planning	3,607,589	(22,645)	3,584,944	3,413,546	25,775	3,439,321	145,623

(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, 2016

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
General government:							
City council	\$ 2,494,670	\$ (701,608)	\$ 1,793,062	\$ 1,032,469	\$ 3,024	\$ 1,035,493	\$ 757,569
City manager's office	435,560	1,107,276	1,542,836	387,344	-	387,344	1,155,492
Community relations	261,189	13,071	274,260	265,160	3,000	268,160	6,100
Communications	-	4,418	4,418	33,991	-	33,991	(29,573)
City clerk's office	583,848	(12,579)	571,269	574,017	279	574,296	(3,027)
Municipal court	1,103,795	(20,659)	1,083,136	1,046,915	7	1,046,922	36,214
Legal administration	1,166,336	122,970	1,289,306	1,192,860	-	1,192,860	96,446
Information Technology	2,247,183	467,593	2,714,776	1,885,350	235,234	2,120,584	594,192
Human resource admin	783,629	5,411	789,040	701,556	77,044	778,600	10,440
Safety administration	134,298	(3,782)	130,516	106,538	3,091	109,629	20,887
Building services admin	137,440	6,080	143,520	103,564	901	104,465	39,055
Custodial services	212,636	(3,988)	208,648	189,155	-	189,155	19,493
Building repair services	444,339	53,448	497,787	413,017	4,760	417,777	80,010
Human rights commission	230	-	230	21	-	21	209
Children's rights commission	176	-	176	140	-	140	36
Social & voluntary services	175,000	5,746	180,746	172,329	2,671	175,000	5,746
Norman public library	404,686	25,000	429,686	265,878	-	265,878	163,808
Firehouse art center	91,822	-	91,822	75,735	-	75,735	16,087
Historical museum	45,291	-	45,291	39,576	-	39,576	5,715
Sooner theatre	92,504	-	92,504	84,510	-	84,510	7,994
Employee training	8,726	(8,500)	226	167	-	167	59
Employee assistance program	24,993	-	24,993	24,948	-	24,948	45
Special studies & contributions	4,900	6,438	11,338	-	3,066	3,066	8,272
Municipal elections	92,115	(10,500)	81,615	66,476	15,139	81,615	-
Sister cities program	1,000	-	1,000	1,005	-	1,005	(5)
Holiday decorations	40,741	(644)	40,097	38,849	-	38,849	1,248
Total general government	10,987,107	1,055,191	12,042,298	8,701,570	348,216	9,049,786	2,992,512
Planning:							
Planning commission	347	(90)	257	250	-	250	7
Historic district commission	2,782	(1,781)	1,001	239	-	239	762
Greenbelt commission	490	(490)	-	-	-	-	-
Planning administration	481,346	297	481,643	524,954	663	525,617	(43,974)
Geographic information	415,421	5,847	421,268	400,552	1,955	402,507	18,761
Development services	1,617,399	(9,629)	1,607,770	1,530,997	21,427	1,552,424	55,346
Revitalization	873,666	(14,426)	859,240	742,774	1,730	744,504	114,736
Current planning	216,138	(2,373)	213,765	213,780	-	213,780	(15)
Total planning	3,607,589	(22,645)	3,584,944	3,413,546	25,775	3,439,321	145,623

(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, 2016

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
City controller:							
Finance administration	\$ 330,471	\$ 101,595	\$ 432,066	\$ 415,469	\$ -	\$ 415,469	\$ 16,597
Accounting services	665,394	(11,301)	654,093	606,159	4,848	611,007	43,086
Printing services	238,434	30,707	269,141	253,266	9,451	262,717	6,424
Budget services	134,366	(177)	134,189	133,338	-	133,338	851
Treasury services	662,736	(216)	662,520	766,603	3	766,606	(104,086)
Utility services	1,361,444	52,717	1,414,161	1,272,924	65,182	1,338,106	76,055
Total city controller	3,392,845	173,325	3,566,170	3,447,759	79,484	3,527,243	38,927
Parks and recreation:							
Parks board	767	(351)	416	269	-	269	147
Mosquito control program	10,177	846	11,023	961	-	961	10,062
Santa Fe Depot	8,461	47	8,508	5,605	-	5,605	2,903
Administration	694,635	(1,495)	693,140	604,311	18,850	623,161	69,979
Park maintenance	2,631,352	421,866	3,053,218	2,412,084	29,071	2,441,155	612,063
Forestry	20,955	(10,388)	10,567	4,507	-	4,507	6,060
Recreation little league	68,602	71,657	140,259	85,182	-	85,182	55,077
Recreation programs	1,225,774	(53,881)	1,171,893	1,103,363	-	1,103,363	68,530
Senior citizens center	158,381	(1,668)	156,713	151,022	-	151,022	5,691
Total parks & recreation	4,819,104	426,633	5,245,737	4,367,304	47,921	4,415,225	830,512
Public works:							
Public works administratic	295,937	650	296,587	290,628	1,936	292,564	4,023
Engineering department	1,170,350	496,524	1,666,874	1,439,751	182,747	1,622,498	44,376
Street maintenance	3,544,211	202,970	3,747,181	3,250,264	43,567	3,293,831	453,350
Stormwater drainage	2,985,435	136,563	3,121,998	2,630,191	73,115	2,703,306	418,692
Stormwater quality	264,943	(4,436)	260,507	222,889	16,806	239,695	20,812
Traffic control	3,402,881	11,903	3,414,784	3,207,717	65,224	3,272,941	141,843
Fleet maintenance admin	331,164	(18,870)	312,294	379,215	584	379,799	(67,505)
Fleet repair services	1,294,859	(31,462)	1,263,397	1,103,709	4,128	1,107,837	155,560
Fleet fuel and parts	3,251,736	162,779	3,414,515	2,105,193	(12,446)	2,092,747	1,321,768
CNG Station	339,717	(79,052)	260,665	226,203	7,251	233,454	27,211
Total public works	16,881,233	877,569	17,758,802	14,855,760	382,912	15,238,672	2,520,130
Public safety:							
Police department admin	1,054,709	(11,292)	1,043,417	1,232,131	1,200	1,233,331	(189,914)
Staff services	2,242,586	(83,107)	2,159,479	2,112,292	19,670	2,131,962	27,517
Criminal investigations	2,960,132	(19,936)	2,940,196	2,751,619	23,981	2,775,600	164,596
Patrol	10,683,862	51,493	10,735,355	10,341,417	53,691	10,395,108	340,247
Special Investigations	1,372,369	8,746	1,381,115	1,324,880	9,516	1,334,396	46,719
Animal control	1,106,038	186,374	1,292,412	1,149,625	28,651	1,178,276	114,136
911 services	1,968,067	(8,039)	1,960,028	1,987,614	-	1,987,614	(27,586)
Fire department admin	584,932	857	585,789	602,143	718	602,861	(17,072)
Training - fire department	499,821	(8,384)	491,437	271,242	146,551	417,793	73,644
Fire prevention	878,391	12,570	890,961	874,934	145	875,079	15,882
Fire suppression	13,437,649	302,424	13,740,073	13,434,623	126,657	13,561,280	178,793
Diaster preparedness servi	158,010	4,630	162,640	143,742	537	144,279	18,361
Total public safety	36,946,566	436,336	37,382,902	36,226,262	411,317	36,637,579	745,323
Total expenditures and encumbrances	76,634,444	2,946,409	79,580,853	\$ 71,012,101	\$ 1,295,625	72,307,726	7,273,127

(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, 2016

	Original Budget	Revisions	Revised Budget	Actual	Variance- Positive (Negative)
Excess (deficiency) of revenues over expendi- tures and encumbrances	<u>(6,936,306)</u>	<u>(2,588,996)</u>	<u>(9,525,302)</u>	<u>(4,400,827)</u>	<u>5,124,475</u>
OTHER FINANCING SOURCES (USES):					
Transfers in:					
Norman Utilities					
Authority	1,386,448	107,000	1,493,448	1,612,019	118,571
Capital Projects Fund	3,595,290	133,439	3,728,729	4,388,475	659,746
Insurance Fund	<u>-</u>	<u>20,946</u>	<u>20,946</u>	<u>20,941</u>	<u>(5)</u>
Total transfers in	<u>4,981,738</u>	<u>261,385</u>	<u>5,243,123</u>	<u>6,021,435</u>	<u>778,312</u>
Transfers out:					
Capital Projects Fund	-	(246,752)	(246,752)	(246,752)	-
Seizures Fund	<u>-</u>	<u>(45,154)</u>	<u>(45,154)</u>	<u>(45,154)</u>	<u>-</u>
Total transfers out	<u>-</u>	<u>(291,906)</u>	<u>(291,906)</u>	<u>(291,906)</u>	<u>-</u>
Net other financing sources (uses)	<u>4,981,738</u>	<u>(30,521)</u>	<u>4,951,217</u>	<u>5,729,529</u>	<u>778,312</u>

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, 2016**

	Original Budget	Revisions	Revised Budget	Actual	Variance- Positive (Negative)
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances, and other uses	(1,954,568)	(2,619,517)	(4,574,085)	1,328,702	5,902,787
Fund balance, July 1, 2015 (Non-GAAP budgetary basis)	<u>2,476,505</u>	<u>-</u>	<u>2,476,505</u>	<u>2,476,505</u>	<u>-</u>
Fund balance, June 30, 2016 (Non-GAAP budgetary basis)	<u>\$ 521,937</u>	<u>\$ (2,619,517)</u>	<u>\$ (2,097,580)</u>	<u>\$ 3,805,207</u>	<u>\$ 5,902,787</u> (Concluded)

THE CITY OF NORMAN, OKLAHOMA

PUBLIC SAFETY SALES 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, 2016

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Sales tax	\$ 9,481,250	\$ -	\$ 9,481,250			\$ 9,540,580	\$ 59,330
Use tax	<u>386,250</u>	<u>-</u>	<u>386,250</u>			<u>446,504</u>	<u>60,254</u>
Total taxes	9,867,500	-	9,867,500			9,987,084	119,584
Investment earnings	<u>50,000</u>	<u>5,270</u>	<u>55,270</u>			<u>62,981</u>	<u>7,711</u>
Total revenues	<u>9,917,500</u>	<u>5,270</u>	<u>9,922,770</u>			<u>10,050,065</u>	<u>127,295</u>
EXPENDITURES AND ENCUMBRANCES:							
Public safety:							
Police staff services	50,027	880,350	930,377	\$ (420,457)	\$ 432,230	11,773	918,604
Police criminal investigations	557,749	62,987	620,736	575,921	16,606	592,527	28,209
Police patrol	4,537,053	424,006	4,961,059	4,511,432	42,333	4,553,765	407,294
Fire suppression	3,160,773	1,990,629	5,151,402	3,990,150	228,290	4,218,440	932,962
Capital projects	1,160,747	-	1,160,747	44,063	26,074	70,137	1,090,610
Debt services	<u>497,845</u>	<u>3,661</u>	<u>501,506</u>	<u>501,506</u>	<u>-</u>	<u>501,506</u>	<u>-</u>
Total expenditures and encumbrances	<u>9,964,194</u>	<u>3,361,633</u>	<u>13,325,827</u>	<u>\$ 9,202,615</u>	<u>\$ 745,533</u>	<u>9,948,148</u>	<u>3,377,679</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	(46,694)	(3,356,363)	(3,403,057)			101,917	3,504,974
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other sources (uses)	<u>(46,694)</u>	<u>(3,356,363)</u>	<u>(3,403,057)</u>			<u>101,917</u>	<u>3,504,974</u>
Fund balance, July 1, 2015 (Non-GAAP budgetary basis)	<u>28,063,496</u>	<u>-</u>	<u>28,063,496</u>			<u>28,063,496</u>	<u>-</u>
Fund balance, June 30, 2016 (Non-GAAP budgetary basis)	<u>\$ 28,016,802</u>	<u>\$ (3,356,363)</u>	<u>\$ 24,660,439</u>			<u>\$ 28,165,413</u>	<u>\$ 3,504,974</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION ON BUDGETARY COMPARISON
SCHEDULE – GENERAL FUND AND PUBLIC SAFETY SALES TAX 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, 2016, are as follows:

	General Fund	Public Safety Sales Tax Fund
Fund balances - budgetary basis, June 30, 2016	\$ 3,805,207	\$ 28,165,413
Current year encumbrances included in expenditures	1,425,689	745,533
Prior year encumbrances outstanding	855,735	363,636
Current year revenue accrual	8,167,360	1,620,691
Current year expenditure accrual	(3,077,231)	(452,674)
Rainy Day Fund Balance	<u>3,226,149</u>	<u>-</u>
Fund balances - fund financial statements, June 30, 2016	<u>\$ 14,402,909</u>	<u>\$ 30,442,599</u>
Revenues - budgetary basis	\$ 67,906,899	\$ 10,050,065
Current year revenue accrual	8,167,360	1,620,691
Prior year revenue accrual	(8,303,996)	(1,635,883)
On-behalf payments	-	-
Interest earned within Rainy Day Fund	<u>37,415</u>	<u>-</u>
Revenues - fund financial statements	<u>\$ 67,807,678</u>	<u>\$ 10,034,873</u>
Expenditures - budgetary basis	\$ 72,307,726	\$ 9,948,148
Current year encumbrances included in expenditures	(1,295,625)	(745,533)
Prior year encumbrances paid	2,035,030	1,776,759
Current year expenditure accrual	3,077,231	452,674
Prior year expenditure accrual	(2,590,706)	(337,558)
On-behalf payments	<u>-</u>	<u>-</u>
Expenditures - fund financial statements	<u>\$ 73,533,656</u>	<u>\$ 11,094,490</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Norman Room Tax Fund	Community Development Fund	Special Grants Fund	Park Land Fund	Seizures and Restitutions Fund	Cleet Fund	Art in Public Places Fund	Total Nonmajor Governmental Total
ASSETS								
Cash and cash equivalents	\$ 69,426	\$12,711,880	\$ 25,469	\$ -	\$ 642,641	\$ 122	\$ 1,870	\$ 13,451,408
Investments	459,365	-	2,764,091	967,684	371,421	14,472	-	4,577,033
Receivables:								
Taxes	164,031	-	-	-	-	-	-	164,031
Accounts	-	-	-	-	28,001	-	331	28,332
Interest	816	-	4,909	1,719	660	26	-	8,130
Due from Federal Government	-	334,807	538,028	-	-	-	-	872,835
Due from Federal other funds	<u>19,002</u>	<u>3,434,634</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41</u>	<u>506</u>	<u>3,454,183</u>
Total assets	<u>\$ 712,640</u>	<u>\$16,481,321</u>	<u>\$ 3,332,497</u>	<u>\$ 969,403</u>	<u>\$ 1,042,723</u>	<u>\$ 14,661</u>	<u>\$ 2,707</u>	<u>\$ 22,555,952</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable and other accrued liabilities	\$ 41,100	\$ 294,543	\$ 153,752	\$ 1,980	\$ 5,871	\$ -	\$ 2,702	\$ 499,948
Payroll payable	-	19,391	6,112	-	4,243	-	-	29,746
Due to other funds	-	-	227,648	5,409	242,587	-	-	475,644
Total liabilities	<u>41,100</u>	<u>313,934</u>	<u>387,512</u>	<u>7,389</u>	<u>252,701</u>	<u>-</u>	<u>2,702</u>	<u>1,005,338</u>
Fund balance:								
Restricted	666,395	16,167,387	2,551,476	962,014	769,572	13,788	5	21,130,637
Assigned	<u>5,145</u>	<u>-</u>	<u>393,509</u>	<u>-</u>	<u>20,450</u>	<u>873</u>	<u>-</u>	<u>419,977</u>
Total fund balance	<u>671,540</u>	<u>16,167,387</u>	<u>2,944,985</u>	<u>962,014</u>	<u>790,022</u>	<u>14,661</u>	<u>5</u>	<u>21,550,614</u>
Total liabilities and fund balance	<u>\$ 712,640</u>	<u>\$16,481,321</u>	<u>\$ 3,332,497</u>	<u>\$ 969,403</u>	<u>\$ 1,042,723</u>	<u>\$ 14,661</u>	<u>\$ 2,707</u>	<u>\$ 22,555,952</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, 2016

	Norman Room Tax Fund	Community Development Fund	Special Grants Fund	Park Land Fund	Seizures and Restitutions Fund	Cleet Fund	Art in Public Places Fund	Total Nonmajor Governmental Total
Revenues:								
Taxes	\$ 1,825,087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,825,087
Intergovernmental revenues	-	2,087,663	1,687,289	-	-	23,710	-	3,798,662
Charges for services	-	-	-	173,853	-	-	-	173,853
Investment earnings	5,529	-	33,595	11,372	5,047	164	-	55,707
Other	-	-	-	-	188,572	-	10,816	199,388
Total revenues	<u>1,830,616</u>	<u>2,087,663</u>	<u>1,720,884</u>	<u>185,225</u>	<u>193,619</u>	<u>23,874</u>	<u>10,816</u>	<u>6,052,697</u>
Expenditures:								
Current:								
Parks and recreation	40,785	-	-	-	-	-	10,815	51,600
Public service	1,424,768	1,528,366	9,692	-	-	-	-	2,962,826
Public safety	-	-	1,180,454	-	229,633	30,494	-	1,440,581
Public works	-	-	25,095	-	-	-	-	25,095
Capital outlay	206,003	721,687	446,891	308,704	19,998	-	-	1,703,283
Total expenditures	<u>1,671,556</u>	<u>2,250,053</u>	<u>1,662,132</u>	<u>308,704</u>	<u>249,631</u>	<u>30,494</u>	<u>10,815</u>	<u>6,183,385</u>
Excess (deficiency) of revenues over (under) expenditures	<u>159,060</u>	<u>(162,390)</u>	<u>58,752</u>	<u>(123,479)</u>	<u>(56,012)</u>	<u>(6,620)</u>	<u>1</u>	<u>(130,688)</u>
Other financing sources (uses):								
Transfers in	70,000	15,607,229	700,000	-	45,154	-	-	16,422,383
Transfers out	(203,760)	(416,948)	(760,964)	-	-	-	-	(1,381,672)
Net other financing sources (uses)	<u>(133,760)</u>	<u>15,190,281</u>	<u>(60,964)</u>	<u>-</u>	<u>45,154</u>	<u>-</u>	<u>-</u>	<u>15,040,711</u>
Net change in fund balances	25,300	15,027,891	(2,212)	(123,479)	(10,858)	(6,620)	1	14,910,023
Fund balance - beginning	<u>646,240</u>	<u>1,139,496</u>	<u>2,947,197</u>	<u>1,085,493</u>	<u>800,880</u>	<u>21,281</u>	<u>4</u>	<u>6,640,591</u>
Fund balance - ending	<u>\$ 671,540</u>	<u>\$ 16,167,387</u>	<u>\$ 2,944,985</u>	<u>\$ 962,014</u>	<u>\$ 790,022</u>	<u>\$ 14,661</u>	<u>\$ 5</u>	<u>\$ 21,550,614</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, 2016

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Hotel/motel tax	\$ 1,828,250	\$ -	\$ 1,828,250			\$ 1,838,686	\$ 10,436
Investment earnings	1,500	-	1,500			4,048	2,548
Total revenues	<u>1,829,750</u>	<u>-</u>	<u>1,829,750</u>			<u>1,842,734</u>	<u>12,984</u>
EXPENDITURES AND ENCUMBRANCES:							
Public service:							
Room tax	<u>1,623,119</u>	<u>275,919</u>	<u>1,899,038</u>	<u>\$ 1,666,337</u>	<u>\$ 85,900</u>	<u>1,752,237</u>	<u>146,801</u>
Total expenditures and encumbrances	<u>1,623,119</u>	<u>275,919</u>	<u>1,899,038</u>	<u>\$ 1,666,337</u>	<u>\$ 85,900</u>	<u>1,752,237</u>	<u>146,801</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	<u>206,631</u>	<u>(275,919)</u>	<u>(69,288)</u>			<u>90,497</u>	<u>159,785</u>
OTHER FINANCING USES:							
Transfers in:							
Capital fund	-	70,000	70,000			70,000	-
Transfers out:							
Westwood	<u>(203,754)</u>	<u>(6)</u>	<u>(203,760)</u>			<u>(203,760)</u>	<u>-</u>
Net other financing sources (uses)	<u>(203,754)</u>	<u>69,994</u>	<u>(133,760)</u>			<u>(133,760)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other uses	2,877	(205,925)	(203,048)			(43,263)	159,785
Fund balance, July 1, 2015 (Non-GAAP budgetary basis)	<u>455,456</u>		<u>455,456</u>			<u>455,456</u>	<u>-</u>
Fund balance, June 30, 2016 (Non-GAAP budgetary basis)	<u>\$ 458,333</u>	<u>\$ (205,925)</u>	<u>\$ 252,408</u>			<u>\$ 412,193</u>	<u>\$ 159,785</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, 2016

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Intergovernmental:							
Community development block grant ("CDBG")	\$ 744,311	\$ 38,176	\$ 782,487			\$ 1,014,700	\$ 232,213
CDBG-DR grant	10,992,600	-	10,992,600			416,948	(10,575,652)
Emergency shelter grant	-	-	-			-	-
Home grant	296,211	3,000	299,211			470,902	171,691
COC planning grant	-	14,794	14,794			4,337	(10,457)
Total revenues	<u>12,033,122</u>	<u>55,970</u>	<u>12,089,092</u>			<u>1,906,887</u>	<u>(10,182,205)</u>
EXPENDITURES AND ENCUMBRANCES:							
Public service:							
Community development	259,093	283,538	542,631	\$ 281,760	\$ 235,057	516,817	25,814
CDBG housing	485,218	462,303	947,521	583,838	-	583,838	363,683
CDBG-DR	-	16,338,941	16,338,941	811,027	10,864,946	11,675,973	4,662,968
Home grants	296,211	60,704	356,915	75,179	119,000	194,179	162,736
COC planning grants	-	14,794	14,794	4,337	-	4,337	10,457
Emergency shelter grants	-	-	-	-	-	-	-
Total expenditures and encumbrances	<u>1,040,522</u>	<u>17,160,280</u>	<u>18,200,802</u>	<u>\$ 1,756,141</u>	<u>\$11,219,003</u>	<u>12,975,144</u>	<u>5,225,658</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	10,992,600	(17,104,310)	(6,111,710)			(11,068,257)	(4,956,547)
OTHER FINANCING SOURCES (USES):							
Operating transfers in:							
Capital Fund	-	15,607,229	15,607,229			15,607,229	-
Operating transfers out:							
Capital Fund	-	(416,949)	(416,949)			(416,948)	1
Excess (deficiency) of revenues over (under) expenditures, encumbrances and other uses	10,992,600	(1,914,030)	9,078,570			4,122,024	(4,956,546)
Fund balance (deficit), July 1, 2015 (Non-GAAP budgetary basis)							
	<u>510,944</u>	<u>-</u>	<u>510,944</u>			<u>510,944</u>	<u>-</u>
Fund balance (deficit), June 30, 2016 (Non-GAAP budgetary basis)							
	<u>\$ 11,503,544</u>	<u>\$ (1,914,030)</u>	<u>\$ 9,589,514</u>			<u>\$ 4,632,968</u>	<u>\$ (4,956,546)</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, 2016

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Intergovernmental:							
County Court DUI	\$ 63,982	\$ -	\$ 63,982			\$ 46,281	\$ (17,701)
Public safety grants	-	257,540	257,540			1,137,852	880,312
Public service grants	-	17,000	17,000			14,469	(2,531)
Recreation grants	-	15,000	15,000			39,147	24,147
Public works grants	-	10,000	10,000			35,095	25,095
Total intergovernmental	63,982	299,540	363,522			1,272,844	909,322
Investment earnings	-	-	-			24,403	24,403
Total revenues	63,982	299,540	363,522			1,297,247	933,725
EXPENDITURES AND ENCUMBRANCES:							
DUI enforcement	63,982	1,236	65,218	\$ 14,174	\$ -	14,174	51,044
Traffic & alcohol enforcement	-	98,745	98,745	72,519	-	72,519	26,226
Bullet proof vest grant	-	214	214	-	-	-	214
Saferoom grant	-	187,825	187,825	186,953	-	186,953	872
Shelter rebate grant	-	971,781	971,781	824,114	-	824,114	147,667
JAG grant	-	17,286	17,286	17,266	-	17,266	20
Emergency management	-	39,054	39,054	38,749	134	38,883	171
Miscellaneous police grants	-	5,656	5,656	5,160	400	5,560	96
SHPO / CLG grant	-	32,000	32,000	9,692	-	9,692	22,308
Main Street DT Imp Enhancement	-	600,000	600,000	67,840	33,293	101,133	498,867
CNG facility	-	100,000	100,000	-	1,500	1,500	98,500
ACOG fleet conversion grant	-	91,154	91,154	9,940	(9,940)	-	91,154
Saxon Park grant	-	160,000	160,000	-	160,000	160,000	-
Legacy Trail improvement grant	-	600,000	600,000	25,141	26,939	52,080	547,920
Drug evaluation/recognition	-	49,163	49,163	49,162	-	49,162	1
Traffic grant	-	619,475	619,475	15,155	-	15,155	604,320
Homeland security grant - UASI	-	67,980	67,980	67,980	-	67,980	-
School Zone Imp grant	-	190,000	190,000	-	-	-	190,000
City beautification	-	-	-	-	-	-	-

(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, 2016

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
Total expenditures and encumbrances	63,982	3,831,569	3,895,551	\$ 1,403,845	\$212,326	1,616,171	2,279,380
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances	<u>-</u>	<u>(3,532,029)</u>	<u>(3,532,029)</u>			<u>(318,924)</u>	<u>3,213,105</u>
OTHER FINANCING SOURCES (USES):							
Operating transfers in:							
Capital Fund	1,019,975	700,000	1,719,975			700,000	(1,019,975)
General Fund	-	-	-			-	-
Operating transfers out:							
Capital Fund	<u>(1,019,975)</u>	<u>-</u>	<u>(1,019,975)</u>			<u>(760,964)</u>	<u>259,011</u>
Net other financing sources	-	700,000	700,000			(60,964)	(760,964)
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other sources	-	(2,832,029)	(2,832,029)			(379,888)	2,452,141
Fund balance (deficit), July 1, 2015 (Non-GAAP budgetary basis)	<u>2,482,244</u>	<u>-</u>	<u>2,482,244</u>			<u>2,482,244</u>	<u>-</u>
Fund balance (deficit), June 30, 2016 (Non-GAAP budgetary basis)	<u>\$2,482,244</u>	<u>\$ (2,832,029)</u>	<u>\$ (349,785)</u>			<u>\$ 2,102,356</u>	<u>\$ 2,452,141</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, 2016

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Investment earnings	\$ 15,000	\$ -	\$ 15,000			\$ 8,527	\$ (6,473)
Charges for services	<u>85,000</u>	<u>-</u>	<u>85,000</u>			<u>173,853</u>	<u>88,853</u>
Total revenues	<u>100,000</u>	<u>-</u>	<u>100,000</u>			<u>182,380</u>	<u>82,380</u>
EXPENDITURES AND ENCUMBRANCES:							
Parks and recreation	<u>37,500</u>	<u>555,253</u>	<u>592,753</u>	<u>\$ 297,404</u>	<u>\$ 35,713</u>	<u>333,117</u>	<u>259,636</u>
Total expenditures and encumbrances	<u>37,500</u>	<u>555,253</u>	<u>592,753</u>	<u>\$ 297,404</u>	<u>\$ 35,713</u>	<u>333,117</u>	<u>259,636</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	62,500	(555,253)	(492,753)			(150,737)	342,016
OTHER FINANCING SOURCES (USES):							
Transfers in:							
Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>			<u>-</u>	<u>-</u>
Net other financing source	<u>-</u>	<u>-</u>	<u>-</u>			<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures, encumbrances and other financing sources (uses)	62,500	(555,253)	(492,753)			(150,737)	342,016
Fund balance, July 1, 2015 (Non-GAAP budgetary basis)	<u>1,073,083</u>	<u>-</u>	<u>1,073,083</u>			<u>1,073,083</u>	<u>-</u>
Fund balance, June 30, 2016 (Non-GAAP budgetary basis)	<u>\$ 1,135,583</u>	<u>\$ (555,253)</u>	<u>\$ 580,330</u>			<u>\$ 922,346</u>	<u>\$ 342,016</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, 2016

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Intergovernmental:							
State Seizure/Restitution	\$ 9,000	\$ -	\$ 9,000			\$ 130,371	\$ 121,371
Federal Seizure/Restitution	6,000	-	6,000			16,575	10,575
Investment earnings	500	-	500			3,948	3,448
Juvenile Program	77,000	-	77,000			43,657	(33,343)
Miscellaneous income	-	-	-			(2,031)	(2,031)
Total revenues	<u>92,500</u>	<u>-</u>	<u>92,500</u>			<u>192,520</u>	<u>100,020</u>
EXPENDITURES AND ENCUMBRANCES:							
Public Safety:							
State seizures	115,060	73,032	188,092	\$ 125,575	\$ 11,853	137,428	50,664
Federal seizures	300	199	499	498	-	498	1
Juvenile program	<u>85,078</u>	<u>(2,939)</u>	<u>82,139</u>	<u>71,933</u>	<u>-</u>	<u>71,933</u>	<u>10,206</u>
Total expenditures and encumbrances	<u>200,438</u>	<u>70,292</u>	<u>270,730</u>	<u>\$ 198,006</u>	<u>\$ 11,853</u>	<u>209,859</u>	<u>60,871</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	(107,938)	(70,292)	(178,230)			(17,339)	160,891
OTHER FINANCING SOURCES (USES):							
Transfers in:							
General Fund	-	-	-			45,154	45,154
Net other financing sources	<u>-</u>	<u>-</u>	<u>-</u>			<u>45,154</u>	<u>45,154</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances and other financing sources (uses)	(107,938)	(70,292)	(178,230)			27,815	206,045
Fund balance, July 1, 2015 (Non-GAAP budgetary basis)	<u>752,786</u>	<u>-</u>	<u>752,786</u>			<u>752,786</u>	<u>-</u>
Fund balance, June 30, 2016 (Non-GAAP budgetary basis)	<u>\$ 644,848</u>	<u>\$ (70,292)</u>	<u>\$ 574,556</u>			<u>\$ 780,601</u>	<u>\$ 206,045</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, 2016

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Fines and forfeitures:							
Cleet training revenue	\$ 32,000	\$ -	\$ 32,000			\$ 23,710	\$ (8,290)
Investment earnings	-	-	-			127	127
Miscellaneous revenue	-	-	-			-	-
Total revenues	<u>32,000</u>	<u>-</u>	<u>32,000</u>			<u>23,837</u>	<u>(8,163)</u>
EXPENDITURES AND ENCUMBRANCES:							
Public Safety:							
Court Cleet Training	1,700	-	1,700	\$ 943	\$ -	943	757
Police Cleet Training	<u>29,005</u>	<u>1,500</u>	<u>30,505</u>	<u>28,051</u>	<u>895</u>	<u>28,946</u>	<u>1,559</u>
Total expenditures and encumbrances	<u>30,705</u>	<u>1,500</u>	<u>32,205</u>	<u>\$ 28,994</u>	<u>\$ 895</u>	<u>29,889</u>	<u>2,316</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	1,295	(1,500)	(205)			(6,052)	(5,847)
Fund balance, July 1, 2015 (Non-GAAP budgetary basis)	<u>19,761</u>	<u>-</u>	<u>19,761</u>			<u>19,761</u>	<u>-</u>
Fund balance, June 30, 2016 (Non-GAAP budgetary basis)	<u>\$ 21,056</u>	<u>\$ (1,500)</u>	<u>\$ 19,556</u>			<u>\$ 13,709</u>	<u>\$ (5,847)</u>

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, 2016

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Other revenue	\$ 16,000	\$ -	\$ 16,000			\$ 10,816	\$ (5,184)
Total revenues	16,000	-	16,000			10,816	(5,184)
EXPENDITURES AND ENCUMBRANCES:							
Parks & recreation							
Donation	16,000	-	16,000	\$ 9,238	\$ 6,761	15,999	1
Total expenditures and encumbrances	16,000	-	16,000	\$ 9,238	\$ 6,761	15,999	1
Excess (deficiency) of revenues over (under) expenditures and encumbrances						(5,183)	(5,183)
Fund balance, July 1, 2015 (Non-GAAP budgetary basis)	(1,573)	-	(1,573)			(1,573)	-
Fund balance, June 30, 2016 (Non-GAAP budgetary basis)	\$ (1,573)	\$ -	\$ (1,573)			\$ (6,756)	\$ (5,183)

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, 2016

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Property tax	\$ 10,498,288	\$ -	\$ 10,498,288			\$ 9,124,209	\$ (1,374,079)
Sales tax	-	-	-			-	-
Total taxes	10,498,288	-	10,498,288			9,124,209	(1,374,079)
Investment earnings	25,000	-	25,000			64,828	39,828
Other revenue:							
Special assessments	-	-	-			-	-
Total revenues	10,523,288	-	10,523,288			9,189,037	(1,334,251)
EXPENDITURES AND ENCUMBRANCES:							
Debt service:							
Principal	8,520,000	-	8,520,000	\$ 8,520,000	\$ -	8,520,000	-
Interest and fiscal charges	1,680,575	444,191	2,124,766	2,124,765	-	2,124,765	1
Total expenditures and encumbrances	10,200,575	444,191	10,644,766	\$ 10,644,765	\$ -	10,644,765	1
Excess (deficiency) of revenues over (under) expenditures and encumbrances	322,713	(444,191)	(121,478)			(1,455,728)	(1,334,250)
OTHER FINANCING SOURCES (USES):							
Transfers out:							
Risk management fund	(900,400)	39,369	(861,031)			(861,031)	-
Net other financing sources (uses)	(900,400)	39,369	(861,031)			(861,031)	-
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other sources (uses)	(577,687)	(404,822)	(982,509)			(2,316,759)	(1,334,250)
Fund balance, July 1, 2015 (Non-GAAP budgetary basis)	8,839,185	-	8,839,185			8,839,185	-
Fund balance, June 30, 2016 (Non-GAAP budgetary basis)	\$ 8,261,498	\$ (404,822)	\$ 7,856,676			\$ 6,522,426	\$ (1,334,250)

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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, 2016

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Sales tax	\$ 12,385,500	\$ -	\$ 12,385,500			\$ 12,149,280	\$ (236,220)
Sales tax - UNP TIF	3,641,133	-	3,641,133			5,175,189	1,534,056
Property tax - UNP TIF	835,000	-	835,000			670,281	(164,719)
Special assessment	25,000	-	25,000			47,258	22,258
Investment earnings	167,500	-	167,500			1,187,817	1,020,317
Miscellaneous	11,556	52,548	64,104			90,047	25,943
Total revenues	17,065,689	52,548	17,118,237			19,319,872	2,201,635
EXPENDITURES AND ENCUMBRANCES:							
Personnel costs	935,065	19,667	954,732	\$ 951,464	\$ -	951,464	3,268
Services and maintenance	142,856	50,379	193,235	89,699	34,892	124,591	68,644
Cost allocation charges	224,682	-	224,682	293,212	-	293,212	(68,530)
Capital projects	13,750,319	48,597,467	62,347,786	21,220,906	5,788,641	27,009,547	35,338,239
Capital projects - UNP TIF	454,767	1,999,930	2,454,697	51,952	(15,853)	36,099	2,418,598
Debt service	-	263,221	263,221	263,220	-	263,220	1
Debt service - UNP TIF	1,297,777	282,956	1,580,733	1,580,733	-	1,580,733	-
Total expenditures and encumbrances	16,805,466	51,213,620	68,019,086	\$ 24,451,186	\$ 5,807,680	30,258,866	37,760,220
Excess (deficiency) of revenues over (under) expenditures and encumbrances	260,223	(51,161,072)	(50,900,849)			(10,938,994)	39,961,855
OTHER FINANCING SOURCES (USES):							
Transfers Out:							
General fund	(3,595,290)	(133,439)	(3,728,729)			(4,388,475)	(659,746)
Westwood fund	(137,000)	-	(137,000)			(137,004)	(4)
Special grants fund	(1,019,975)	(430,403)	(1,450,378)			(700,000)	750,378
CDBG fund	-	(15,607,229)	(15,607,229)			(15,607,229)	-
Room tax fund	-	(70,000)	(70,000)			(70,000)	-
Norman forward fund	-	(5,582,696)	(5,582,696)			(5,582,696)	-
Transfers In:							
General fund	-	246,752	246,752			246,752	-
CDBG fund	-	-	-			416,948	416,948
Norman forward fund	-	-	-			5,582,696	5,582,696
Special grants fund	1,019,975	-	1,019,975			760,964	(259,011)
Debt proceeds	-	-	-			15,295,500	15,295,500
Net other financing sources (uses)	(3,732,290)	(21,577,015)	(25,309,305)			(4,182,544)	21,126,761
Excess (deficiency) of revenues over expenditures and encumbrances and other sources (uses)	(3,472,067)	(72,738,087)	(76,210,154)			(15,121,538)	61,088,616
Fund balance, July 1, 2015 (Non-GAAP budgetary basis)							
	68,304,031	-	68,304,031			68,304,031	-
Fund balance, June 30, 2016 (Non-GAAP budgetary basis)							
	\$ 64,831,964	\$ (72,738,087)	\$ (7,906,123)			\$ 53,182,493	\$ 61,088,616

THE CITY OF NORMAN, OKLAHOMA

NORMAN FORWARD FUND
 SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Sales tax	\$ -	\$ -	\$ -			\$ 3,036,583	\$ 3,036,583
Use tax	-	-	-			157,660	157,660
Investment earnings	-	-	-			3,790	3,790
Miscellaneous	-	-	-			-	-
Total revenues	-	-	-			3,198,033	3,198,033
EXPENDITURES AND ENCUMBRANCES:							
Services and maintenance	-	1,747,655	1,747,655	\$ 146,836	\$ 1,600,808	1,747,644	11
Capital projects	-	7,186,275	7,186,275	3,182,217	3,893,117	7,075,334	110,941
Debt service	-	460,130	460,130	460,130	-	460,130	-
Total expenditures and encumbrances	-	9,394,060	9,394,060	\$ 3,789,183	\$ 5,493,925	9,283,108	110,952
Excess (deficiency) of revenues over (under) expenditures and encumbrances	-	(9,394,060)	(9,394,060)			(6,085,075)	3,308,985
OTHER FINANCING SOURCES (USES):							
Transfers Out:							
Capital fund	-	(5,852,696)	(5,852,696)			(5,852,696)	-
Transfers In:							
Capital fund	-	5,852,696	5,852,696			5,852,696	-
Debt proceeds	-	-	-			43,160,000	43,160,000
Net other financing sources (uses)	-	-	-			43,160,000	43,160,000
Excess (deficiency) of revenues over expenditures and encumbrances and other sources (uses)	-	(9,394,060)	(9,394,060)			37,074,925	46,468,985
Fund balance, July 1, 2015 (Non-GAAP budgetary basis)	-	-	-			-	-
Fund balance, June 30, 2016 (Non-GAAP budgetary basis)	\$ -	\$ (9,394,060)	\$ (9,394,060)			\$ 37,074,925	\$ 46,468,985

**NOTES TO OTHER SUPPLEMENTARY INFORMATION ON BUDGETARY COMPARISON
SCHEDULES – NONMAJOR 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, 2016, are as follows:

	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Norman Forward Fund
Fund balances, June 30, 2016 (Non-GAAP budgetary basis)	\$ 8,857,417	\$ 6,522,426	\$ 53,182,493	\$ 37,074,925
Current year encumbrances included in expenditures	11,572,451	-	5,807,680	5,493,925
Prior year encumbrances outstanding	26,942	-	1,799,003	-
Current year revenue accrual	1,123,550	30,066	2,930,583	1,593,839
Current year expenditure accrual	(29,746)	0	(225,646)	(4,840)
GAAP basis fund balances, June 30, 2016	<u>\$ 21,550,614</u>	<u>\$ 6,552,492</u>	<u>\$ 63,494,113</u>	<u>\$ 44,157,849</u>
Budgetary basis revenues	\$ 5,456,421	\$ 9,189,037	\$ 19,319,872	\$ 3,198,033
Current year revenue accrual	1,123,550	30,066	2,930,583	1,593,839
Prior year revenue accrual	(527,274)	(8,017)	(2,856,329)	0
GAAP basis revenues	<u>\$ 6,052,697</u>	<u>\$ 9,211,086</u>	<u>\$ 19,394,126</u>	<u>\$ 4,791,872</u>
Budgetary basis expenditures	\$ 16,932,416	\$ 10,644,765	\$ 30,258,866	\$ 9,283,108
Current year encumbrances included in expenditures	(11,572,451)	-	(5,807,680)	(5,493,925)
Prior year encumbrances paid	818,648	-	6,446,013	-
Current year expenditure accrual	29,746	-	225,646	4,840
Prior year expenditure accrual	(24,974)	-	(771,922)	0
GAAP basis expenditures	<u>\$ 6,183,385</u>	<u>\$ 10,644,765</u>	<u>\$ 30,350,923</u>	<u>\$ 3,794,023</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING SCHEDULE OF NET POSITION ENTERPRISE FUND - NORMAN MUNICIPAL AUTHORITY JUNE 30, 2016

ASSETS	Westwood Park	Sanitation Services	Total
Current assets:			
Cash and cash equivalents	\$ 144,523	\$ 498,170	\$ 642,693
Restricted cash and cash equivalents	5,077	551,412	556,489
Investments	-	8,399,582	8,399,582
Receivables:			
Accounts, net of allowance for estimated uncollectible accounts	-	910,405	910,405
Interest	2	14,922	14,924
Due from other funds	-	241,624	241,624
Total current assets	<u>149,602</u>	<u>10,616,115</u>	<u>10,765,717</u>
Noncurrent assets:			
Restricted cash and cash equivalents	219,185	318,846	538,031
Restricted investments	-	-	-
Capital assets, net	<u>7,340,028</u>	<u>10,453,129</u>	<u>17,793,157</u>
Total noncurrent assets	<u>7,559,213</u>	<u>10,771,975</u>	<u>18,331,188</u>
Total assets	<u>7,708,815</u>	<u>21,388,090</u>	<u>29,096,905</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	75,114	378,690	453,804
Payroll payable	75,558	225,153	300,711
Accrued interest payable	5,077	22,344	27,421
Guaranty deposits	-	379,622	379,622
Revenue bonds payable	145,000	-	145,000
Notes payable	-	560,000	560,000
Compensated absences	<u>6,357</u>	<u>20,648</u>	<u>27,005</u>
Total current liabilities	<u>307,106</u>	<u>1,586,457</u>	<u>1,893,563</u>
Noncurrent liabilities:			
Notes payable	-	2,575,000	2,575,000
Compensated absences	96,646	313,904	410,550
Revenue bonds payable, net	<u>836,377</u>	<u>-</u>	<u>836,377</u>
Total noncurrent liabilities	<u>933,023</u>	<u>2,888,904</u>	<u>3,821,927</u>
Total liabilities	<u>1,240,129</u>	<u>4,475,361</u>	<u>5,715,490</u>
NET POSITION			
Invested in capital assets, net	6,340,028	7,318,129	13,658,157
Restricted for debt service	219,185	468,292	687,477
Unrestricted	<u>(90,527)</u>	<u>9,126,308</u>	<u>9,035,781</u>
Total net position	<u>\$ 6,468,686</u>	<u>\$ 16,912,729</u>	<u>\$ 23,381,415</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION ENTERPRISE FUND - NORMAN MUNICIPAL AUTHORITY FOR THE YEAR ENDED JUNE 30, 2016

	Westwood Park	Sanitation Services	Total
Operating revenues:			
Golf and pool fees	\$ 1,098,470	\$ -	\$ 1,098,470
Sanitation services, net	-	14,180,841	14,180,841
Other	133	198,500	198,633
	<u>1,098,603</u>	<u>14,379,341</u>	<u>15,477,944</u>
Total operating revenues			
Operating expenses:			
Salaries and benefits	804,807	4,218,623	5,023,430
Supplies and materials	107,682	947,690	1,055,372
Services and maintenance	221,995	5,480,185	5,702,180
Depreciation and amortization	153,203	1,376,285	1,529,488
	<u>1,287,687</u>	<u>12,022,783</u>	<u>13,310,470</u>
Total operating expenses			
Operating income (loss)	<u>(189,084)</u>	<u>2,356,558</u>	<u>2,167,474</u>
Nonoperating revenues (expenses):			
Investment earnings	283	101,296	101,579
Interest and fiscal charges	(72,457)	(97,662)	(170,119)
Miscellaneous income (expense)	19,630	68,679	88,309
	<u>(52,544)</u>	<u>72,313</u>	<u>19,769</u>
Net nonoperating revenues (expenses)			
Income (loss) before transfers	<u>(241,628)</u>	<u>2,428,871</u>	<u>2,187,243</u>
Transfers in (out):			
Transfers in	340,764	-	340,764
	<u>340,764</u>	<u>-</u>	<u>340,764</u>
Net transfers			
Net income	99,136	2,428,871	2,528,007
Net position - beginning	<u>6,369,550</u>	<u>14,483,858</u>	<u>20,853,408</u>
Net position - ending	<u>\$ 6,468,686</u>	<u>\$ 16,912,729</u>	<u>\$ 23,381,415</u>

THE CITY OF NORMAN, OKLAHOMA
COMBINING SCHEDULE OF CASH FLOWS
ENTERPRISE FUND - NORMAN MUNICIPAL AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2016

	Westwood Park	Sanitation Services	Total
Cash flows from operating activities:			
Cash received from customers	\$ 1,098,603	\$ 14,391,534	\$ 15,490,137
Cash paid to employees for services	(773,751)	(4,194,331)	(4,968,082)
Cash paid to suppliers	(276,211)	(6,406,207)	(6,682,418)
Other receipts (payments)	-	(117,138)	(117,138)
Net cash provided by operating activities	<u>48,641</u>	<u>3,673,858</u>	<u>3,722,499</u>
Cash flows from noncapital financing activities:			
Transfers in	<u>340,764</u>	-	<u>340,764</u>
Net cash provided by noncapital financing activities	<u>340,764</u>	-	<u>340,764</u>
Cash flows from capital and related financing activities:			
Proceeds from disposal of capital assets	25,650	77,237	102,887
Payments for the acquisition of capital assets	(148,534)	(1,627,182)	(1,775,716)
Principal payments on revenue bonds payable	(135,000)	-	(135,000)
Principal payments on notes payable	-	(545,000)	(545,000)
Interest and fiscal charges paid	<u>(70,005)</u>	<u>(100,548)</u>	<u>(170,553)</u>
Net cash used for capital and related financing activities	<u>(327,889)</u>	<u>(2,195,493)</u>	<u>(2,523,382)</u>
Cash flows from investing activities:			
Proceeds from maturity of investments	-	1,876,627	1,876,627
Payments for purchases of investments	-	(4,622,244)	(4,622,244)
Investment earnings received	<u>282</u>	<u>107,100</u>	<u>107,382</u>
Net cash provided by (used for) investing activities	<u>282</u>	<u>(2,638,517)</u>	<u>(2,638,235)</u>
Net change in cash and cash equivalents	61,798	(1,160,152)	(1,098,354)
Cash and cash equivalents - beginning	<u>306,987</u>	<u>2,528,580</u>	<u>2,835,567</u>
Cash and cash equivalents - ending	<u>\$ 368,785</u>	<u>\$ 1,368,428</u>	<u>\$ 1,737,213</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (189,084)	\$ 2,356,558	\$ 2,167,474
Adjustments to reconcile operating income to net cash provided by operating activities:			
Miscellaneous income	19,630	68,679	88,309
Bad debt expense	-	103,848	103,848
Depreciation	153,203	1,376,285	1,529,488
(Gain) loss on disposal of property, plant and equipment	(19,630)	50,730	31,100
Increase in accounts receivable, net	-	(105,067)	(105,067)
Increase in due from other funds	-	(236,547)	(236,547)
Increase in accounts payable and accrued liabilities	53,466	21,668	75,134
Increase in payroll payable	17,236	30,308	47,544
Decrease in retainage payable	-	0	0
Increase in guaranty deposits	-	13,412	13,412
Increase (decrease) in compensated absences	<u>13,820</u>	<u>(6,016)</u>	<u>7,804</u>
Net cash provided by operating activities	<u>\$ 48,641</u>	<u>\$ 3,673,858</u>	<u>\$ 3,722,499</u>
NONCASH ACTIVITIES:			
Change in unrealized (gain) loss on investments	<u>\$ -</u>	<u>\$ 7,235</u>	<u>\$ 7,235</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING SCHEDULE OF NET POSITION ENTERPRISE FUND - NORMAN UTILITIES AUTHORITY JUNE 30, 2016

ASSETS	Water	Wastewater	Total
Current assets:			
Cash and cash equivalents	\$ 668,581	\$ -	\$ 668,581
Restricted cash and cash equivalents	1,919,769	638,051	2,557,820
Investments	22,432,495	6,657,803	29,090,298
Receivables:			
Accounts, net of allowance for estimated uncollectible accounts	2,404,282	922,138	3,326,420
Interest	39,851	22,364	62,215
Due from other funds	467,668	1,025,203	1,492,871
Total current assets	27,932,646	9,265,559	37,198,205
Noncurrent assets:			
Restricted cash and cash equivalents	-	3,405,010	3,405,010
Restricted investments	-	5,934,070	5,934,070
Capital assets, net	94,256,020	143,618,902	237,874,922
Total noncurrent assets	94,256,020	152,957,982	247,214,002
Total assets	122,188,666	162,223,541	284,412,207
DEFERRED OUTFLOW OF RESOURCES			
Deferred charge on refunding	915,138	131,582	1,046,720
Total deferred outflows of resources	915,138	131,582	1,046,720
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	2,566,827	2,224,284	4,791,111
Payroll payable	235,492	179,927	415,419
Accrued interest payable	77,159	185,657	262,816
Retainage payable	147,891	2,117,659	2,265,550
Guaranty deposits	838,240	366,398	1,204,638
Notes payable	1,583,264	4,045,827	5,629,091
Compensated absences	25,174	20,359	45,533
Total current liabilities	5,474,047	9,140,111	14,614,158
Noncurrent liabilities:			
Notes payable, net	21,823,081	23,867,409	45,690,490
Compensated absences	382,710	309,513	692,223
Total noncurrent liabilities	22,205,791	24,176,922	46,382,713
Total liabilities	27,679,838	33,317,033	60,996,871
NET POSITION			
Invested in capital assets, net	71,546,643	115,699,010	187,245,653
Restricted for debt service	294,448	85,996	380,444
Restricted for capital improvements	-	9,339,080	9,339,080
Unrestricted	23,582,875	3,914,004	27,496,879
Total net position	\$ 95,423,966	\$ 129,038,090	\$ 224,462,056

THE CITY OF NORMAN, OKLAHOMA

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION ENTERPRISE FUND - NORMAN UTILITIES AUTHORITY FOR THE YEAR ENDED JUNE 30, 2016

	Water	Wastewater	Total
Operating revenues:			
Water service, net	\$ 22,652,213	\$ -	\$ 22,652,213
Wastewater service, net	-	15,923,396	15,923,396
Other	<u>537,488</u>	<u>9,785</u>	<u>547,273</u>
Total operating revenues	<u>23,189,701</u>	<u>15,933,181</u>	<u>39,122,882</u>
Operating expenses:			
Salaries and benefits	3,917,558	3,149,125	7,066,683
Supplies and materials	1,521,505	338,477	1,859,982
Services and maintenance	5,238,235	7,961,109	13,199,344
Depreciation and amortization	<u>4,451,968</u>	<u>5,176,515</u>	<u>9,628,483</u>
Total operating expenses	<u>15,129,266</u>	<u>16,625,226</u>	<u>31,754,492</u>
Operating income (loss)	<u>8,060,435</u>	<u>(692,045)</u>	<u>7,368,390</u>
Nonoperating revenues (expenses):			
Tax revenue	-	1,709,914	1,709,914
Investment earnings	272,558	141,579	414,137
Interest and fiscal charges	(865,016)	(545,460)	(1,410,476)
Miscellaneous income (expense)	<u>(1,324)</u>	<u>(37,381)</u>	<u>(38,705)</u>
Net nonoperating revenues (expenses)	<u>(593,782)</u>	<u>1,268,652</u>	<u>674,870</u>
Income before capital contributions and operating transfers	<u>7,466,653</u>	<u>576,607</u>	<u>8,043,260</u>
Capital contributions - donated water and sewer distribution systems	6,632,268	3,893,563	10,525,831
Transfers in	-	-	-
Transfers out	<u>(1,029,797)</u>	<u>(582,222)</u>	<u>(1,612,019)</u>
Net capital contributions and transfers	<u>5,602,471</u>	<u>3,311,341</u>	<u>8,913,812</u>
Net income	13,069,124	3,887,948	16,957,072
Net position - beginning	<u>82,354,842</u>	<u>125,150,142</u>	<u>207,504,984</u>
Net position - ending	<u>\$ 95,423,966</u>	<u>\$ 129,038,090</u>	<u>\$ 224,462,056</u>

THE CITY OF NORMAN, OKLAHOMA
COMBINING SCHEDULE OF CASH FLOWS
ENTERPRISE FUND - NORMAN UTILITIES AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2016

	Water	Wastewater	Total
Cash flows from operating activities:			
Cash received from customers	\$ 22,740,591	\$ 16,103,146	\$ 38,843,737
Cash paid to employees for services	(3,885,096)	(3,134,497)	(7,019,593)
Cash paid to suppliers	(5,614,797)	(9,573,074)	(15,187,871)
Other receipts (payments)	(249,762)	6,817,119	6,567,357
Net cash provided by operating activities	<u>12,990,936</u>	<u>10,212,694</u>	<u>23,203,630</u>
Cash flows from noncapital financing activities:			
Transfers out	(1,029,797)	(582,222)	(1,612,019)
Net cash used for noncapital financing activities	<u>(1,029,797)</u>	<u>(582,222)</u>	<u>(1,612,019)</u>
Cash flows from capital and related financing activities:			
Proceeds from disposal of capital assets	33,178	30,423	63,601
Payments for the acquisition of capital assets	(9,062,066)	(31,510,765)	(40,572,831)
Proceeds from taxes	-	1,709,914	1,709,914
Proceeds from revenue bonds	-	-	-
Principal payments on revenue bonds	-	-	-
Proceeds from notes payable	9,380,000	20,330,914	29,710,914
Principal payments on notes payable	(11,022,930)	(4,677,941)	(15,700,871)
Interest and fiscal charges paid	(963,615)	(323,146)	(1,286,761)
Net cash used for capital and related financing activities	<u>(11,635,433)</u>	<u>(14,440,601)</u>	<u>(26,076,034)</u>
Cash flows from investing activities:			
Proceeds from maturity of investments	3,544,194	12,176,731	15,720,925
Payments for purchases of investments	(12,344,478)	(6,929,342)	(19,273,820)
Investment earnings received	282,740	184,379	467,119
Net cash provided by (used for) investing activities	<u>(8,517,544)</u>	<u>5,431,768</u>	<u>(3,085,776)</u>
Net change in cash and cash equivalents	(8,191,838)	621,639	(7,570,199)
Cash and cash equivalents - beginning	<u>10,780,188</u>	<u>3,421,422</u>	<u>14,201,610</u>
Cash and cash equivalents - ending	<u>\$ 2,588,350</u>	<u>\$ 4,043,061</u>	<u>\$ 6,631,411</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 8,060,435	\$ (692,045)	\$ 7,368,390
Adjustments to reconcile operating income to net cash provided by operating activities:			
Miscellaneous income	(1,324)	(37,381)	(38,705)
Bad debt expense	173,858	130,501	304,359
Depreciation	4,451,968	5,176,515	9,628,483
Loss on disposal of property, plant and equipment	205,210	7,875,409	8,080,619
(Increase) decrease in accounts receivable, net	(641,508)	24,807	(616,701)
Increase due from other funds	(453,648)	(1,020,909)	(1,474,557)
Increase (decrease) in accounts payable and accrued liabilities	1,329,068	(2,227,732)	(898,664)
Increase in payroll payable	43,923	19,820	63,743
Increase (decrease) in retainage payable	(184,125)	954,244	770,119
Increase in guaranty deposits	18,540	14,657	33,197
Decrease in compensated absences	(11,461)	(5,192)	(16,653)
Net cash provided by operating activities	<u>\$ 12,990,936</u>	<u>\$ 10,212,694</u>	<u>\$ 23,203,630</u>
NONCASH ACTIVITIES:			
Donated water and sewer distribution systems	<u>\$ 6,632,268</u>	<u>\$ 3,893,563</u>	<u>\$ 10,525,831</u>
Change in unrealized (gain) loss on investments	<u>\$ 17,475</u>	<u>\$ 22,608</u>	<u>\$ 40,083</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016

	Annuity Pool Fund	401(a) Plan Fund	Total
ASSETS			
Investments - mutual funds	\$ 305,981	\$ 72,594,444	\$ 72,900,425
Loans to 401(a) Plan participants	-	3,590,928	3,590,928
Total assets	<u>\$ 305,981</u>	<u>\$ 76,185,372</u>	<u>\$ 76,491,353</u>
LIABILITIES AND NET ASSETS			
Net position:			
Held in trust for pension benefits	\$ 305,981	\$ -	\$ 305,981
Held in trust for retirement benefits	-	76,185,372	76,185,372
Total liabilities and net position	<u>\$ 305,981</u>	<u>\$ 76,185,372</u>	<u>\$ 76,491,353</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED JUNE 30, 2016

ADDITIONS:	Annuity Pool Fund	401(a) Fund	Total
Contributions:			
Employer	\$ 35,000	\$ 2,397,541	\$ 2,432,541
Employee	<u>-</u>	<u>1,981,397</u>	<u>1,981,397</u>
Total contributions	35,000	4,378,938	4,413,938
Investment income	<u>3,983</u>	<u>(700,077)</u>	<u>(696,094)</u>
Total additions	<u>38,983</u>	<u>3,678,861</u>	<u>3,717,844</u>
DEDUCTIONS:			
Pension benefits paid	84,659	4,012,266	4,096,925
Administration costs	<u>1,690</u>	<u>(73,368)</u>	<u>(71,678)</u>
Total deductions	<u>86,349</u>	<u>3,938,898</u>	<u>4,025,247</u>
NET INCREASE	(47,366)	(260,037)	(307,403)
Net position held in trust for pension and retirement benefits, Beginning of year	<u>353,347</u>	<u>76,445,409</u>	<u>76,798,756</u>
End of year	<u>\$ 305,981</u>	<u>\$ 76,185,372</u>	<u>\$ 76,491,353</u>

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
CENTENNIAL AGENCY FUND:				
ASSETS				
Cash	\$ 2,939	\$ -	\$ (2,211)	\$ 728
Investments	4,608	3,747	-	8,355
Interest receivable	11	4	-	15
Due from other funds	<u>8</u>	<u>-</u>	<u>(8)</u>	<u>-</u>
Total assets	<u>\$ 7,566</u>	<u>\$ 3,751</u>	<u>\$ (2,219)</u>	<u>\$ 9,098</u>
LIABILITIES				
Funds held for others	<u>\$ 7,566</u>	<u>\$ 1,532</u>	<u>\$ 0</u>	<u>\$ 9,098</u>

THE CITY OF NORMAN, OKLAHOMA

NET ASSETS BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
Net investment in capital assets	\$ 283,831,364	\$ 282,047,232	\$ 244,461,034	\$ 230,316,125	\$ 226,301,248	\$ 206,982,527	\$ 175,482,607	\$ 168,461,960	\$ 161,077,889	\$ 151,721,378
Restricted	86,079,582	62,156,755	59,573,841	59,450,003	46,103,535	42,431,883	33,165,081	26,111,498	21,745,305	19,049,233
Unrestricted	(43,086,232)	(48,153,075)	(6,068,605)	(6,704,318)	(2,190,465)	(1,500,859)	(259,210)	8,974,819	9,974,408	8,645,895
Total governmental activities net position	\$ 326,824,714	\$ 296,050,912	\$ 297,966,270	\$ 283,061,810	\$ 270,214,318	\$ 247,913,551	\$ 208,388,478	\$ 203,548,277	\$ 192,797,602	\$ 179,416,506
Business-type activities										
Net investment in capital assets	\$ 200,903,810	\$ 183,385,272	\$ 159,760,362	\$ 153,645,303	\$ 149,661,248	\$ 149,829,383	\$ 146,472,150	\$ 135,025,019	\$ 123,751,512	\$ 109,987,262
Restricted	10,407,001	10,023,153	23,214,855	23,764,771	23,888,626	22,568,084	23,202,532	22,411,356	24,610,916	27,853,537
Unrestricted	36,532,660	34,949,967	30,864,543	31,874,629	29,032,825	22,177,807	17,147,722	17,475,856	20,844,722	20,794,262
Total business-type activities net position	\$ 247,843,471	\$ 228,358,392	\$ 213,839,760	\$ 209,284,703	\$ 202,582,699	\$ 194,575,274	\$ 186,822,404	\$ 174,912,231	\$ 169,207,150	\$ 158,635,061
Primary government										
Net investment in capital assets	\$ 484,735,174	\$ 465,432,504	\$ 404,221,396	\$ 383,961,428	\$ 375,962,496	\$ 356,811,910	\$ 321,954,757	\$ 303,486,979	\$ 284,829,401	\$ 261,708,640
Restricted	96,486,583	72,179,908	82,788,696	83,214,774	69,992,161	64,999,967	56,367,613	48,522,854	46,356,221	46,902,770
Unrestricted	(6,553,572)	(13,203,108)	24,795,938	25,170,311	26,842,360	20,676,948	16,888,512	26,450,675	30,819,130	29,440,157
Total primary government net position	\$ 574,668,185	\$ 524,409,304	\$ 511,806,030	\$ 492,346,513	\$ 472,797,017	\$ 442,488,825	\$ 395,210,882	\$ 378,460,508	\$ 362,004,752	\$ 338,051,567

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	106-111
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	112-114
These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.	
Debt Capacity	115-119
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	120-121
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	122-124
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 TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
Net investment in capital assets	\$ 283,831,364	\$ 282,047,232	\$ 244,461,034	\$ 230,316,125	\$ 226,301,248	\$ 206,982,527	\$ 175,482,607	\$ 168,461,960	\$ 161,077,889	\$ 151,721,378
Restricted	86,079,582	62,156,755	59,573,841	59,450,003	46,103,535	42,431,883	33,165,081	26,111,498	21,745,305	19,049,233
Unrestricted	(43,086,232)	(48,153,075)	(6,068,605)	(6,704,318)	(2,190,465)	(1,500,859)	(259,210)	8,974,819	9,974,408	8,645,895
Total governmental activities net position	\$ 326,824,714	\$ 296,050,912	\$ 297,966,270	\$ 283,061,810	\$ 270,214,318	\$ 247,913,551	\$ 208,388,478	\$ 203,548,277	\$ 192,797,602	\$ 179,416,506
Business-type activities										
Net investment in capital assets	\$ 200,903,810	\$ 183,385,272	\$ 159,760,362	\$ 153,645,303	\$ 149,661,248	\$ 149,829,383	\$ 146,472,150	\$ 135,025,019	\$ 123,751,512	\$ 109,987,262
Restricted	10,407,001	10,023,153	23,214,855	23,764,771	23,888,626	22,568,084	23,202,532	22,411,356	24,610,916	27,853,537
Unrestricted	36,532,660	34,949,967	30,864,543	31,874,629	29,032,825	22,177,807	17,147,722	17,475,856	20,844,722	20,794,262
Total business-type activities net position	\$ 247,843,471	\$ 228,358,392	\$ 213,839,760	\$ 209,284,703	\$ 202,582,699	\$ 194,575,274	\$ 186,822,404	\$ 174,912,231	\$ 169,207,150	\$ 158,635,061
Primary government										
Net investment in capital assets	\$ 484,735,174	\$ 465,432,504	\$ 404,221,396	\$ 383,961,428	\$ 375,962,496	\$ 356,811,910	\$ 321,954,757	\$ 303,486,979	\$ 284,829,401	\$ 261,708,640
Restricted	96,486,583	72,179,908	82,788,696	83,214,774	69,992,161	64,999,967	56,367,613	48,522,854	46,356,221	46,902,770
Unrestricted	(6,553,572)	(13,203,108)	24,795,938	25,170,311	26,842,360	20,676,948	16,888,512	26,450,675	30,819,130	29,440,157
Total primary government net position	\$ 574,668,185	\$ 524,409,304	\$ 511,806,030	\$ 492,346,513	\$ 472,797,017	\$ 442,488,825	\$ 395,210,882	\$ 378,460,508	\$ 362,004,752	\$ 338,051,567

THE CITY OF NORMAN, OKLAHOMA

CHANGES IN NET ASSETS

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
EXPENSES										
Governmental activities:										
General government	\$ 7,999,471	\$ 8,500,923	\$ 11,353,764	\$ 10,067,554	\$ 10,443,931	\$ 6,904,076	\$ 5,830,137	\$ 3,751,170	\$ 3,829,737	\$ 4,832,140
Planning	3,320,979	3,297,788	3,208,350	3,334,674	3,063,260	2,944,363	3,345,225	3,139,732	2,892,976	2,659,600
City controller	893,000	706,793	3,337,932	3,256,464	2,404,401	2,299,619	3,487,837	3,317,241	3,128,315	1,768,600
Parks and recreation	5,936,777	5,194,010	5,555,796	5,251,598	5,076,388	4,951,495	5,909,298	5,441,885	4,975,386	4,922,400
Public works	25,389,053	22,130,634	21,530,165	21,126,808	19,810,834	17,384,501	17,665,244	18,412,370	21,420,245	15,465,500
Public service	2,976,064	2,875,451	2,841,186	2,242,861	2,368,850	2,777,749	2,964,057	3,871,811	2,655,470	1,961,000
Public safety	50,921,384	47,480,003	47,819,597	46,133,723	44,528,493	41,050,651	41,750,244	38,223,543	34,176,717	33,641,400
Interest on long-term debt	5,277,210	2,325,103	1,901,483	1,812,032	1,715,040	1,306,589	1,175,941	1,022,021	844,342	554,000
Total governmental activities expenses	<u>102,713,938</u>	<u>92,510,705</u>	<u>97,548,273</u>	<u>93,225,714</u>	<u>89,411,197</u>	<u>79,619,043</u>	<u>82,127,983</u>	<u>77,179,773</u>	<u>73,923,188</u>	<u>65,805,000</u>
Business-type activities:										
Westwood Park	1,340,514	1,352,050	1,456,266	1,451,959	1,477,312	1,475,445	1,458,522	1,498,891	1,343,650	1,221,400
Water	14,843,372	13,258,111	13,261,728	13,776,395	13,630,489	10,479,592	10,307,362	10,650,815	9,582,054	8,895,900
Wastewater	17,222,233	15,477,741	15,658,935	12,229,767	11,846,247	12,736,928	10,794,791	11,534,123	11,417,808	9,433,900
Sanitation	12,135,886	12,298,641	13,580,465	12,325,246	11,679,875	11,055,474	10,802,282	10,395,098	9,765,306	8,499,400
Total business-type activities expenses	<u>45,542,005</u>	<u>42,386,543</u>	<u>43,957,394</u>	<u>39,783,367</u>	<u>38,633,923</u>	<u>35,747,439</u>	<u>33,362,957</u>	<u>34,078,927</u>	<u>32,108,818</u>	<u>28,050,700</u>
Total primary government expenses	<u>\$ 148,255,943</u>	<u>\$ 134,897,248</u>	<u>\$ 141,505,667</u>	<u>\$ 133,009,081</u>	<u>\$ 128,045,120</u>	<u>\$ 115,366,482</u>	<u>\$ 115,490,940</u>	<u>\$ 111,258,700</u>	<u>\$ 106,032,006</u>	<u>\$ 93,855,700</u>

THE CITY OF NORMAN, OKLAHOMA

CHANGES IN NET ASSETS

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 2,612,495	\$ 2,644,776	\$ 2,554,566	\$ 2,431,538	\$ 2,297,341	\$ 186,094	\$ 244,495	\$ 253,409	\$ 775,038	\$ 223,889
Planning	1,353,411	1,369,582	1,376,330	1,213,106	1,123,524	1,009,561	1,080,835	893,633	1,140,867	1,253,092
City controller	642,726	624,135	214,838	165,969	155,226	66,093	-	-	-	-
Parks and recreation	653,613	609,175	587,433	506,358	568,817	592,238	586,611	426,476	398,639	376,318
Public safety	3,097,858	3,296,808	3,125,456	3,040,640	3,208,642	3,066,665	2,815,951	2,877,921	3,112,702	3,219,228
Operating grants and contributions	10,375,508	7,758,836	7,533,947	6,893,726	8,241,861	6,771,145	8,143,742	6,427,085	10,611,762	5,808,782
Capital grants and contributions	<u>15,614,024</u>	<u>29,958,311</u>	<u>5,501,318</u>	<u>5,754,538</u>	<u>13,944,754</u>	<u>30,934,491</u>	<u>2,513,839</u>	<u>8,102,826</u>	<u>8,507,544</u>	<u>8,913,773</u>
Total governmental activities										
program revenues	<u>34,349,635</u>	<u>46,261,623</u>	<u>20,893,888</u>	<u>20,005,875</u>	<u>29,540,165</u>	<u>42,626,287</u>	<u>15,385,473</u>	<u>18,981,350</u>	<u>24,546,552</u>	<u>19,795,082</u>
Business-type activities:										
Charges for services										
Westwood Park	1,098,470	1,065,318	1,102,085	1,141,661	1,167,227	1,143,973	1,067,800	1,089,329	1,103,631	917,367
Water	21,496,086	16,050,007	14,053,978	14,817,012	15,460,504	14,185,492	13,267,513	12,881,381	12,500,439	13,270,582
Wastewater	15,923,396	15,715,128	13,906,530	11,383,549	11,451,634	11,075,566	11,012,593	11,000,250	10,818,981	11,184,361
Sanitation	14,338,856	13,991,281	14,006,612	13,546,341	13,501,474	11,820,912	11,028,021	11,035,050	10,144,328	9,514,899
Capital grants and contributions	<u>10,525,831</u>	<u>7,703,017</u>	<u>3,721,838</u>	<u>5,006,692</u>	<u>4,291,238</u>	<u>4,474,408</u>	<u>7,215,720</u>	<u>2,055,411</u>	<u>4,631,310</u>	<u>4,538,829</u>
Total business-type activities										
program revenues	<u>63,382,639</u>	<u>54,524,751</u>	<u>46,791,043</u>	<u>45,895,255</u>	<u>45,872,077</u>	<u>42,700,351</u>	<u>43,591,647</u>	<u>38,061,421</u>	<u>39,198,689</u>	<u>39,426,038</u>
Total primary government revenues	<u>\$ 97,732,274</u>	<u>\$ 100,786,374</u>	<u>\$ 67,684,931</u>	<u>\$ 65,901,130</u>	<u>\$ 75,412,242</u>	<u>\$ 85,326,638</u>	<u>\$ 58,977,120</u>	<u>\$ 57,042,771</u>	<u>\$ 63,745,241</u>	<u>\$ 59,221,120</u>
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (68,364,303)	\$ (46,249,082)	\$ (76,654,385)	\$ (73,219,839)	\$ (59,871,032)	\$ (36,992,756)	\$ (66,742,510)	\$ (58,198,423)	\$ (49,376,636)	\$ (46,009,949)
Business-type activities	<u>17,840,634</u>	<u>12,138,208</u>	<u>2,833,649</u>	<u>6,111,888</u>	<u>7,238,154</u>	<u>6,952,912</u>	<u>10,201,690</u>	<u>3,982,494</u>	<u>7,089,871</u>	<u>11,375,285</u>
Total primary government net expense	<u>\$ (50,523,669)</u>	<u>\$ (34,110,874)</u>	<u>\$ (73,820,736)</u>	<u>\$ (67,107,951)</u>	<u>\$ (52,632,878)</u>	<u>\$ (30,039,844)</u>	<u>\$ (56,540,820)</u>	<u>\$ (54,215,929)</u>	<u>\$ (42,286,765)</u>	<u>\$ (34,634,664)</u>

THE CITY OF NORMAN, OKLAHOMA

CHANGES IN NET ASSETS

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
GENERAL REVENUE AND OTHER CHANGES IN NET ASSETS										
Governmental activities:										
Sales taxes	\$ 70,981,084	\$ 65,778,553	\$ 63,580,323	\$ 60,558,342	\$ 58,777,068	\$ 56,146,152	\$ 53,601,698	\$ 52,261,757	\$ 45,565,002	\$ 42,254,425
Franchise taxes	6,743,712	7,155,689	6,782,746	6,572,686	6,584,853	6,228,264	6,262,225	6,215,692	5,797,844	5,646,417
Property taxes	9,794,490	11,620,098	12,481,940	11,532,189	7,931,992	7,684,537	6,111,415	3,373,306	3,485,026	2,219,753
State use taxes	3,467,863	2,864,048	2,504,136	2,428,484	2,393,708	2,187,289	2,179,503	2,401,933	2,025,502	1,793,426
Hotel/Motel taxes	1,825,087	1,785,788	1,648,452	1,352,311	1,130,488	1,068,000	1,033,060	991,435	905,341	766,801
Alcoholic beverage taxes	306,225	301,618	272,697	285,339	271,359	247,014	232,016	231,077	222,079	205,822
Cigarette taxes	839,492	771,946	746,900	764,653	845,149	816,503	744,416	705,377	641,678	646,688
Investment earnings	1,965,790	323,863	379,805	208,763	701,524	396,095	490,604	1,074,489	1,718,553	1,959,682
Miscellaneous	1,943,106	2,196,990	2,458,091	2,319,411	2,761,766	962,203	838,558	1,003,269	1,632,050	674,084
Transfers	1,271,256	1,085,283	703,755	734,795	773,892	781,772	89,216	690,763	764,657	835,000
Total governmental activities	99,138,105	93,883,876	91,558,845	86,756,973	82,171,799	76,517,829	71,582,711	68,949,098	62,757,732	57,002,098
Business-type activities:										
Sales taxes	-	-	-	-	-	-	-	-	-	1,737,585
Excise taxes	1,709,914	2,149,079	1,769,195	1,432,321	1,597,960	1,038,715	1,562,722	1,251,242	1,608,254	1,802,750
State use taxes	-	-	-	-	-	-	-	-	-	77,528
Investment earnings	515,716	250,382	342,984	187,837	278,751	355,657	440,118	1,109,011	2,561,016	3,416,220
Miscellaneous	690,071	1,066,246	312,984	241,978	(333,548)	187,358	(205,141)	53,097	77,605	(245,823)
Transfers	(1,271,256)	(1,085,283)	(703,755)	(734,795)	(773,892)	(781,772)	(89,216)	(690,763)	(764,657)	(835,000)
Total business-type activities	1,644,445	2,380,424	1,721,408	1,127,341	769,271	799,958	1,708,483	1,722,587	3,482,218	5,953,260
Total primary government	\$ 100,782,550	\$ 96,264,300	\$ 93,280,253	\$ 87,884,314	\$ 82,941,070	\$ 77,317,787	\$ 73,291,194	\$ 70,671,685	\$ 66,239,950	\$ 62,955,358
CHANGE IN NET POSITION										
Governmental activities	\$ 23,387,419	\$ 47,634,794	\$ 14,904,460	\$ 13,537,134	\$ 22,300,767	\$ 39,525,073	\$ 4,840,201	\$ 10,750,675	\$ 13,381,096	\$ 10,992,149
Business-type activities	20,498,881	14,518,632	4,555,057	7,239,229	8,007,425	7,752,870	11,910,173	5,705,081	10,572,089	17,328,545
Total primary government	\$ 43,886,300	\$ 62,153,426	\$ 19,459,517	\$ 20,776,363	\$ 30,308,192	\$ 47,277,943	\$ 16,750,374	\$ 16,455,756	\$ 23,953,185	\$ 28,320,694

THE CITY OF NORMAN, OKLAHOMA

FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,055,126	\$ 1,826,810	\$ 1,819,264	\$ 1,825,186	\$ 1,012,154
Unreserved	-	-	-	-	-	12,614,678	19,530,033	17,472,575	16,611,606	15,589,593
Nonspendable	20,896	26,642	47,131	337,642	320,512	334,339				
Restricted	-	-	-	-	-	14,307				
Committed	3,226,149	3,191,393	2,554,596	1,510,323	1,503,429					
Assigned	2,281,428	2,890,768	2,152,746	2,169,071	1,467,574	1,037,294				
Unassigned	8,874,436	8,290,555	8,384,756	8,405,617	10,184,006	12,283,864				
Total general fund	\$ 14,402,909	\$ 14,399,358	\$ 13,139,229	\$ 12,422,653	\$ 13,475,521	\$ 13,669,804	\$ 21,356,843	\$ 19,291,839	\$ 18,436,792	\$ 16,601,747
All other governmental funds										
Reserved										
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,865,963	\$ 5,682,896	\$ 8,769,381	\$ 7,400,109
Debt service	-	-	-	-	-	-	2,512,584	1,590,705	2,218,703	1,359,284
Unreserved, reported in:										
Public safety sales tax fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	21,127,319	30,098,079	17,761,773	20,178,393
Special revenue funds	-	-	-	-	-	-	2,647,787	2,800,254	3,863,008	4,217,793
Restricted	162,761,288	123,475,384	86,328,836	95,384,952	68,041,077	48,791,046				
Assigned	3,436,379	2,148,078	1,834,631	1,350,473	1,059,369	587,163				
Total all other governmental funds	\$166,197,667	\$125,623,462	\$ 88,163,467	\$ 96,735,425	\$ 69,100,446	\$ 49,378,209	\$ 34,153,653	\$ 40,171,934	\$ 32,612,865	\$ 33,155,579

Note: Prior year amounts have not been restated for the implementation of Statement 54.

THE CITY OF NORMAN, OKLAHOMA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

(Dollars in Thousands)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
REVENUES										
Taxes	\$ 92,812	\$ 89,204	\$ 86,998	\$ 82,444	\$ 76,818	\$ 73,314	\$ 69,188	\$ 65,244	\$ 57,779	\$ 52,681
Licenses & permits	1,399	1,393	1,426	1,212	1,190	1,086	1,156	968	1,165	1,126
Intergovernmental revenues	6,396	4,553	8,773	8,637	9,370	9,608	8,354	7,456	12,946	7,174
Charges for services	10,966	11,484	10,918	10,684	10,268	11,775	11,836	10,874	10,070	9,326
Fines and forfeits	2,425	2,644	2,461	2,352	2,554	2,490	2,176	2,204	2,477	2,548
Investment earnings	1,532	278	365	194	517	389	491	1,075	1,718	1,959
Special assessment revenue	-	-	-	-	26	38	50	57	60	74
Other	1,762	2,403	2,424	1,424	2,381	1,006	969	1,196	1,399	846
Total revenues	<u>117,292</u>	<u>111,959</u>	<u>113,365</u>	<u>106,947</u>	<u>103,124</u>	<u>99,706</u>	<u>94,220</u>	<u>89,074</u>	<u>87,614</u>	<u>75,734</u>
EXPENDITURES										
General government	9,742	9,431	10,218	7,963	8,571	8,036	8,960	6,399	6,136	6,862
Planning	3,454	3,416	3,379	3,387	3,261	3,112	3,394	3,237	2,962	2,763
City controller	3,141	2,940	4,492	4,957	4,405	6,009	5,645	5,360	4,962	3,582
Parks & recreation	5,167	4,665	4,930	4,520	4,598	4,760	5,372	5,034	4,449	4,237
Public works	18,572	18,137	18,054	17,481	17,240	15,863	16,151	16,519	19,923	13,666
Public service	2,963	2,920	2,803	2,239	2,401	2,772	2,961	3,749	2,535	1,839
Public safety	46,079	43,780	45,846	42,780	40,310	37,997	37,312	34,643	32,593	30,808
Capital Outlay	32,910	22,358	20,897	18,152	16,449	16,150	15,654	18,043	11,212	10,293
Debt Service:										
Principal	9,668	9,542	22,949	5,655	4,319	3,750	2,647	2,510	1,470	1,470
Interest	3,905	2,180	2,400	1,578	1,315	1,223	1,004	1,022	844	554
Total expenditures	<u>135,601</u>	<u>119,369</u>	<u>135,968</u>	<u>108,712</u>	<u>102,869</u>	<u>99,672</u>	<u>99,100</u>	<u>96,516</u>	<u>87,086</u>	<u>76,074</u>
Excess of revenues over (under) expenditures	<u>(18,309)</u>	<u>(7,410)</u>	<u>(22,603)</u>	<u>(1,765)</u>	<u>255</u>	<u>34</u>	<u>(4,880)</u>	<u>(7,442)</u>	<u>528</u>	<u>(340)</u>
OTHER FINANCING SOURCES (USES)										
Bonds issued	58,456	45,909	14,971	28,175	19,861	7,559	-	15,166	-	9,950
Premium on issuance of debt	-	-	-	179	19,861	7,559	-	15,166	-	9,950
Transfers in	35,034	7,456	5,486	8,863	7,404	9,564	6,900	8,867	5,639	5,612
Transfers out	(34,603)	(7,235)	(5,710)	(8,870)	(7,992)	(8,782)	(6,811)	(8,177)	(4,875)	(4,777)
Total other financing sources (uses)	<u>58,887</u>	<u>46,130</u>	<u>14,747</u>	<u>28,347</u>	<u>39,134</u>	<u>15,900</u>	<u>89</u>	<u>31,022</u>	<u>764</u>	<u>20,735</u>
Net change in fund balances	\$ 40,578	\$ 38,720	\$ (7,856)	\$ 26,582	\$ 39,389	\$ 15,934	\$ (4,791)	\$ 23,580	\$ 1,292	\$ 20,395
Debt service as a percentage of noncapital expenditures	13.22%	12.08%	22.03%	7.99%	6.52%	5.95%	4.38%	4.50%	3.05%	3.08%

THE CITY OF NORMAN, OKLAHOMA

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General merchandise	\$ 15,678	\$ 15,047	\$ 14,991	\$ 10,174	\$ 14,697	\$ 14,515	\$ 14,138	\$ 13,656	\$ 11,759	\$ 11,323
Eating and drinking establishments	11,366	10,708	10,096	10,372	9,350	8,973	8,498	8,015	7,134	6,714
Miscellaneous retail	9,050	8,518	7,899	17,001	6,177	5,696	5,017	4,444	3,926	3,982
Building materials and farm tools	5,948	4,487	4,742	2,708	3,985	3,421	3,535	3,630	3,216	3,278
Electric, gas & sanitary services	3,460	3,586	3,512	3,393	3,538	3,304	3,377	3,170	2,584	2,795
Home furnishings and appliances	3,480	3,507	3,166	1,963	3,156	3,246	3,045	3,306	2,897	3,038
Food stores	4,062	3,849	4,058	2,430	3,470	3,136	2,933	2,756	2,428	2,493
Apparel and accessory stores	3,642	3,549	3,531	2,423	3,050	2,983	2,765	2,613	2,297	2,162
Communications	2,429	2,349	2,322	1,494	2,480	2,463	2,576	2,398	2,076	1,995
Wholesale trade-durable goods	4,392	4,042	3,341	2,487	2,018	1,687	1,561	1,623	1,472	1,411
All other outlets	7,377	6,327	6,484	5,477	7,267	7,043	6,366	6,498	5,863	5,755
Total	\$ 70,884	\$ 65,969	\$ 64,142	\$ 59,922	\$ 59,188	\$ 56,467	\$ 53,811	\$ 52,109	\$ 45,652	\$ 44,946
City direct sales tax rate	4.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.00%	3.00%

Sources: Oklahoma Tax Commission

Note: Beginning January 1, 2016 sales tax increased by 0.5% for Norman Forward projects.

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
2016	4.0 %	4.5 %	0.25 %
2015	3.5 %	4.5 %	0.25 %
2014	3.5 %	4.5 %	0.25 %
2013	3.5 %	4.5 %	0.25 %
2012	3.5 %	4.5 %	0.25 %
2011	3.5 %	4.5 %	0.25 %
2010	3.5 %	4.5 %	0.25 %
2009	3.5 %	4.5 %	0.25 %
2008	3.0 %	4.5 %	0.00 %
2007	3.0 %	4.5 %	0.00 %

Source: Oklahoma Tax Commission

Note: Voters approved a 0.5% City sales tax for Norman Forward quality of life projects effective January 1, 2016. Voters approved a .25% County jail tax effective April 1, 2009. Voters approved a temporary .5% City public safety sales tax effective October 1, 2008 and ending September 30, 2015. On April 1, 2014, the citizens approved permanent extension of the public safety sales tax.

THE CITY OF NORMAN, OKLAHOMA

SALES TAX REVENUE PAYERS BY INDUSTRY

FISCAL YEARS 2016 AND 2015

(Dollars in Thousands)

	Fiscal Year 2016				Fiscal Year 2015			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail trade	1,131	37.2 %	\$ 41,870	59.1 %	1,172	39.6 %	\$ 38,958	59.1 %
Accommodation and food service	289	9.5 %	13,120	18.5 %	278	9.4 %	12,288	18.6 %
Real estate and rental and leasing	212	7.0 %	1,105	1.6 %	200	6.8 %	909	1.4 %
Wholesale trade	518	17.0 %	4,392	6.2 %	501	16.9 %	4,042	6.1 %
Manufacturing	199	6.5 %	1,686	2.4 %	193	6.5 %	1,682	2.5 %
Information	145	4.8 %	2,429	3.4 %	146	4.9 %	2,349	3.6 %
Other services (except public administration)	106	3.5 %	636	0.9 %	101	3.4 %	556	0.8 %
Professional, scientific, and technical services	77	2.5 %	196	0.3 %	78	2.6 %	231	0.4 %
Arts, entertainment, and recreation	26	0.9 %	403	0.6 %	28	0.9 %	468	0.7 %
Admin, support, waste mgmt and remediation services	39	1.3 %	72	0.1 %	42	1.4 %	66	0.1 %
Construction	24	0.8 %	48	0.1 %	23	0.8 %	152	0.2 %
Transportation and warehousing	16	0.5 %	116	0.2 %	17	0.6 %	163	0.2 %
Finance and insurance	11	0.4 %	60	0.1 %	12	0.4 %	54	0.1 %
Utilities	8	0.3 %	3,460	4.9 %	7	0.2 %	3,586	5.4 %
Agricultural, forestry, fishing and hunting	4	0.1 %	14	0.0 %	4	0.1 %	8	0.0 %
Educational services	6	0.2 %	19	0.0 %	4	0.1 %	18	0.0 %
Health care and social assistance	7	0.2 %	26	0.0 %	5	0.2 %	17	0.0 %
Mining, quarrying, and oil and gas extraction	9	0.3 %	84	0.1 %	6	0.2 %	16	0.0 %
Public administration	-	0.0 %	-	0.0 %	-	0.0 %	1	0.0 %
Nonclassifiable	216	7.1 %	1,159	1.6 %	144	4.9 %	408	0.6 %
Total	3,043	100.0 %	\$ 70,895	100.0 %	2,961	100.0 %	\$ 65,972	100.0 %

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	Revenue Bonds	Special Assessment Debt	Capital Leases	Term Loans	Revenue Bonds	Term Loans	Capital Leases			
2007	\$ 21,505	\$ -	\$ 558	\$ -	-	\$ 33,595	\$ 6,478	\$ 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
2010	25,915	-	319	-	4,481	28,335	10,816	-	69,866	0.8 %	614.30
2011	28,495	-	239	-	5,789	26,480	20,088	-	81,091	0.9 %	733.26
2012	43,140	-	-	-	6,925	24,570	22,025	-	96,660	1.1 %	853.34
2013	58,790	-	-	-	13,965	22,632	22,868	-	118,255	1.2 %	915.95
2014	49,657	-	-	491	14,356	20,593	21,243	-	106,340	1.0 %	899.68
2015	64,196	22,825	-	226	13,586	1,113	41,009	-	142,955	1.3 %	1,211.08
2016	71,419	65,985	-	-	12,665	981	54,474	-	205,524	1.8 %	1,708.66

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 120 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
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	
2010	25,915	2,513	23,402	3.26%	206.29	
2011	28,495	3,669	24,826	3.21%	222.86	
2012	43,140	4,817	38,323	4.85%	338.32	
2013	58,790	9,121	49,669	6.13%	429.80	
2014	49,657	8,967	40,690	4.81%	344.26	
2015	64,196	8,847	55,349	6.34%	468.90	
2016	71,419	6,552	64,867	6.97%	539.28	

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 118 for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics on page 120.

THE CITY OF NORMAN, OKLAHOMA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2016 (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	73,470	96.49%	70,891
Debt repaid with property taxes: McLoud Public Schools	825	0.02%	0
Debt repaid with property taxes: Robin Hill Public Schools	577	0.10%	1
Debt repaid with property taxes: Noble Public Schools	4,950	0.65%	32
Debt repaid with property taxes: Mid Del Public Schools	50,635	0.02%	10
Debt repaid with property taxes: Little Axe Public Schools	2,030	0.17%	3
Debt repaid with property taxes: Moore Public Schools	81,900	2.44%	1,998
Subtotal, overlapping debt	214,387		72,936
City of Norman direct debt			150,069
Total direct and overlapping debt			<u>\$ 223,005</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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Assessed value of property	\$ 930,798	\$ 873,553	\$ 843,440	\$ 807,370	\$ 790,324	\$ 773,094	\$ 719,235	\$ 715,777	\$ 665,056	\$ 616,042
Debt limit ¹ , 10% of assessed value	93,080	87,355	84,344	80,737	79,032	77,309	71,924	71,578	66,506	61,604
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	<u>\$ 93,080</u>	<u>\$ 87,355</u>	<u>\$ 84,344</u>	<u>\$ 80,737</u>	<u>\$ 79,032</u>	<u>\$ 77,309</u>	<u>\$ 71,924</u>	<u>\$ 71,578</u>	<u>\$ 66,506</u>	<u>\$ 61,604</u>
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	\$ 279,239	\$ 262,066	\$ 253,032	\$ 242,211	\$ 237,097	\$ 231,928	\$ 215,771	\$ 214,733	\$ 199,517	\$ 184,813
Amount of debt applicable to limit:										
General Obligation Bonds	71,419	64,196	49,495	58,620	43,140	28,495	25,915	28,370	20,115	21,505
Less: Resources restricted to paying principal	(6,552)	(8,847)	(8,967)	(9,121)	(4,817)	(3,669)	(2,513)	(1,591)	(2,219)	(1,359)
Total net debt applicable to limit	64,867	55,349	40,528	49,499	38,323	24,826	23,402	26,779	17,896	20,146
Legal debt margin	<u>\$ 214,372</u>	<u>\$ 206,717</u>	<u>\$ 212,504</u>	<u>\$ 192,712</u>	<u>\$ 198,774</u>	<u>\$ 207,102</u>	<u>\$ 192,369</u>	<u>\$ 187,954</u>	<u>\$ 181,621</u>	<u>\$ 164,667</u>
Total net debt applicable to the limit as a percentage of debt limit	23.23%	21.12%	16.02%	20.44%	16.16%	10.70%	10.85%	12.47%	8.97%	10.90%

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

**PLEGDED-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	Less: Operating Expenses ²	Net Available Revenue	Debt Service		Coverage	Gross Revenue ¹	Less: Operating Expenses ²	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage
				Principal	Interest					Principal	Interest			Principal	Interest	
2007	\$ 33,524	\$ 5,663	\$ 27,861	\$ 1,454	\$ 1,063	11.07	\$ 10,872	\$ 8,681	\$ 2,191	\$ 200	\$ 160	6.09	\$ 74	\$ 80	\$ 27	0.69
2008	31,428	7,888	23,540	2,153	1,401	6.62	11,715	9,931	1,784	210	147	5.00	60	80	24	0.58
2009	27,662	13,513	14,149	2,193	1,358	3.98	12,384	10,630	1,754	220	136	4.93	57	80	20	0.57
2010	33,559	10,873	22,686	2,242	1,251	6.49	12,659	10,947	1,712	375	194	3.01	50	80	17	0.52
2011	30,345	11,793	18,552	1,807	1,354	5.87	13,382	11,243	2,139	295	204	4.29	38	80	14	0.40
2012	31,347	14,361	16,986	3,153	1,667	3.52	15,124	11,800	3,324	310	291	5.53	32	239	37	0.12
2013	31,037	17,001	14,036	3,163	1,430	3.06	15,057	12,459	2,598	325	231	4.67	-	-	-	-
2014	31,562	17,096	14,466	3,150	1,709	2.98	15,632	13,474	2,158	575	203	2.77	-	-	-	-
2015	32,212	14,381	17,831	4,447	2,544	2.55	15,476	12,075	3,401	665	189	3.98	-	-	-	-
2016	37,308	11,657	25,651	6,508	1,287	3.29	16,009	11,781	4,228	680	171	4.97	-	-	-	-

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
2007	109,837	\$7.0	23,089	30	12,736	4.70%
2008	110,803	7.9	24,532	29.6	13,296	3.70%
2009	111,817	8.1	26,371	29.4	13,563	4.80%
2010	113,733	8.7	26,371	29.4	14,025	5.30%
2011	111,398	8.7	24,586	30.4	14,644	5.00%
2012	113,273	9.1	26,058	29.6	15,022	4.40%
2013	115,562	9.6	27,343	29.7	15,510	5.00%
2014	118,197	10.4	26,267	29.9	15,739	4.20%
2015	118,040	10.6	27,749	30.2	15,745	3.80%
2016	120,284	11.2	28,273	30.1	15,944	4.20%

Data Sources

¹ Years 2007-10 estimated by the City of Norman Planning Department. Years 2011- 16 obtained from census data

² U.S. Census Bureau, American Community Survey 2007-2016 estimated

³ Norman Public Schools

⁴ U.S. Department of Labor

⁵ Personal income estimated except for 2010 Census data

THE CITY OF NORMAN, OKLAHOMA

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	2016			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
The University of Oklahoma	12,734	1	21.49%	9,481	1	17.79%
Norman Regional Hospital	2,933	2	4.95%	2,285	2	4.29%
Norman Public Schools	1,875	3	3.16%	1,644	3	3.08%
York International/Johnson Controls	950	4	1.60%	1,018	4	1.91%
City of Norman	859	5	1.45%	737	6	1.38%
Walmart	795	6	1.34%			
NOAA National Severe Storm Laboratory	550	7	0.93%			
Department of Mental Health & Substance Abuse	515	8	0.87%	750	5	1.41%
Hitachi	505	9	0.85%			
Oklahoma Veterans Center Norman Division	413	10	0.70%			
USPS National Center for Employee Development				610	7	1.14%
Griffin Memorial Hospital	-		-	422	8	0.80%
Moore-Norman Technology Center	-		-	410	9	0.77%
ClientLogic/Sitel	-		-	384	10	0.72%
Total	22,129		37.34%	17,741		33.29%

Source: Various employers within the City of Norman and the Bureau of Labor and Statistics.

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government	61	59	40	38	36	36	49	48	44	45
Planning	37	36	37	36	36	37	39	39	39	38
City controller	29	28	35	37	38	38	38	38	38	37
Parks & recreation	53	52	47	52	54	53	60	63	85	80
Public works	112	112	110	108	106	104	107	107	102	92
Public safety										
Police	245	235	231	240	229	237	216	192	186	177
Fire	163	162	163	157	142	137	134	133	131	127
Westwood	17	17	18	18	19	18	18	20	35	33
Water	49	47	49	49	49	48	47	50	50	51
Wastewater	43	43	42	42	40	41	42	42	42	40
Sanitation	58	55	58	57	55	56	52	53	52	52
Total	867	846	830	834	804	805	802	785	804	772

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.

ITEM 2

2017 MEETING CALENDAR

**2017 CALENDAR YEAR
SCHEDULE OF REGULAR MEETINGS**

Monthly Planner	
City Web Calendar	
Agenda Posted Web	
Bulletin Board	
Channel 20 Calendar	
Channel 20 Slide(s)	

Finance Committee

Name of Board/Commission/Committee _____

Please enter the date of the meeting in the DATE column or type in the following:
"Meetings scheduled as Needed" in the DATE column.

DATE		TIME		Physical Location
January 12, 2017		5:00 pm		Study Session Room
February 9, 2017		5:00 pm		Study Session Room
March 9, 2017		5:00 pm		Study Session Room
April 13, 2017		5:00 pm		Study Session Room
May 11, 2017		5:00 pm		Study Session Room
June 8, 2017		5:00 pm		Study Session Room
July 13, 2017		5:00 pm		Study Session Room
August 10, 2017		5:00 pm		Study Session Room
September 14, 2017		5:00 pm		Study Session Room
October 12, 2017		5:00 pm		Study Session Room
November 9, 2017		5:00 pm		Study Session Room
December 14, 2017		5:00 pm		Study Session Room

To be completed by person filing notice:

Name: _____

Address: _____

Phone No.: _____

Filed in the office of the Municipal Clerk at _____ a.m./p.m. on _____

Signed: _____
City Clerk

*Must be filed prior to December 1, 2016

ITEM 3

REVENUE/EXPENDITURES REPORTS

**SUMMARY OF MAJOR GENERAL FUND REVENUE SOURCES
VS. BUDGET, FYE 2017 - AS OF OCTOBER 31, 2016**

MAJOR REVENUE SOURCE	TOTAL BUDGET	PROJECTED TO DATE	Current Month Collections	COLLECTED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
Sales Tax	40,851,000	13,395,860	3,412,736	12,897,507	-3.72%	13,578,129	-5.01%
Use Tax	2,688,300	862,638	199,758	872,062	1.09%	827,085	5.44%
Franchise Taxes/Fees	7,939,073	2,764,623	628,075	2,606,949	-5.70%	2,598,111	0.34%
Licenses and Permits	1,647,815	418,125	114,975	439,207	5.04%	453,792	-3.21%
Shared (Other) Taxes	2,469,452	823,151	186,239	771,939	-6.22%	749,449	3.00%
Fines and Forfeitures	2,360,500	786,833	127,668	728,855	-7.37%	796,727	-8.52%
Investment/Interest Income	25,000	8,333	3,849	13,080	56.97%	8,091	61.66%
TOTAL: General Fund (Major)	57,981,140	19,059,563	4,673,299	18,329,600	-3.83%	19,011,385	-3.59%

**SUMMARY OF MAJOR CAPITAL PROJECT FUND REVENUE SOURCES
VS. BUDGET, FYE 2017 - AS OF OCTOBER 31, 2016**

MAJOR REVENUE SOURCE	TOTAL BUDGET	PROJECTED TO DATE	Current Month Collections	COLLECTED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
Sales Tax	12,633,210	4,142,682	1,038,659	3,925,328	-5.25%	4,132,474	-5.01%
Investment/Interest Income	150,000	50,000	12,283	49,824	-0.35%	61,924	-19.54%
TOTAL: Capital Fund (Major)	12,783,210	4,192,682	1,050,942	3,975,153	-5.19%	4,194,399	-5.23%

**SUMMARY OF MAJOR NORMAN FORWARD FUND REVENUE SOURCES
VS. BUDGET, FYE 2017 - AS OF OCTOBER 31, 2016**

MAJOR REVENUE SOURCE	TOTAL BUDGET	PROJECTED TO DATE	Current Month Collections	COLLECTED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
Sales Tax	10,021,500	3,286,250	816,566	3,099,520	-5.68%	N/A	N/A
Use Tax	448,050	143,773	33,293	145,344	1.09%	N/A	N/A
Investment/Interest Income	15,000	5,000	4,575	12,792	155.84%	N/A	N/A
TOTAL: Capital Fund (Major)	10,484,550	3,435,023	854,434	3,257,655	-5.16%	N/A	N/A

**SUMMARY OF MAJOR ROOM TAX FUND REVENUE SOURCES
VS. BUDGET, FYE 2017 - AS OF OCTOBER 31, 2016**

MAJOR REVENUE SOURCE	TOTAL BUDGET	PROJECTED TO DATE	Current Month Collections	COLLECTED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
Hotel/Motel Room Tax	1,982,750	660,917	173,560	637,283	-3.58%	664,840	-4.14%
Investment/Interest Income	1,500	500	283	1,451	190.14%	1,084	33.86%
TOTAL: Room Tax Fund	1,984,250	661,417	173,843	638,734	-3.43%	665,924	-4.08%

**SUMMARY OF MAJOR UNP TIF FUND REVENUE SOURCES
VS. BUDGET, FYE 2017 - AS OF OCTOBER 31, 2016**

MAJOR REVENUE SOURCE	TOTAL BUDGET	PROJECTED TO DATE	Current Month Collections	COLLECTED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
Sales Tax	3,794,061	1,244,148	448,002	1,774,282	42.61%	1,633,878	8.59%
Investment/Interest Income	17,500	5,833	504	811	-86.10%	2,162	-62.50%
TOTAL: UNP TIF Fund (Major)	3,811,561	1,249,982	448,506	1,775,093	42.01%	1,636,040	8.50%

**SUMMARY OF MAJOR WESTWOOD FUND REVENUE SOURCES
VS. BUDGET, FYE 2017 - AS OF OCTOBER 31, 2016**

MAJOR REVENUE SOURCE	TOTAL BUDGET	PROJECTED TO DATE	Current Month Collections	COLLECTED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
Golf Green	668,288	277,660	39,607	201,589	-27.40%	221,587	-9.02%
Golf Driving Range	116,560	45,894	8,779	39,892	-13.08%	45,624	-12.57%
Golf Carts	324,565	142,954	24,474	123,003	-13.96%	128,428	-4.22%
Swimming Pool	96,900	44,520	-	27,520	-38.19%	55,577	-50.48%
TOTAL: Westwood Fund (Major)	1,206,313	511,028	72,860	392,004	-23.29%	451,217	-13.12%

**SUMMARY OF MAJOR WATER FUND REVENUE SOURCES
VS. BUDGET, FYE 2017 - AS OF OCTOBER 31, 2016**

MAJOR REVENUE SOURCE	TOTAL BUDGET	PROJECTED TO DATE	Current Month Collections	COLLECTED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
User Fees-Residential	13,842,822	6,176,986	1,539,555	6,397,966	3.58%	6,098,253	4.91%
User Fees-Commercial	2,304,717	768,239	230,409	972,688	26.61%	938,210	3.67%
User Fees-Industrial	324,769	108,256	35,025	164,282	51.75%	126,515	29.85%
User Fees-Institutional	892,066	297,355	95,367	257,708	-13.33%	253,094	1.82%
Connection Fees	404,000	134,667	47,667	305,568	126.91%	129,231	136.45%
Capital Improvement Charges	1,326,130	442,043	119,401	488,580	10.53%	480,826	1.61%
Investment/Interest Income	120,000	40,000	22,014	85,876	114.69%	51,720	66.04%
TOTAL: Water Fund (Major)	19,214,504	7,967,546	2,089,437	8,672,668	8.85%	8,077,849	7.36%

**SUMMARY OF MAJOR WATER RECLAMATION FUND REVENUE SOURCES
VS. BUDGET, FYE 2017 - AS OF OCTOBER 31, 2016**

MAJOR REVENUE SOURCE	TOTAL BUDGET	PROJECTED TO DATE	Current Month Collections	COLLECTED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
User Fees-Residential	8,119,258	2,706,419	680,493	2,711,768	0.20%	2,715,395	-0.13%
User Fees-Commercial	1,377,582	459,194	120,669	504,701	9.91%	500,963	0.75%
User Fees-Industrial	150,657	50,219	14,736	71,225	41.83%	60,908	16.94%
User Fees-Institutional	1,018,681	339,560	90,092	359,951	6.01%	422,123	-14.73%
Capital Improvement Charges	738,815	246,272	71,656	297,167	20.67%	290,108	2.43%
Investment/Interest Income	50,000	16,667	3,516	14,315	-14.11%	15,458	-7.40%
TOTAL: Water Reclamation Fund (Major)	11,454,993	3,818,331	981,163	3,959,126	3.69%	4,004,955	-1.14%

**SUMMARY OF MAJOR SEWER MAINTENANCE FUND REVENUE SOURCES
VS. BUDGET, FYE 2017 - AS OF OCTOBER 31, 2016**

MAJOR REVENUE SOURCE	TOTAL BUDGET	PROJECTED TO DATE	Current Month Collections	COLLECTED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
Sewer Maintenance Fee	2,913,691	964,254	248,305	996,898	3.39%	976,343	2.11%
TOTAL: Sewer Maintenance Fund (Major)	2,913,691	964,254	248,305	996,898	3.39%	976,343	2.11%

**SUMMARY OF MAJOR NEW DEVELOPMENT EXCISE FUND REVENUE SOURCES
VS. BUDGET, FYE 2017 - AS OF OCTOBER 31, 2016**

MAJOR REVENUE SOURCE	TOTAL BUDGET	PROJECTED TO DATE	Current Month Collections	COLLECTED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
WW Excise Tax (Residential)	1,300,000	404,379	83,723	566,997	40.21%	377,085	50.36%
WW Excise Tax (Commercial)	400,000	133,333	7,098	65,823	-50.63%	89,371	-26.35%
TOTAL: New Development Excise Fund (Major)	1,700,000	537,713	90,821	632,820	17.69%	466,456	35.67%

**SUMMARY OF MAJOR SANITATION FUND REVENUE SOURCES
VS. BUDGET, FYE 2017 - AS OF OCTOBER 31, 2016**

MAJOR REVENUE SOURCE	TOTAL BUDGET	PROJECTED TO DATE	Current Month Collections	COLLECTED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
User Fees-Residential	7,705,974	2,568,658	634,752	2,541,784	-1.05%	2,496,827	1.80%
User Fees-Commercial	3,475,444	1,158,481	285,717	1,153,335	-0.44%	1,130,217	2.05%
User Fees-Industrial	158,085	52,695	12,313	52,121	-1.09%	47,978	8.64%
User Fees-Institutional	459,860	153,287	45,210	137,039	-10.60%	129,123	6.13%
User Fees-Transfer Station	564,175	188,058	44,168	208,568	10.91%	234,860	-11.19%
User Fees - Recycling	1,166,705	388,902	94,859	380,562	-2.14%	374,887	1.51%
Recycled Material Sales	215,349	71,783	18,218	56,605	-21.14%	53,975	4.87%
Investment/Interest Income	30,000	10,000	10,063	37,791	277.91%	20,106	87.96%
TOTAL: Sanitation Fund (Major)	13,775,592	4,591,864	1,145,300	4,567,805	-0.52%	4,487,973	1.78%

**SUMMARY OF MAJOR FUND EXPENDITURES VS. BUDGET
VS. BUDGET, FYE 2017 - AS OF OCTOBER 31, 2016**

FUND	TOTAL BUDGET	PROJECTED TO DATE *	Current Month Expended	EXPENDED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
General Fund	81,023,798	27,007,933	5,869,805	24,058,399	-10.92%	25,168,439	-4.41%
Capital Fund	53,612,189	17,870,730	1,275,440	7,003,439	-60.81%	5,665,287	23.62%
Norman Forward Fund	65,284,836	21,761,612	248,853	1,191,512	-94.52%	1,111,950	7.16%
Westwood Fund	1,458,543	486,181	65,125	419,266	-13.76%	438,097	-4.30%
Water Fund	67,093,654	22,364,551	1,759,577	7,314,070	-67.30%	6,944,527	5.32%
Water Reclamation Fund	23,987,285	7,995,762	1,158,877	4,163,000	-47.93%	6,351,016	-34.45%
Sewer Maintenance Fund	5,687,983	1,895,994	99,111	981,822	-48.22%	2,057,641	-52.28%
New Development Fund	8,901,325	2,967,108	66,768	1,724,133	-41.89%	2,380,425	-27.57%
Sanitation Fund	15,810,407	5,270,136	902,887	3,111,602	-40.96%	3,474,302	-10.44%
(Adjusted Budget)							

* Based on historical collection patterns (where known), or based on proportion of the fiscal year elapsed.

**GENERAL FUND:
As of October 31, 2016**

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual - 4 Month	Unencumb Balance
Beginning Fund Balance	3,475,710	6,228,919	\$ 6,228,919	
REVENUES:				
Revenue	71,700,653	71,702,653	21,404,576	
Transfers In	6,161,339	6,239,173	2,143,430	
Total Revenue	<u>77,861,992</u>	<u>77,941,826</u>	<u>23,548,006</u>	
EXPENDITURES:				
Salary / Benefits	55,928,280	55,922,340	18,040,326	37,882,014
Supplies / Materials	5,224,590	5,369,216	1,263,429	3,852,539
Services / Maintenance	9,739,935	11,015,278	3,258,406	5,779,793
Internal Services	2,964,278	2,964,278	659,920	2,304,358
Capital Equipment	4,216,347	5,164,186	640,150	2,282,971
Debt Service	-	-	-	-
Transfers Out	588,500	588,500	196,168	392,332
Employee Turnover Savings	(800,000)	(800,000)		
Total Expenditures	<u>77,861,930</u>	<u>80,223,798</u>	<u>24,058,399</u>	<u>52,494,007</u>
Net Difference	<u>62</u>	<u>(2,281,972)</u>	<u>(510,393)</u>	
Ending Fund Balance	<u>\$ 3,475,772</u>	<u>\$ 3,946,947</u>	<u>\$ 5,718,526</u>	

**RAINY DAY FUND:
As of October 31, 2016**

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual - 4 Month
Beginning Fund Balance	\$ 3,203,734	\$ 3,226,776	\$ 3,226,776
REVENUES:			
Revenue	15,000	15,000	11,951
Transfers In	88,500	88,500	29,500
Total Revenue	<u>103,500</u>	<u>103,500</u>	<u>41,451</u>
EXPENDITURES:			
Transfers Out	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Difference	<u>103,500</u>	<u>103,500</u>	<u>41,451</u>
Ending Fund Balance	<u>\$ 3,307,234</u>	<u>\$ 3,330,276</u>	<u>\$ 3,268,227</u>
Rainy Day Target - 4.5%			3,314,051

PUBLIC SAFETY SALES TAX FUND:

As of October 31, 2016

	<u>Original Budget - Annual</u>	<u>Adjusted budget - Annual</u>	<u>YTD Actual - 4 Month</u>	<u>Unencumb Balance</u>
Beginning Fund Balance	\$ 26,195,903	\$ 29,299,442	\$ 29,299,442	
REVENUES:				
Revenue	10,946,387	10,946,387	3,528,051	
Transfers In	-	-	-	
Total Revenue	<u>10,946,387</u>	<u>10,946,387</u>	<u>3,528,051</u>	
EXPENDITURES:				
Salary / Benefits	7,933,800	7,933,800	2,770,891	5,162,909
Supplies / Materials	268,262	287,060	65,954	169,562
Services / Maintenance	255,555	341,466	91,300	169,383
Internal Services	149,566	149,566	31,739	117,827
Capital Equipment	1,330,550	1,769,027	445,009	220,063
Capital Project	21,139,253	22,255,936	13,669	22,229,862
Debt Service	2,333,838	2,333,838	1,166,767	1,167,071
Transfers Out	-	-	-	-
Total Expenditures	<u>33,410,824</u>	<u>35,070,693</u>	<u>4,585,329</u>	<u>29,236,677</u>
Net Difference	<u>(22,464,437)</u>	<u>(24,124,306)</u>	<u>(1,057,278)</u>	
Ending Fund Balance	<u>\$ 3,731,466</u>	<u>\$ 5,175,136</u>	<u>\$ 28,242,164</u>	

**ROOM TAX FUND:
As of October 31, 2016**

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual - 4 Month	Unencumb Balance
Beginning Fund Balance	\$ 444,422	\$ 547,987	\$ 547,987	
REVENUES:				
Revenue	1,984,250	1,984,250	638,734	
Transfers In	-	-	-	
Total Revenue	<u>1,984,250</u>	<u>1,984,250</u>	<u>638,734</u>	
EXPENDITURES:				
Services / Maintenance	1,410,000	1,497,535	652,672	53,994
Internal Services	99,213	99,213	23,245	75,968
Capital Projects	305,000	524,944	46,870	425,966
Transfers Out	77,922	144,822	92,876	51,946
Total Expenditures	<u>1,892,135</u>	<u>2,266,514</u>	<u>815,663</u>	<u>607,874</u>
Net Difference	<u>92,115</u>	<u>(282,264)</u>	<u>(176,929)</u>	
Ending Fund Balance	<u>\$ 536,537</u>	<u>\$ 265,723</u>	<u>\$ 371,058</u>	

**WESTWOOD FUND:
As of October 31, 2016**

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual - 4 Month	Unencumb Balance
Beginning Fund Balance	\$ -	\$ 8,332	\$ 8,332	
REVENUES:				
Revenue	1,308,460	1,308,460	412,378	
Transfers In	148,922	148,922	49,644	
Total Revenue	<u>1,457,382</u>	<u>1,457,382</u>	<u>462,022</u>	
EXPENDITURES:				
Salary / Benefits	836,652	836,652	319,293	517,359
Supplies / Materials	124,925	125,951	36,149	87,558
Services / Maintenance	181,713	181,848	55,957	90,964
Internal Services	34,668	34,668	7,554	27,114
Capital Equipment	71,000	71,000	-	71,000
Capital Projects	-	-	-	-
Debt Service	208,424	208,424	313	208,111
Total Expenditures	<u>1,457,382</u>	<u>1,458,543</u>	<u>419,266</u>	<u>1,002,106</u>
Net Difference	<u>-</u>	<u>(1,161)</u>	<u>42,756</u>	
Ending Fund Balance	<u>\$ -</u>	<u>\$ 7,171</u>	<u>\$ 51,088</u>	

**WATER FUND:
As of October 31, 2016**

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual - 4 Month	Unencumb Balance
Beginning Fund Balance	\$ 1,928,104	\$ 24,058,535	\$ 24,058,535	
REVENUES:				
Revenue	54,799,475	54,799,475	9,337,379	
Transfers In	-	-	-	
Total Revenue	<u>54,799,475</u>	<u>54,799,475</u>	<u>9,337,379</u>	
EXPENDITURES:				
Salary / Benefits	4,048,616	4,048,616	1,305,367	2,743,249
Supplies / Materials	2,456,023	2,709,671	629,626	1,750,145
Services / Maintenance	3,085,700	3,644,950	774,290	2,247,958
Internal Services	204,272	204,272	41,044	163,228
Cost Allocation	1,856,055	1,856,055	531,543	1,324,512
Capital Equipment	365,126	547,560	136,549	119,101
Capital Projects	31,145,000	48,452,183	3,315,348	39,313,529
Debt Service	4,596,998	4,596,998	224,423	4,372,575
Audit Adjustments	-	-	-	-
Transfers Out	1,016,205	1,033,349	355,880	677,469
Employee Turnover Savings	(60,729)	(60,729)		
Total Expenditures	<u>48,713,266</u>	<u>67,032,925</u>	<u>7,314,070</u>	<u>52,711,766</u>
Net Difference	<u>6,086,209</u>	<u>(12,233,450)</u>	<u>2,023,309</u>	
Ending Fund Balance	<u>\$ 8,014,313</u>	<u>\$ 11,825,085</u>	<u>\$ 26,081,844</u>	

**WATER RECLAMATION FUND:
As of October 31, 2016**

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual - 4 Month	Unencumb Balance
Beginning Fund Balance	\$ 4,111,537	\$ 4,539,779	\$ 4,539,779	
REVENUES:				
Revenue	13,276,862	13,276,862	5,222,756	
Transfers In	-	-	-	
Total Revenue	<u>13,276,862</u>	<u>13,276,862</u>	<u>5,222,756</u>	
EXPENDITURES:				
Salary / Benefits	3,282,489	3,282,489	1,016,132	2,266,357
Supplies / Materials	611,813	600,547	118,327	475,755
Services / Maintenance	1,458,665	1,698,280	491,482	854,949
Internal Services	273,307	273,307	64,588	208,719
Cost Allocation	1,787,343	1,787,343	506,176	1,281,167
Capital Equipment	467,619	769,831	250,383	309,746
Capital Projects	922,400	11,692,928	1,110,447	4,465,975
Debt Service	3,265,418	3,265,418	145,364	3,120,054
Audit Adjustments	-	-	-	-
Transfers Out	617,142	617,142	205,716	157,041
Employee Turnover Savings	(49,237)	(49,237)		
Total Expenditures	<u>12,636,959</u>	<u>23,938,048</u>	<u>3,908,615</u>	<u>13,139,763</u>
Net Difference	<u>639,903</u>	<u>(10,661,186)</u>	<u>1,314,141</u>	
Ending Fund Balance	<u>\$ 4,751,440</u>	<u>\$ (6,121,407)</u>	<u>\$ 5,853,920</u>	

SEWER MAINTENANCE FUND:
As of October 31, 2016

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual - 4 Month	Unencumb Balance
Beginning Fund Balance	\$ 1,088,220	\$ 4,114,280	\$ 4,114,280	
REVENUES:				
Revenue	2,913,691	2,913,691	1,010,159	
Transfers In	-	-	-	
Total Revenue	<u>2,913,691</u>	<u>2,913,691</u>	<u>1,010,159</u>	
EXPENDITURES:				
Salary / Benefits	57,123	57,123	18,268	38,855
Supplies / Materials	2,109	2,109	338	1,724
Services / Maintenance	2,025	2,025	156	1,869
Internal Services	300	300	-	300
Cost Allocation	-	-	-	-
Capital Equipment	-	-	-	-
Capital Projects	3,803,000	5,626,426	963,060	4,291,392
Audit Adjustments	-	-	-	-
Employee Turnover Savings	(1,120)	(1,120)	-	-
Total Expenditures	<u>3,863,437</u>	<u>5,686,863</u>	<u>981,822</u>	<u>4,334,140</u>
Net Difference	<u>(949,746)</u>	<u>(2,773,172)</u>	<u>28,337</u>	
Ending Fund Balance	<u>\$ 138,474</u>	<u>\$ 1,341,108</u>	<u>\$ 4,142,617</u>	

NEW DEVELOPMENT EXCISE FUND:

As of October 31, 2016

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual - 4 Month	Unencumb Balance
Beginning Fund Balance	\$ 7,694,149	\$ 10,468,355	\$ 10,468,355	
REVENUES:				
Revenue	1,900,000	1,900,000	1,302,279	
Transfers In	-	-	-	
Total Revenue	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,302,279</u>	
EXPENDITURES:				
Services / Maintenance	-	-	-	-
Capital Projects	92,000	6,922,787	1,561,289	1,242,116
Debt Service	1,978,538	1,978,538	162,844	1,815,694
Audit Adjustments	-	-	-	-
Total Expenditures	<u>2,070,538</u>	<u>8,901,325</u>	<u>1,724,133</u>	<u>3,057,810</u>
Net Difference	<u>(170,538)</u>	<u>(7,001,325)</u>	<u>(421,854)</u>	
Ending Fund Balance	<u>\$ 7,523,611</u>	<u>\$ 3,467,030</u>	<u>\$ 10,046,501</u>	

**SANITATION FUND:
As of October 31, 2016**

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual - 4 Month	Unencumb Balance
Beginning Fund Balance	\$ 6,740,650	\$ 9,956,090	\$ 9,956,090	
REVENUES:				
Revenue	14,808,144	14,808,144	4,974,597	
Transfers In	-	-	-	
Total Revenue	<u>14,808,144</u>	<u>14,808,144</u>	<u>4,974,597</u>	
EXPENDITURES:				
Salary / Benefits	4,149,615	4,149,615	1,388,604	2,761,011
Supplies / Materials	1,274,471	1,274,781	208,881	1,062,720
Services / Maintenance	3,001,139	3,017,645	745,186	2,251,924
Internal Services	803,614	803,614	103,109	700,505
Cost Allocation	1,422,558	1,422,558	412,817	1,009,741
Capital Equipment	2,327,655	2,410,205	191,733	2,149,583
Capital Projects	23,000	2,032,719	-	2,001,441
Debt Service	651,390	651,390	45,313	606,077
Transfers Out	47,880	47,880	15,960	31,920
Audit Adjustments	-	-	-	-
Total Expenditures	<u>13,701,322</u>	<u>15,810,407</u>	<u>3,111,603</u>	<u>12,574,922</u>
Net Difference	<u>1,106,822</u>	<u>(1,002,263)</u>	<u>1,862,994</u>	
Ending Fund Balance	<u>\$ 7,847,472</u>	<u>\$ 8,953,827</u>	<u>\$ 11,819,084</u>	

CAPITAL FUND:
As of October 31, 2016

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual - 4 Month	Unencumb Balance
	\$ 17,780,325	\$ 40,448,861	\$ 40,448,861	
REVENUES:				
Revenue	12,791,910	12,791,910	4,096,700	
Transfers In	500,000	517,144	250,712	
Total Revenue	<u>13,291,910</u>	<u>13,309,054</u>	<u>4,347,412</u>	
EXPENDITURES:				
Salary / Benefits	1,179,827	1,179,827	361,839	817,988
Supplies / Materials	499	499	499	-
Services / Maintenance	16,499	16,499	599	15,899
Internal Services	200	200	67	133
Capital Equipment	-	45,500	43,815	1,685
Capital Projects	14,156,653	47,813,113	5,074,142	36,311,221
Debt Service	-	-	-	-
Transfers Out	4,551,112	4,556,551	1,522,479	3,034,072
Total Expenditures	<u>19,904,790</u>	<u>53,612,189</u>	<u>7,003,440</u>	<u>40,180,998</u>
Net Difference	<u>(6,612,880)</u>	<u>(40,303,135)</u>	<u>(2,656,028)</u>	
Ending Fund Balance	<u>\$ 11,167,445</u>	<u>\$ 145,726</u>	<u>\$ 37,792,833</u>	

NORMAN FORWARD SALES TAX FUND:
As of October 31, 2016

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual - 4 Month	Unencumb Balance
	\$ 36,166,433	\$ 42,584,165	\$ 42,584,165	
REVENUES:				
Revenue	46,484,550	46,484,550	3,257,655	
Transfers In	-	-	-	
Total Revenue	<u>46,484,550</u>	<u>46,484,550</u>	<u>3,257,655</u>	
EXPENDITURES:				
Salary / Benefits	-	-	-	-
Supplies / Materials	-	-	-	-
Services / Maintenance	-	1,600,808	140,488	-
Internal Services	-	-	-	-
Capital Projects	57,803,362	61,845,342	1,049,405	47,324,082
Debt Service	1,838,686	1,838,686	1,619	1,837,068
Audit Adjustments	-	-	-	-
Transfers Out	-	-	-	-
Total Expenditures	<u>59,642,048</u>	<u>65,284,836</u>	<u>1,191,512</u>	<u>49,161,150</u>
Net Difference	<u>(13,157,498)</u>	<u>(18,800,286)</u>	<u>2,066,143</u>	
Ending Fund Balance	<u>\$ 23,008,935</u>	<u>\$ 23,783,879</u>	<u>\$ 44,650,308</u>	

Appropriations from Fund Balance FY17

Fund	Gaining Account	Amount	Agenda Date	Item No.	Project No.	Description
General Fund						
010-0000-365-1373	010-6070-441-3699	500.00	7/12/2016	20		ASPCA grant to implement & promote an adoption abassadors program, training, supplies
010-0000-365-1373	010-6070-441-4099	1,500.00	7/12/2016	20		ASPCA grant to implement & promote an adoption abassadors program, training, supplies
Special Grants Fund						
022-0000-253-2000	022-5023-429-3212	10,000.00	7/26/2016	15		for maintenance & replacement of equip used for traffic counts for FY17
022-0000-331-1360	022-9508-422-4099	2,800.00	8/23/2016	11	GF0073	OK Homeland Sec grant for Citizen Corps to make improvements to trailer used for disaster response
022-0000-331-1333	022-6017-421-4604	5,614.00	10/11/2016	20	GP0030	DOJ grant for NPD equip & traning
022-0000-331-1333	022-6017-421-5199	9,041.00	10/11/2016	20	GP0030	DOJ grant for NPD equip & traning
022-0000-331-1333	022-6017-421-4754	1,628.00	10/11/2016	20	GP0030	DOJ grant for NPD equip & traning
022-0000-253-2000	022-6019-421-2110	68,000.00	10/25/2016	22	GP0117	OHSO Impaired Driving Enforcement Grant-increase enforcement & education-impaired driving
022-0000-334-1343	022-6011-421-4099	3,000.00	10/25/2016	21	GP0026	Coverdell Forensic grant for NPD for accreditation fees
Room Tax Fund						
023-0000-253-2000	023-3041-451-4741	80,000.00	9/27/2016	27		for NCVB to develop Tourism Improvement District & a Sports Commission
023-0000-253-2000	050-9677-419-6101	66,900.00	10/25/2016	12	EF0201	Santa Fe Depot renovations and repairs
Water Fund						
031-0000-253-0000	031-5530-461-4001	865.00	8/9/2016	13		add'l engr svcs for fee study on new development & water/wastewater connection fees
031-0000-253-0000	050-9079-431-6701	17,144.00	9/27/2016	23	TR0059	to relocate water lines at Rock Creek Rd & 12th and at Trailwood intersections
Wastewater Fund						
032-0000-253-0000	032-5541-432-4001	865.00	8/9/2016	13		add'l engr svcs for fee study on new development & water/wastewater connection fees
Risk Management Fund						
043-0000-253-2000	010-5023-429-3212	34,259.00	7/12/2016	29		Insurance funds received to pay for damages to traffic signal equipment from accidents
043-0000-253-2000	010-5023-429-3213	1,176.00	7/12/2016	29		Insurance funds received to pay for damages to traffic signal equipment from accidents
043-0000-253-2000	010-6444-422-5499	36,960.00	8/9/2016	9		purchase outdoor warning siren from safety.com for fire dept
Capital Fund Balance						
050-0000-253-2000	050-5011-429-5003	45,500.00	7/26/2016	23		New truck for Construction Manager-Engr. Division
050-0000-366-1229	050-9998-431-6101	90,794.00	3/10/2015	19	TC0023	pass-thru fnds for ODOT from Bellatona for Hwy 9 median for Bellatona addition received 9-9-16
050-0000-366-1229	050-9998-431-6101	8,426.66	10/11/2016	19	TC0023	pass-thru fnds for ODOT from Bellatona for Hwy 9 median for Bellatona addition
050-0000-253-2000	050-9352-431-6701	1,605.00	10/25/2016	23	TR0042	CON's 10% share for ODOT for Little River Bridge replacement on Hwy 9
Norman Forward Sales Tax Capital Fund Balance						
051-0000-253-2000	051-9507-455-6101	37,924.00	8/9/2016	34	NFB016	for asbestos removal from W. Acres properties to be demolished
University North Park TIF Fund						

057-0000-253-2000	057-7010-452-5799	20,000.00	8/9/2016	40		to purchase holiday decorations for Legacy Park
Sewer Maintenance Fund						
321-0000-432-0000	321-9338-432-6101	14,866.00	7/12/2016	23	WW0202	Change order #1-increasing and extending contract-Sewer Maint Project
Excise Tax fund						
322-0000-453-4001	322-5542-432-4001	865.00	8/9/2016	13		add'l engr svcs for fee study on new development & water/wastewater connection fees

**General Fund Transfers Over \$50,000 between Expenditure Categories - FYE 17
October 2016**

Department	Division	Losing Account	Account Description	Gaining Account	Account Description	Amount
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NONE TO REPORT *****

ITEM 4

OPEN POSITIONS REPORT

CITY OF NORMAN
Position Vacancy Report
11/2/2016

POSITIONS AUTHORIZED TO FILL

Position	Department/Division	Status
Custodian (PPT)	City Clerk/Custodial Svs	Accepting Applications
Legal Admin Tech	Legal	Accepting Applications
Maintenance Worker II	Public Works/Streets	Accepting Applications
Admin Tech II	Public Works/Fleet	Recruitment Begins 11/7/16
Water Lab Intern (PPT)	Utilities/Water Treatment	Accepting Applications
Admin Tech III	Utilities/Water Reclamation	Recruitment Begins 11/7/16
Maintenance Worker I (2)	Utilities/Water Line Maint	Conducting Selection Process
Heavy Equipment Operator	Utilities/Sewer Line Maintenance	Recruitment Begins 11/7/16
Administrative Technician II	Police/Animal Welfare	Conducting Selection Process
Animal Welfare Supervisor	Police/Animal Welfare	Recruitment Begins 11/7/16
Communications Officer I (3)	Police/Emergency Comm.	Conducting Selection Process
Fire Driver Engineer (2)	Fire/Suppression	Pending Promotional Process
Recreation Leader I	Parks & Recreation/Recreation	Recruitment Begins 11/7/16
Custodian (PPT)	Parks & Recreation/Recreation	Recruitment Begins 11/7/16
Sr. Program Coordinator	Parks & Recreation/Admin	Recruitment Begins 11/7/16

Total:19

POSITIONS CURRENTLY ON HOLD

Position	Department/Division	Date of Vacancy	Notes
General Fund:			
Assistant City Attorney I	Legal	05/01/12	Pending approval
Police Officer (3)	Police/Patrol	8/11/2016, 10/6/16, 10/13/16	Pending request
Firefighter	Fire/Suppression	10/19/16	Pending request

Total:5

Enterprise Fund:

Sanitation Worker I	Utilities/Sanitation	10/31/16	Pending request
Sanitation Worker II	Utilities/Sanitation	10/10/16	Pending approval

Total:2

POSITIONS RECENTLY FILLED

Position	Department/Division	Action
Sanitation Dispatcher	Utilities/Sanitation	Transferred 10/10/16
Heavy Equipment Operator	Utilities/Water Reclamation	Transferred 10/28/16
Heavy Equipment Operator	Public Works/Streets	Promoted 10/28/16