



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**THE CITY OF NORMAN, OKLAHOMA
FISCAL YEAR ENDING JUNE 30, 2018**



**a city of
festivals**



ON THE COVER: Norman is known throughout Oklahoma and the mid-southwestern United States as *“a city of festivals”*. Each year, millions of people visit Norman and its wide diversity of events and festivals, including the Norman Music Festival and Lion’s Club Carnival held in April; the Medieval Fair; Earth Day; MayFair; Midsummer Night’s Fair; Jazz in June; Fall Festival; Mix on Main Street; GrooveFest; Downtown Porch Festival; 2nd Friday Art Walk in the Walker Arts District; Oklahoma Sooner Football and other University-sponsored events; Norman Day (4th of July Festival); National Weather Center Biennale; “Beats and Bites” Festival; Aviation Festival; and many smaller events held in City parks, neighborhoods and local businesses. Norman has many large and small entertainment and sporting venues, and more are planned or under construction. Information and event calendars can be obtained from www.visitnorman.com.

**The City
of
Norman, Oklahoma**



**Comprehensive
Annual Financial Report
Fiscal Year Ended
June 30, 2018**

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

THE CITY OF NORMAN, OKLAHOMA

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Introductory Section



The City of **NORMAN**

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

CITY MANAGER'S OFFICE
Phone: 405-366-5402

December 7, 2018

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

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2018.

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

BKD, LLP has issued an unmodified (“clean”) opinion on the City of Norman (“City”) financial statements for the year ended June 30, 2018. The independent auditors’ report is located at the front of the financial section of this report.

Management’s Discussion and Analysis (“MD&A”) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this Letter of Transmittal and should be read in conjunction with it. We are pleased to report that the financial position of the City of Norman and its component units is strong.

Profile of the Government

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

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

The City provides a full range of municipal government services to over 122,000 residents and numerous visitors annually. Municipal services provided include: traffic control; water production and distribution; stormwater management and flood control; wastewater collection and treatment (water reclamation); solid waste collection and disposal; emergency response services; city code enforcement; crime prevention, enforcement and adjudication; construction and maintenance of streets and bridges; maintenance of park land; and public recreational facilities.

The City does not operate hospitals, schools, or public transportation systems. Special districts and governmental entities with independent authority administer the public hospital, public schools and the university within the City. The City contributes to a city-wide public transportation system operated by the University of Oklahoma and provides School Resource Police Officers through a cost-sharing agreement with the Norman Public Schools.

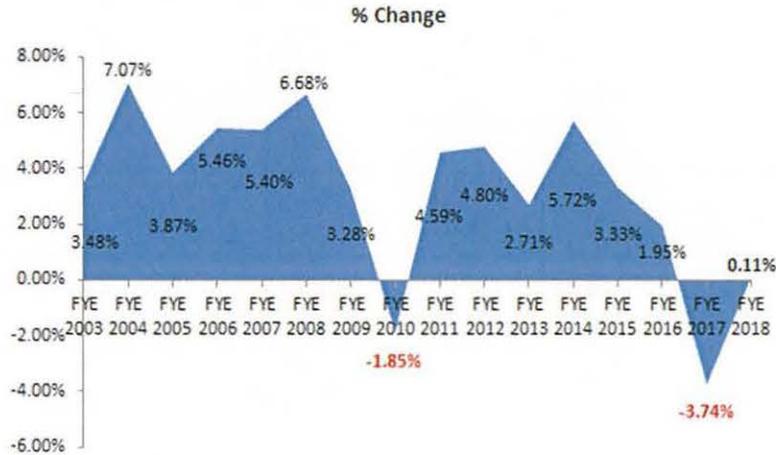
The Council is required to adopt a final budget by no later than ten days before the close of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, department and category (e.g., salary and benefits). Department managers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

Local Economy; Relevant Financial Policies

The City of Norman is located in the geographic center of Oklahoma and is within the Oklahoma City metropolitan area. Norman's high quality of life is sought by people of all ages and walks of life, and is demonstrated by population growth in recent years. The University of Oklahoma, National Severe Storms Laboratory and National Weather Service, Hitachi Computer Products, U.S. Postal Service Technical Center, Immuno Mycologics Incorporated, SYSCO Food Services, Avara Pharmaceutical Technologies, and Johnson Controls Unitary Products Group are some of the leading institutions and businesses located in Norman. Several of these businesses have recently expanded, helping to sustain the health of the local economy for years to come.

One of the best indicators of the economic condition of the City is the evaluation of trends in some key factors. Sales and use taxes and franchise fees collectively represent 72% of the City's total General Fund revenue. Sales tax receipts increase in proportion to the level of retail sales and therefore provide a good indication of the economic condition of the community. Overall, sales tax collections increased .85% from FYE 2017 levels. Collections from the City's franchise fees (charges to private electric, natural gas and cable companies to operate within the City's rights-of-way) increased 4.2% from FYE 2017 levels.

General Purpose Sales Tax 15-Year Collection Trend, In % Change

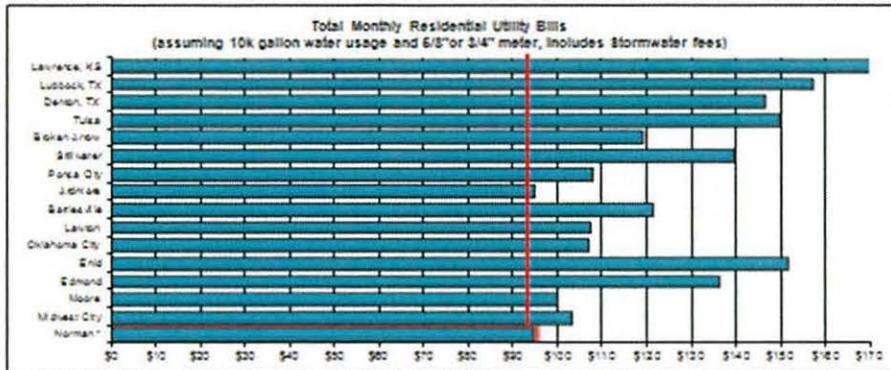


Since sales and use taxes and building permit revenues are a primary source of the City’s general governmental revenue, are by nature volatile, and because Norman is subject to extreme weather conditions which can necessitate significant unexpected expenditures during the course of the budget year, the City must budget conservatively and maintain sufficient fund balances to absorb any shortfalls that may occur. As a result, prudent reserve policies have been codified in a Net Revenue Stabilization (“Rainy Day”) Fund Ordinance. The Ordinance requires a budgetary fund balance of at least three percent (3%) of budgeted expenditures in the General Fund; a General Fund “Emergency Reserve” appropriation of 1%; and a minimum of 4% of General Fund expenditures to be maintained in a separate “Rainy Day” Fund (a minimum total of 8 percent of General Fund expenditures are mandated to be held in reserve fund balances or appropriations). The Ordinance sets a Targeted Rainy Day Fund balance of 5% of General Fund expenditures (the total Targeted Reserve Fund Balance is 9% of General Fund expenditures).

Fund balance in the Net Revenue Stabilization Fund can only be appropriated for expenditure in case of federally-declared disasters or extraordinary capital expense requirements in the General Fund, or if the General Fund balance falls below one percent. The Ordinance requires that the Net Revenue Stabilization Fund balance be built or rebuilt to its minimum level within three years of the establishment of the Fund, or within three years of any expenditure of Rainy Day Fund balances. The City of Norman’s Rainy Day Fund is being maintained at its Targeted level as of June 30, 2018.

The City also targets a fund balance level in other operating funds of at least eight percent (8%) of budgeted expenditures to protect citizen/customer service delivery from unexpected revenue shortfalls or cost overruns. The City also seeks to set utility rates within utility enterprise funds at a level to meet average net income and reserve requirements over a five-year period without the need for interim adjustments. The City’s unique Charter requirement that utility rate increases must be approved by a majority vote of the people of Norman makes this policy more difficult to achieve. The voters of Norman have not approved a water rate increase since 2015; wastewater, since 2013; and sanitation, since 2011. Norman is also one of the few cities of its size that does not have stormwater utility fee to pay for the costs of federally-mandated pollutant discharge programs. Norman’s all-in utility rates are among the lowest in the region:

Total Utility Rates (as of 6/2018)



Long-term Financial Planning

The City provides very competitive employee benefit packages, particularly for health insurance and retirement (information on employee benefits is given in the Notes to Financial Statements Section). Much of the City's long-term financial planning efforts in the general governmental service areas relate to controlling the rate of growth in these employee costs. The City continues to provide adequate service levels, but the ability to maintain these service levels without new revenue sources to support increased staffing will become doubtful. The Council continues to consider alternative revenue sources.

The financial status of the City's utility enterprise funds is driven by major capital expenditures. The Council, acting as Trustees of the Norman Utilities Authority, has approved major expansion and improvements to the Norman Water Treatment Plant and expansion of the City's groundwater supplies. These major water facility improvements are the first major phase of the program laid out in the NUA's Strategic Water Supply Plan, which was approved in 2014.

Major Initiatives

The citizens of Norman approved an earmarked, temporary (15-year term) sales tax of one-half percent (1/2%) to fund major quality of life improvements in October, 2015; the NORMAN FORWARD initiative. The City's Norman Municipal Authority issued Tax Revenue Notes to finance the major facilities included in the Norman Forward program, and major facilities have been completed or are under construction, including the new Westwood Family Aquatic Center; the new Norman Public Library, East Branch; the expanded Westwood Tennis Center; the Griffin Park Soccer Complex; the new Norman Public Library, Central Branch; and community and neighborhood park improvement city-wide. Future projects that are in preliminary phases include the reconstructed Reaves Park Youth Softball/Baseball Complex; a new Adult Football/Softball Complex; extension of James Garner Boulevard; construction of a new Indoor Aquatics Complex; a new Indoor Multi-Sport Facility; a potential new Senior Citizen's Center; and supporting traffic and roadway improvements.

Awards and Acknowledgements

The Government Finance Officers Association (“GFOA”) awarded a *Certificate of Achievement* for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (“CAFR”) for the fiscal year ended June 30, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we will submit it to the GFOA to determine its eligibility for certification.

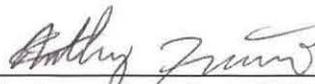
Preparation of a CAFR is a complex task and one that requires considerable expertise and experience. More important, the ongoing maintenance and reporting of the City’s financial condition at the level to which Norman has been accustomed requires professionalism and dedication far beyond what could be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

Finally, we would like to express our gratitude and appreciation to the members of the Norman City Council and the Council’s Finance and Audit Committee for your policy guidance which is contained in this document. As the governing body, your commitment to ensure accurate and reliable financial accounting and reporting systems, and to provide adequate staffing levels to ensure them, establishes an environment influencing all other decisions that are made. We are proud to convey the City Council’s commitment to excellence to our citizens and all readers of the FYE 2018 CAFR.

Respectfully submitted,



Mary Rupp
Interim City Manager



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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Norman
Oklahoma**

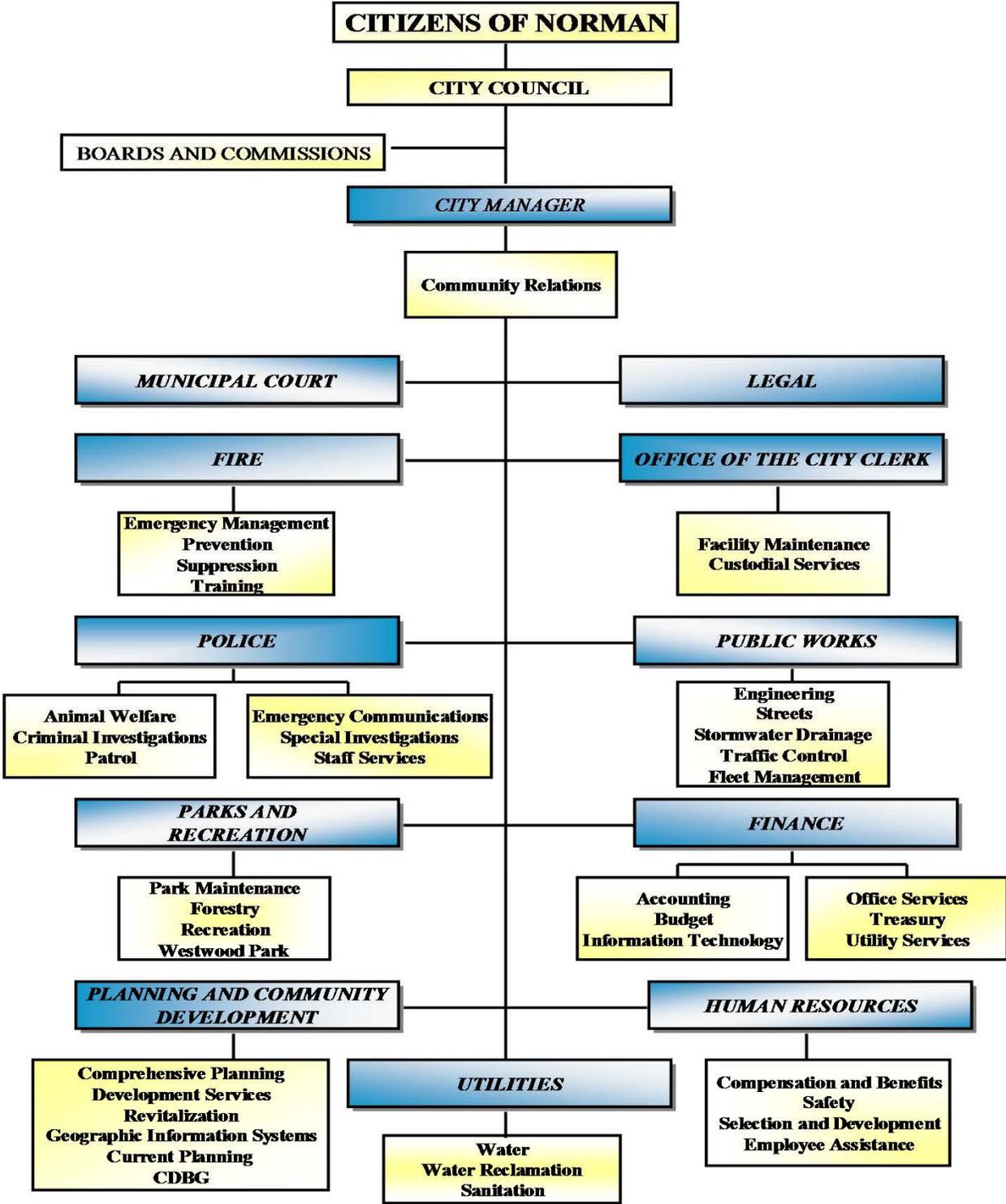
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

City Of Norman Organization Chart



CITY OFFICIALS

MAYOR
Lynne Miller

Ward 1	Kate Bierman	Ward 5	Sereta Wilson
Ward 2	Aleisha Karjala	Ward 6	Breea Clark
Ward 3	Robert Castleberry	Ward 7	Stephen Holman
Ward 4	Bill Hickman	Ward 8	Kyle Allison

City Manager Steve Lewis

ACCOUNTING & RESEARCH STAFF

Anthony Francisco, CPFO, CTP, CPFA
Finance Director

Clint Mercer, CPA, CPFO
Chief Accountant

Debbie Whitaker
Municipal Accountant III

Mindy Aynes
Municipal Accountant I

Mary Anne Kirkland
Administrative Technician IV

Lisa Woods
Municipal Accountant I

Kim Coffman
Budget Manager

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Financial Section

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Norman, Oklahoma (the City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in *Note 1* to the financial statements, in 2018, the City adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information, consisting of combining statements and budgetary comparison schedules, and the introductory section and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States

of America. In our opinion, the other supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated December 7, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

Oklahoma City, Oklahoma
December 7, 2018

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, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-ix 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 \$639,459,056 (net position).
- The City's total net position increased by \$37,548,395.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$179,431,370, a decrease of \$17,193,704 in comparison with the prior year. Approximately 93% or \$166,384,849 was nonspendable, restricted, committed or assigned for specific purposes. Approximately 7% or \$13,046,521 was unassigned at fiscal year end.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$13,046,521 or 18% of total general fund expenditures.
- The City's total debt decreased by \$1,052,426 (0.5 percent) during the current fiscal year. Key factors of this change were issuance of the Norman Municipal Authority, Sales Tax Revenue Note, Series 2017B (\$6,105,000). The City also drew \$8,651,446 and \$6,891,969 on the Oklahoma Water Resources Board, Series 2014 loan and Oklahoma Water Resources Board, Series 2018 loan, respectively. 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, liabilities and deferred inflow of resources with the difference between the assets plus deferred outflows of resources less liabilities and deferred inflows of resources 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 17-18 of this report.

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

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

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

The City maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, public safety sales tax fund, debt service fund, capital projects fund and NORMAN FORWARD fund, all of which are considered to be major funds. Data from the other seven 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 19-21 of this report.

Proprietary funds – The City maintains two different types of proprietary funds. Enterprise funds 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 other type of proprietary fund, an 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 22-24 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 25-26 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 27-72 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 and other post-employment 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 73-82 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 83-105 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 and deferred outflows exceeded liabilities and deferred inflows by \$639,459,056 at the close of the most recent fiscal year.

**Net Position
As of June 30**

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 196,635,453	\$ 218,393,192	\$ 68,670,087	\$ 54,087,142	\$ 265,305,540	\$ 272,480,334
Capital assets	408,359,667	373,690,856	279,449,106	269,348,865	687,808,773	643,039,721
Total assets	604,995,120	592,084,048	348,119,193	323,436,007	953,114,313	915,520,055
Deferred outflows	15,106,409	15,583,741	813,689	924,823	15,920,098	16,508,564
Long-term liabilities	214,155,050	230,440,689	60,831,369	52,923,793	274,986,419	283,364,482
Other liabilities	35,837,801	35,172,173	14,177,989	10,579,487	50,015,790	45,751,660
Total liabilities	249,992,851	265,612,862	75,009,358	63,503,280	325,002,209	329,116,142
Deferred inflows	4,573,146	1,001,816	-	-	4,573,146	1,001,816
Net position:						
Net investment in capital assets	313,981,902	256,880,446	212,565,194	211,414,863	526,547,096	468,295,309
Restricted	90,270,821	128,695,200	16,958,115	6,629,187	107,228,936	135,324,387
Unrestricted	(38,717,191)	(44,522,535)	44,400,215	42,813,500	5,683,024	(1,709,035)
Total net position	\$ 365,535,532	\$ 341,053,111	\$ 273,923,524	\$ 260,857,550	\$ 639,459,056	\$ 601,910,661

By far the largest portion of the City's net position (82 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 net position is unrestricted.

There was an increase of \$13 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 \$24.5 million during the current fiscal year. This increase was due to several factors. See below for more information.

**Change in Net Position
For the Year Ended June 30**

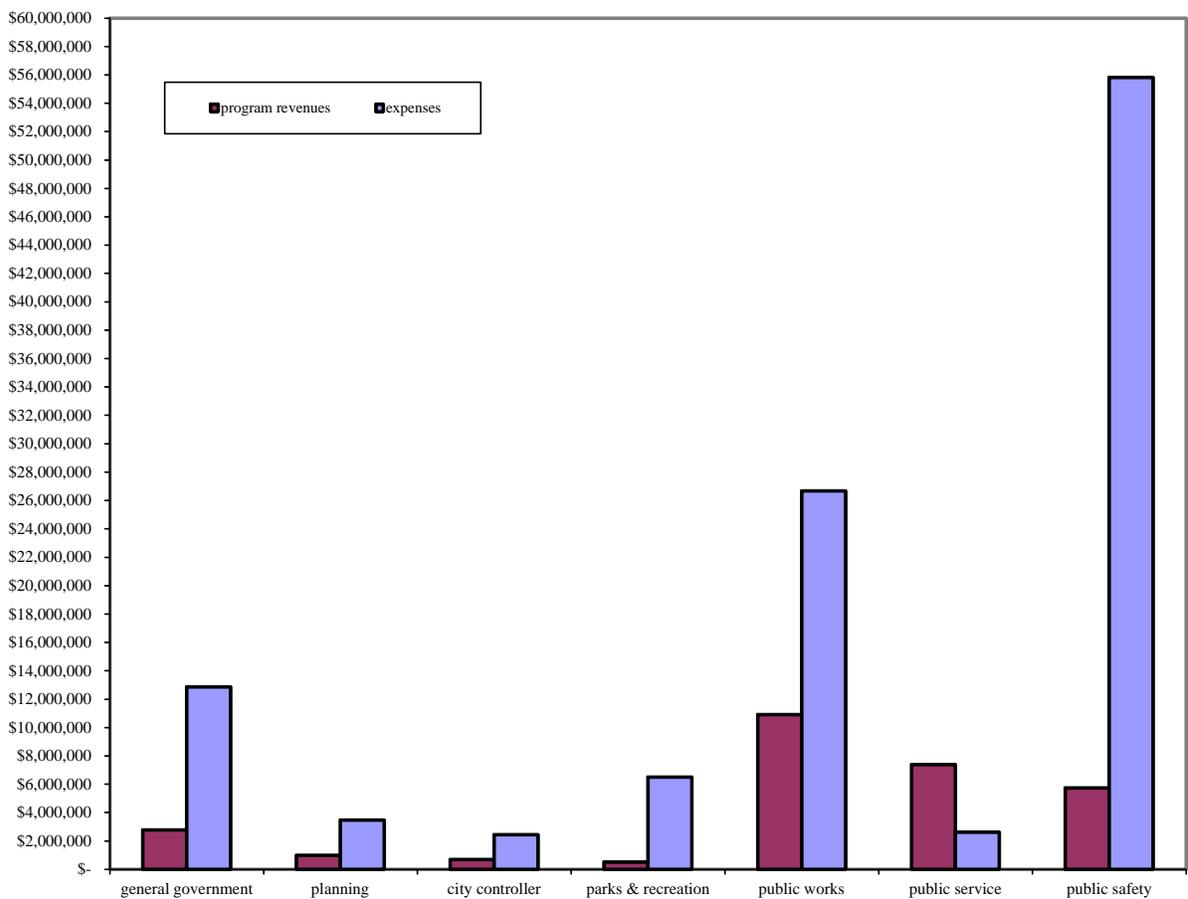
	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Program Revenues:						
Charges for services	\$ 8,196,637	\$ 7,896,054	\$ 53,438,006	\$ 53,021,473	\$ 61,634,643	\$ 60,917,527
Operating grants & contributions	14,570,508	12,379,368	-	-	14,570,508	12,379,368
Capital grants & contributions	9,476,361	3,813,991	5,263,425	2,324,230	14,739,786	6,138,221
General revenues:						
Sales and excise taxes	73,967,709	73,345,458	1,319,885	1,530,490	75,287,594	74,875,948
Franchise taxes	7,094,490	6,807,860	-	-	7,094,490	6,807,860
Property taxes	11,971,525	14,739,604	-	-	11,971,525	14,739,604
Use taxes	5,148,317	3,797,125	-	-	5,148,317	3,797,125
Other taxes	3,038,354	2,969,956	-	-	3,038,354	2,969,956
Investment earnings	1,586,732	513,238	472,025	163,961	2,058,757	677,199
Miscellaneous	3,627,956	2,275,838	(940,246)	501,033	2,687,710	2,776,871
Total revenues	138,678,589	128,538,492	59,553,095	57,541,187	198,231,684	186,079,679
Expenses:						
General government	12,859,373	10,763,028	-	-	12,859,373	10,763,028
Planning	3,477,364	3,315,422	-	-	3,477,364	3,315,422
City controller	2,449,352	1,231,508	-	-	2,449,352	1,231,508
Parks and recreation	6,502,407	7,087,981	-	-	6,502,407	7,087,981
Public works	26,682,973	30,953,789	-	-	26,682,973	30,953,789
Public service	2,627,283	3,892,316	-	-	2,627,283	3,892,316
Public safety	55,817,838	53,613,442	-	-	55,817,838	53,613,442
Interest on long-term debt	4,937,107	4,734,646	-	-	4,937,107	4,734,646
Westwood park	-	-	1,500,752	1,256,295	1,500,752	1,256,295
Water	-	-	16,321,995	14,535,092	16,321,995	14,535,092
Wastewater	-	-	14,627,959	15,448,412	14,627,959	15,448,412
Sanitation	-	-	12,878,886	12,005,272	12,878,886	12,005,272
Total expenses	115,353,697	115,592,132	45,329,592	43,245,071	160,683,289	158,837,203
Change in net position before transfers						
transfers	23,324,892	12,946,360	14,223,503	14,296,116	37,548,395	27,242,476
Transfers	1,157,529	1,294,541	(1,157,529)	(1,294,541)	-	-
Change in net position	24,482,421	14,240,901	13,065,974	13,001,575	37,548,395	27,242,476
Net position, beginning	341,053,111	326,812,210	260,857,550	247,855,975	601,910,661	574,668,185
Net position, ending	\$ 365,535,532	\$ 341,053,111	\$ 273,923,524	\$ 260,857,550	\$ 639,459,056	\$ 601,910,661

Governmental activities –Governmental activities increased the City’s net position by \$24.5 million. In the prior year, governmental activities increased the City’s net position by \$14.2 million. Key elements of this change are as follows:

- Sales tax revenue within the governmental activities (the City’s primary fund source) increased by \$622,251 or 0.8% over the prior fiscal year. The City and State’s economy began to make a recovery in the last fiscal year as energy prices have improved.
- Franchise taxes increased \$286,630 or 4.2% over the prior fiscal year. As stated above, favorable increases in energy prices have begun a recovery within the City and State.

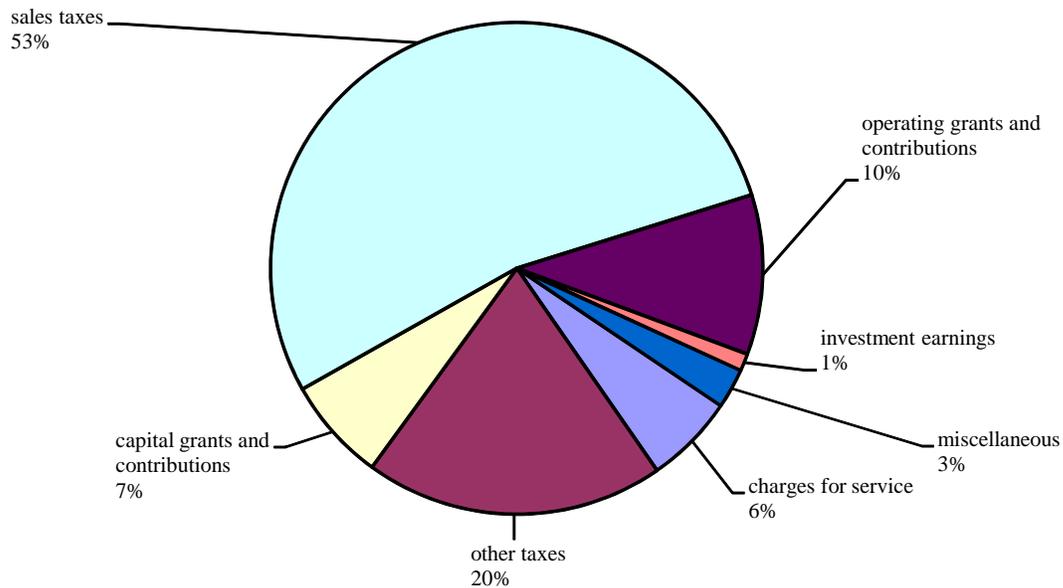
- Use tax revenue has increased \$1,351,192 or 35.6% over the prior fiscal year. This increase is directly related to agreements states have made with on-line retailers such as Amazon to begin paying use tax.
- Capital grants and contributions increased \$5,662,370 or 148.5% from the prior fiscal year. Most of this figure in both years is donated infrastructure (i.e., roads) within developments by private developers. The increase can be attributed to increased development activity.
- General government expenses increased \$2,096,345 or 19.5% from the prior year. The City is self-insured for employee health benefits. Approximately \$2.9 million of this increase is due to increases within this health benefit plan.
- Public works expenses decreased \$4,270,816 or 13.8% from the prior year. Most of this decrease related to street maintenance projects completed in the prior year.

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

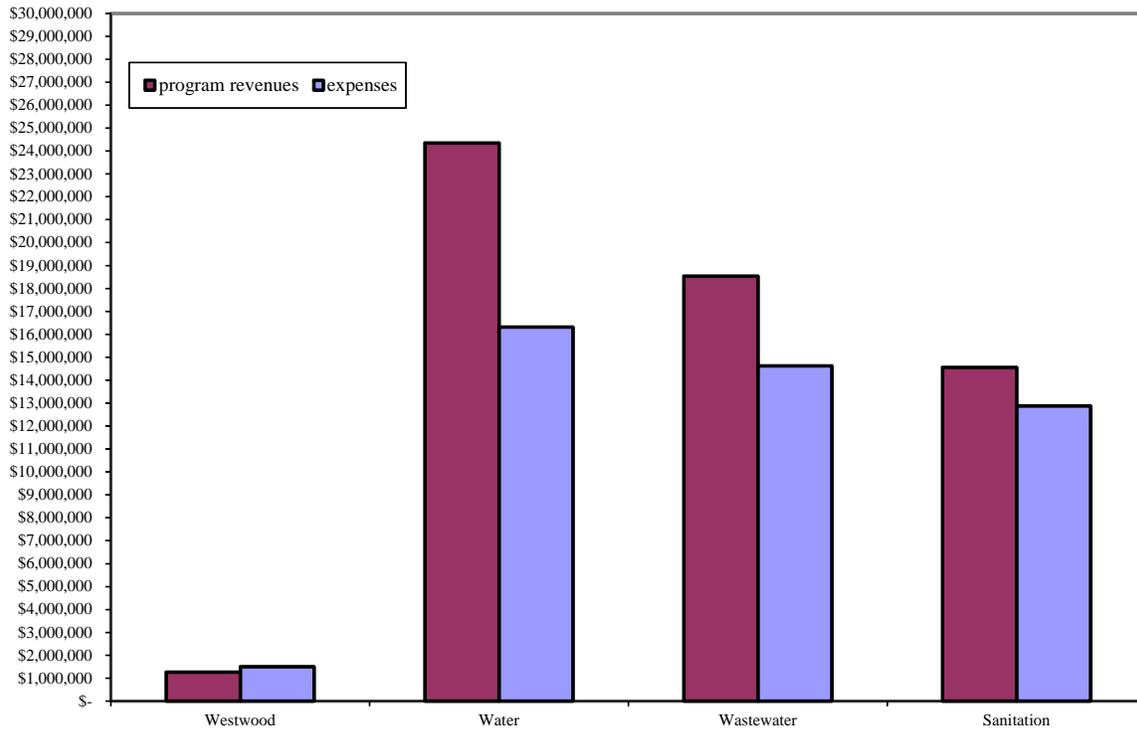


Business-type activities – Business-type activities increased the City’s net position by \$13.1 million. In the prior year, business-type activities increased the City’s net position by \$13 million. Key elements of this change are as follows:

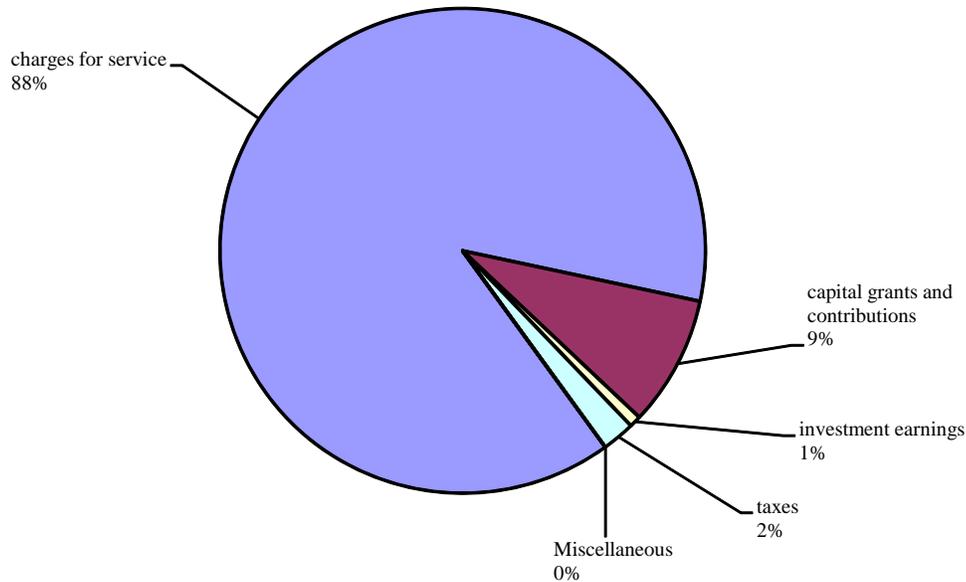
- Capital grants and contributions increased \$2,939,195 or 126.5% from the prior fiscal year. Most of this figure in both years is donated infrastructure (i.e., water and sewer lines) within developments by private developers. The increase can be attributed to increased development activity.
- Tax revenue decreased \$210,605 or 13.8% 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 although at a different point in the development process.

- Water expenses increased \$1,786,903 or 12.3% from the prior fiscal year. Most of this increase was due to the completion of several maintenance water projects in the current fiscal year.

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 \$179,431,370, a decrease of \$17,193,704 from the prior year. Approximately 7 percent of this total amount (\$13,046,521) 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 \$13,046,521 while total fund balance reached \$18,905,836. 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 17.9 percent of total General Fund expenditures, while total fund balance represents 26 percent of that same amount.

The fund balance of the City's General Fund increased by \$6,109,225 during the current fiscal year compared to a decrease of \$1,593,794 in the previous year. Key factors in the current year change are as follows:

- Sales tax revenues within the General Fund increased \$1,625,379 or 4.3% from the prior fiscal year.
- Use tax revenues within the General Fund increased \$1,005,619 or 36.1% from the prior fiscal year.
- The UNP TIF Fund transferred \$4,275,508 to the General Fund to return over apportioned funds.

The Public Safety Sales Tax Fund has a total fund balance of \$23,889,024 all of which is restricted for public safety activities. The net decrease in fund balance during the current year was (\$2,752,961). A portion of this decrease was due to spending of note proceeds for the Emergency Communications System Project (\$854,498) received in prior years.

The Debt Service Fund has a total fund balance of \$5,769,156 all of which is restricted for the payment of debt service. The net decrease in the fund balance during the current year was (\$2,869,002) due to normally scheduled payments.

The Capital Projects Fund has a total fund balance of \$66,255,511. The net increase in fund balance during the current year was \$4,645,727. This net increase was due to the issuance of a new \$6,105,000 loan to fund the upgrade of City computer systems offset by the spending down of general obligation bond monies received in previous years.

The NORMAN FORWARD Fund has a total fund balance of \$54,663,144. The net decrease in fund balance during the current year was (\$15,357,050). This net decrease was due to spending down of previous note monies received in the previous year.

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 \$12,746,464 and \$31,653,751 respectively. The total growth in net position for these funds was \$1,954,405 and \$11,111,569, 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 \$2,911,221 increase in appropriations between the original and final amended budget. Following are the main components of the increase:

- \$1,072,962 in increases to the general government budget. Legal Administration received \$389,659 in increases with \$403,112 relating to legal fees. Also, the Information Technology Department received \$336,911 in increases with the most significant being \$130,002 from various sources to purchase computer software.
- \$916,499 in increases to the public works budget. The Stormwater Drainage Department received \$415,558 in increases with the most significant being \$412,008 representing roll-over encumbrances from the prior year for the purchase of heavy equipment.
- \$741,115 in increases to the public safety budget. Fire Suppression received \$207,621 in increases with \$132,291 relating to the purchase of fire fighting equipment.

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,

2018 the Rainy Day Fund had a balance of \$3,331,295 which represents 4.59% of General Fund expenditures.

Subsequent to year-end, the Rainy Day Fund ordinance was amended to reduce the appropriated emergency reserve amount from two percent (2%) of annually budgeted expenditures to one percent (1%).

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 \$1,783,462.
 - Sales taxes were below expectations by \$939,400.
 - Use taxes were above expectations by \$879,686.
 - Franchise fees were below expectations by \$762,686, mainly within the telephone and basic cable franchises.
 - Permits were below expectations by \$428,829, the most significant being within the building multi-family category due to the slowing of construction in this category.
- General Fund expenditures and encumbrances were below expectations by \$7,241,088.
 - City Council expenditures were \$1,509,563 below expectation due to lack of expense of all the 2% reserve.
 - City Manager's expenditures were \$216,994 below expectation due to cost cutting measures (i.e., mandatory 2% across-the-board cut).
 - Street Maintenance expenditures were \$619,277 below expectation due to budgeted but unpurchased heavy equipment.
 - Stormwater Drainage expenditures were \$886,010 below expectations also primarily within the salary and benefits category.
 - Fleet Fuel and Parts expenditures were \$562,532 below expectations due to savings within outside fuel inventory and fleet parts heavy duty.
- Net General Fund transfers were \$399,373 less than expected. The Capital Fund transferred \$2,887,277 to the General Fund to cover purchases of capital outlay; this was less than expected.

The City closed the year with a fund balance that was higher than what was budgeted by \$5,058,253.

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, 2018, amounted to \$687,808,773 (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 6.9% (9.3% increase for governmental activities and a 3.7% increase for business-type activities).

**Capital Assets
As of June 30**

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 64,275,203	\$ 63,348,053	\$ 10,344,901	\$ 10,344,901	\$ 74,620,104	\$ 73,692,954
Buildings and improvements	80,069,897	66,225,695	192,709,102	188,311,397	272,778,999	254,537,092
Machinery and equipment	57,640,920	55,763,801	162,714,967	154,054,153	220,355,887	209,817,954
Infrastructure	537,745,330	522,919,532	-	-	537,745,330	522,919,532
Construction in progress	86,391,702	66,823,373	87,034,673	78,775,426	173,426,375	145,598,799
Less: Accumulated depreciation	(417,763,385)	(401,389,598)	(173,354,537)	(162,137,012)	(591,117,922)	(563,526,610)
Total	\$ 408,359,667	\$ 373,690,856	\$ 279,449,106	\$ 269,348,865	\$ 687,808,773	\$ 643,039,721

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

- A significant water line was completed at a cost of \$5,706,288.
- A new aquatic center was completed at a cost of \$11,907,286.
- A variety of Norman Forward construction projects were underway; construction in progress related to Norman Forward projects as of the end of the current fiscal year had reached \$25,656,715.
- 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 \$56,699,346.
- A variety of water and sewer projects were underway; NUA construction in progress as of the end of the current fiscal year was \$86,993,006.

Additional information on the City's capital assets can be found in note 4 on page 43-44 of this report.

Long-term debt – At the end of the current fiscal year, the City had total bonded debt outstanding of \$52,480,852. Of this amount, \$51,788,267 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 \$692,585. The City also had notes payable and capital leases outstanding of \$172,911,753 and \$413,971, respectively, at the end of the current fiscal year which were secured by capital assets and specified revenue sources.

**Outstanding Debt
As of June 30**

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 51,788,267	\$ 63,101,119	\$ -	\$ -	\$ 51,788,267	\$ 63,101,119
Revenue bonds	-	-	692,585	839,481	692,585	839,481
Capital leases	413,971	819,121	-	-	413,971	819,121
Notes payable	107,790,000	106,440,000	65,121,753	55,659,281	172,911,753	162,099,281
Total	\$ 159,992,238	\$ 170,360,240	\$ 65,814,338	\$ 56,498,762	\$ 225,806,576	\$ 226,859,002

The City's total debt decreased by \$1,052,426 (0.5 percent) during the current fiscal year. Key factors of

this change were issuance of the Norman Municipal Authority, Sales Tax Revenue Note, Series 2017B (\$6,105,000). The City also drew \$8,651,446 and \$6,891,969 on the Oklahoma Water Resources Board, Series 2014 loan and Oklahoma Water Resources Board, Series 2018 loan, respectively. 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 59-65 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 3.5 percent. This is the same as the state’s average unemployment rate of 3.5 percent and compare favorably to the national average rate of 4.0 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 0.8% over the prior year total.

All of these factors were considered in preparing the City’s budget for the 2019 fiscal year.

Requests for Information

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

THE CITY OF NORMAN, OKLAHOMA
STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 28,686,559	\$ 12,894,481	\$ 41,581,040
Restricted cash and cash equivalents	106,525,897	2,450,063	108,975,960
Investments	38,466,544	38,571,031	77,037,575
Restricted investments	5,477,572	-	5,477,572
Receivables:			
Taxes	14,612,468	-	14,612,468
Accounts, net of allowance for estimated uncollectible Business-Type accounts of \$1,073,316	2,283,512	5,002,447	7,285,959
Interest	230,609	148,651	379,260
Other	17,537	-	17,537
Due from Federal Government	1,523,423	-	1,523,423
Internal balances	(1,213,566)	1,213,566	-
Inventory	24,898	-	24,898
Total current assets	196,635,453	60,280,239	256,915,692
Non-current assets:			
Restricted cash and cash equivalents	-	542,261	542,261
Restricted investments	-	7,847,587	7,847,587
Capital assets not subject to depreciation	150,666,905	96,904,515	247,571,420
Capital assets, net	257,692,762	182,544,591	440,237,353
Total non-current assets	408,359,667	287,838,954	696,198,621
Total assets	604,995,120	348,119,193	953,114,313
DEFERRED OUTFLOW OF RESOURCES			
Deferred resources related to pensions	14,099,335	-	14,099,335
Deferred resources related to OPEB	883,148	-	883,148
Deferred charge on refunding	123,926	813,689	937,615
Total deferred outflows of resources	15,106,409	813,689	15,920,098
LIABILITIES			
Current liabilities:			
Accounts payable and other accrued liabilities	4,549,301	4,454,921	9,004,222
Payroll payable	1,590,542	321,072	1,911,614
Accrued interest payable	1,482,853	417,109	1,899,962
Retainage payable	1,527,915	1,041,115	2,569,030
Guaranty deposits	6,763,378	1,642,992	8,406,370
Current portion of long-term debt	19,923,812	6,300,780	26,224,592
Total current liabilities	35,837,801	14,177,989	50,015,790
Non-current liabilities:			
Long-term debt and other liabilities	214,155,050	60,831,369	274,986,419
Total non-current liabilities	214,155,050	60,831,369	274,986,419
Total liabilities	249,992,851	75,009,358	325,002,209
DEFERRED INFLOW OF RESOURCES			
Deferred resources related to pensions	3,570,874	-	3,570,874
Deferred resources related to OPEB	1,002,272	-	1,002,272
Total deferred inflows of resources	4,573,146	-	4,573,146
NET POSITION			
Net investment in capital assets	313,981,902	212,565,194	526,547,096
Restricted for:			
Debt service	5,769,156	1,043,774	6,812,930
Capital improvements	51,122,910	15,914,341	67,037,251
Public safety	25,073,264	-	25,073,264
Public parks and recreation	1,437,105	-	1,437,105
Public service	5,564,619	-	5,564,619
Public works	1,303,767	-	1,303,767
Unrestricted (deficit)	(38,717,191)	44,400,215	5,683,024
Total net position	\$ 365,535,532	\$ 273,923,524	\$ 639,459,056

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

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	\$ 12,859,373	\$ 2,767,032	\$ -	\$ -	\$ (10,092,341)	\$ -	\$ (10,092,341)
Planning	3,477,364	992,383	-	-	(2,484,981)	-	(2,484,981)
City controller	2,449,352	683,215	-	-	(1,766,137)	-	(1,766,137)
Parks and recreation	6,502,407	497,538	10,492	-	(5,994,377)	-	(5,994,377)
Public works	26,682,973	-	1,440,442	9,476,361	(15,766,170)	-	(15,766,170)
Public service	2,627,283	-	7,389,845	-	4,762,562	-	4,762,562
Public safety	55,817,838	3,256,469	5,729,729	-	(46,831,640)	-	(46,831,640)
Interest on long-term debt	4,937,107	-	-	-	(4,937,107)	-	(4,937,107)
Total governmental activities	<u>115,353,697</u>	<u>8,196,637</u>	<u>14,570,508</u>	<u>9,476,361</u>	<u>(83,110,191)</u>	<u>-</u>	<u>(83,110,191)</u>
Business-type activities:							
Westwood Park	1,500,752	1,264,059	-	-	-	(236,693)	(236,693)
Water	16,321,995	21,843,184	-	2,506,439	-	8,027,628	8,027,628
Wastewater	14,627,959	15,781,490	-	2,756,986	-	3,910,517	3,910,517
Sanitation	12,878,886	14,549,273	-	-	-	1,670,387	1,670,387
Total business-type activities	<u>45,329,592</u>	<u>53,438,006</u>	<u>-</u>	<u>5,263,425</u>	<u>-</u>	<u>13,371,839</u>	<u>13,371,839</u>
Total primary government	<u>\$ 160,683,289</u>	<u>\$ 61,634,643</u>	<u>\$ 14,570,508</u>	<u>\$ 14,739,786</u>	<u>(83,110,191)</u>	<u>13,371,839</u>	<u>(69,738,352)</u>
General revenues:							
Taxes (unrestricted unless otherwise noted):							
Sales taxes					39,638,374	-	39,638,374
Sales taxes - restricted					34,329,335	-	34,329,335
Excise taxes - restricted					-	1,319,885	1,319,885
Franchise taxes					7,094,490	-	7,094,490
Property taxes - restricted					11,971,525	-	11,971,525
Use taxes					3,792,258	-	3,792,258
Use taxes - restricted					1,356,059	-	1,356,059
Hotel/Motel taxes					1,879,453	-	1,879,453
Alcoholic beverage taxes					324,252	-	324,252
Cigarette taxes					834,649	-	834,649
Investment earnings					1,586,732	472,025	2,058,757
Miscellaneous					3,627,956	(940,246)	2,687,710
Transfers					1,157,529	(1,157,529)	-
Total general revenues and transfers					<u>107,592,612</u>	<u>(305,865)</u>	<u>107,286,747</u>
Change in net position					24,482,421	13,065,974	37,548,395
Net position - beginning					341,053,111	260,857,550	601,910,661
Net position - ending					<u>\$ 365,535,532</u>	<u>\$ 273,923,524</u>	<u>\$ 639,459,056</u>

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2018

	General	Public Safety Sales Tax	Debt Service	Capital Projects	Norman Forward	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 3,754,462	\$ -	\$ -	\$ 13,082,083	\$ 5,581,892	\$ 6,268,122	\$ 28,686,559
Investments	7,370,941	-	7,490,632	9,784,503	7,902,846	2,358,501	34,907,423
Receivables:							
Taxes	8,421,094	1,675,593	-	2,653,145	1,675,593	187,043	14,612,468
Accounts	1,502,845	-	-	-	-	346	1,503,191
Interest	23,423	31,868	23,802	56,959	75,753	7,494	219,299
Other	-	-	-	17,537	-	-	17,537
Due from Federal Government	147,343	-	-	153,648	-	1,222,432	1,523,423
Due from other funds	296,585	-	-	701,445	523,926	539,145	2,061,101
Inventory	24,898	-	-	-	-	-	24,898
Restricted Assets:							
Cash and cash equivalents	2,412,953	19,839,781	-	43,128,428	41,144,735	-	106,525,897
Investments	<u>2,729,620</u>	<u>2,747,952</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,477,572</u>
Total assets	<u>\$ 26,684,164</u>	<u>\$24,295,194</u>	<u>\$ 7,514,434</u>	<u>\$ 69,577,748</u>	<u>\$ 56,904,745</u>	<u>\$ 10,583,083</u>	<u>\$ 195,559,368</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable and other accrued liabilities	\$ 1,305,833	\$ 117,921	\$ -	\$ 1,487,308	\$ 1,268,643	\$ 247,747	\$ 4,427,452
Payroll payable	1,337,255	207,630	-	24,645	-	13,826	1,583,356
Due to other funds	-	80,619	1,745,278	-	-	-	1,825,897
Retainage payable	-	-	-	182,146	972,958	372,811	1,527,915
Guaranty deposits	<u>5,135,240</u>	<u>-</u>	<u>-</u>	<u>1,628,138</u>	<u>-</u>	<u>-</u>	<u>6,763,378</u>
Total liabilities	<u>7,778,328</u>	<u>406,170</u>	<u>1,745,278</u>	<u>3,322,237</u>	<u>2,241,601</u>	<u>634,384</u>	<u>16,127,998</u>
FUND BALANCES							
Nonspendable	24,898	-	-	-	-	-	24,898
Restricted	-	23,889,024	5,769,156	62,788,293	54,048,738	9,489,731	155,984,942
Committed	3,331,295	-	-	-	-	-	3,331,295
Assigned	2,503,122	-	-	3,467,218	614,406	458,968	7,043,714
Unassigned	<u>13,046,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,046,521</u>
Total fund balances	<u>18,905,836</u>	<u>23,889,024</u>	<u>5,769,156</u>	<u>66,255,511</u>	<u>54,663,144</u>	<u>9,948,699</u>	<u>179,431,370</u>
Total liabilities and fund balances balances	<u>\$ 26,684,164</u>	<u>\$24,295,194</u>	<u>\$ 7,514,434</u>	<u>\$ 69,577,748</u>	<u>\$ 56,904,745</u>	<u>\$ 10,583,083</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.

408,359,667

Internal service funds are used by management to charge the costs of risk management activities to individual funds. The assets, deferred outflow of resources, liabilities and deferred inflows of the internal service funds are included in governmental activities in the statement of net position.

236,249

Long-term liabilities, including bonds payable and net pension liability (including related deferred outflows/inflows of resources) are not due and payable in the current period and, therefore, are not reported in the funds.

(222,491,754)

Net position of governmental activities

\$ 365,535,532

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, 2018

	General	Public Safety Sales Tax	Debt Service	Capital Projects	Norman Forward	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 50,525,122	\$ 9,889,503	\$ 10,404,106	\$ 17,473,807	\$ 9,889,503	\$ 1,879,453	\$ 100,061,494
Licenses and permits	1,103,706	-	-	-	-	-	1,103,706
Intergovernmental revenues	2,233,277	-	-	507,621	-	7,759,943	10,500,841
Charges for services	11,587,710	-	-	-	-	69,389	11,657,099
Fines and forfeitures	2,365,632	-	-	-	-	-	2,365,632
Investment earnings	64,931	215,696	71,645	423,715	519,735	34,489	1,330,211
Other	<u>2,019,710</u>	<u>651,752</u>	<u>-</u>	<u>537,384</u>	<u>8,500</u>	<u>248,189</u>	<u>3,465,535</u>
Total revenues	<u>69,900,088</u>	<u>10,756,951</u>	<u>10,475,751</u>	<u>18,942,527</u>	<u>10,417,738</u>	<u>9,991,463</u>	<u>130,484,518</u>
Expenditures:							
Current:							
General government	9,769,537	-	-	108,017	803,347	-	10,680,901
Planning	3,420,577	-	-	216,700	-	-	3,637,277
City controller	3,399,023	-	-	103,875	-	-	3,502,898
Parks and recreation	4,285,600	-	-	736,079	151,013	76,446	5,249,138
Public works	13,973,280	-	-	4,887,946	36,152	9,354	18,906,732
Public service	-	-	-	-	-	2,661,647	2,661,647
Public safety	35,630,450	9,645,091	-	145,917	-	343,084	45,764,542
Capital outlay	2,117,875	1,517,935	-	11,177,329	21,722,775	6,561,391	43,097,305
Debt service:							
Principal retirement	-	1,865,000	11,085,000	1,895,150	1,400,000	-	16,245,150
Interest and fiscal charges	<u>-</u>	<u>481,886</u>	<u>1,607,990</u>	<u>793,187</u>	<u>1,661,501</u>	<u>-</u>	<u>4,544,564</u>
Total expenditures	<u>72,596,342</u>	<u>13,509,912</u>	<u>12,692,990</u>	<u>20,064,200</u>	<u>25,774,788</u>	<u>9,651,922</u>	<u>154,290,154</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,696,254)</u>	<u>(2,752,961)</u>	<u>(2,217,239)</u>	<u>(1,121,673)</u>	<u>(15,357,050)</u>	<u>339,541</u>	<u>(23,805,636)</u>
Other financing sources (uses):							
Transfers in	9,085,566	-	-	7,643,687	-	-	16,729,253
Transfers out	(280,087)	-	(651,763)	(7,981,287)	-	(7,309,184)	(16,222,321)
Issuance of debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,105,000</u>	<u>-</u>	<u>-</u>	<u>6,105,000</u>
Net other financing sources (uses)	<u>8,805,479</u>	<u>-</u>	<u>(651,763)</u>	<u>5,767,400</u>	<u>-</u>	<u>(7,309,184)</u>	<u>6,611,932</u>
Net change in fund balances	<u>6,109,225</u>	<u>(2,752,961)</u>	<u>(2,869,002)</u>	<u>4,645,727</u>	<u>(15,357,050)</u>	<u>(6,969,643)</u>	<u>(17,193,704)</u>
Fund balances, July 1, 2017	12,796,611	26,641,985	8,638,158	61,609,784	70,020,194	16,918,342	196,625,074
Fund balances, June 30, 2018	<u>\$ 18,905,836</u>	<u>\$ 23,889,024</u>	<u>\$ 5,769,156</u>	<u>\$ 66,255,511</u>	<u>\$ 54,663,144</u>	<u>\$ 9,948,699</u>	<u>\$ 179,431,370</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, 2018

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

Net change in fund balances - total governmental funds	\$ (17,193,704)
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.	25,449,850
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	9,218,961
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	10,140,150
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	(666,341)
Increase in liability for incurred claims and compensated absences and miscellaneous expenses in government-wide financial statements	59,621
The cost of pension benefits earned, net of contributions made, are reported as an element of pension expense in government-wide financial statements. In the fund-level financial statements only the contributions made are reported as expenditures	(815,063)
Internal service funds are used by management to charge the costs of insurance services to individual funds. The net loss of the internal service fund is reported with governmental activities.	<u>(1,711,053)</u>
Change in net position of governmental activities	<u>\$ 24,482,421</u>

See notes to financial statements

THE CITY OF NORMAN, OKLAHOMA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2018

	Business-type Activities			Governmental Activities
	Norman Municipal Authority	Norman Utilities Authority	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,165,219	\$ 10,729,262	\$ 12,894,481	\$ -
Restricted cash and cash equivalents	566,455	1,883,608	2,450,063	-
Investments	10,174,534	28,396,497	38,571,031	3,559,121
Receivables:				
Accounts, net of allowance for estimated uncollectible accounts	1,235,290	3,767,157	5,002,447	780,321
Interest	32,882	115,769	148,651	11,310
Due from other funds	182,504	1,031,062	1,213,566	-
Total current assets	<u>14,356,884</u>	<u>45,923,355</u>	<u>60,280,239</u>	<u>4,350,752</u>
Noncurrent assets:				
Restricted cash and cash equivalents	542,261	-	542,261	-
Restricted investments	-	7,847,587	7,847,587	-
Capital assets, net	17,550,121	261,898,985	279,449,106	-
Total noncurrent assets	<u>18,092,382</u>	<u>269,746,572</u>	<u>287,838,954</u>	<u>-</u>
Total assets	<u>32,449,266</u>	<u>315,669,927</u>	<u>348,119,193</u>	<u>4,350,752</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred charge on refunding	-	813,689	813,689	-
Total deferred outflows of resources	<u>-</u>	<u>813,689</u>	<u>813,689</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	425,366	4,029,555	4,454,921	121,971
Payroll payable	153,061	168,011	321,072	7,186
Due to other funds	-	-	-	1,448,770
Accrued interest payable	19,899	397,210	417,109	-
Retainage payable	-	1,041,115	1,041,115	-
Guaranty deposits	398,319	1,244,673	1,642,992	-
Revenue bonds payable	160,000	-	160,000	-
Notes payable	420,000	5,634,829	6,054,829	-
Compensated absences	31,173	54,778	85,951	2,385
Total current liabilities	<u>1,607,818</u>	<u>12,570,171</u>	<u>14,177,989</u>	<u>1,580,312</u>
Noncurrent liabilities:				
Notes payable, net	1,580,000	57,486,924	59,066,924	-
Compensated absences	446,781	785,079	1,231,860	34,191
Liability for incurred claims	-	-	-	2,500,000
Revenue bonds payable, net	532,585	-	532,585	-
Total noncurrent liabilities	<u>2,559,366</u>	<u>58,272,003</u>	<u>60,831,369</u>	<u>2,534,191</u>
Total liabilities	<u>4,167,184</u>	<u>70,842,174</u>	<u>75,009,358</u>	<u>4,114,503</u>
NET POSITION				
Net investment in capital assets	14,845,121	197,720,073	212,565,194	-
Restricted for debt service	690,497	353,277	1,043,774	-
Restricted for capital projects	-	15,914,341	15,914,341	-
Unrestricted	12,746,464	31,653,751	44,400,215	236,249
Total net position	<u>\$ 28,282,082</u>	<u>\$ 245,641,442</u>	<u>\$ 273,923,524</u>	<u>\$ 236,249</u>

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2018

	Business-type Activities			Governmental Activities
	Norman Municipal Authority	Norman Utilities Authority	Total	Internal Service Fund
Operating revenues:				
Golf and pool fees	\$ 1,264,059	\$ -	\$ 1,264,059	\$ -
Water service, net	-	23,042,347	23,042,347	-
Wastewater service, net	-	15,781,490	15,781,490	-
Sanitation services, net	14,348,188	-	14,348,188	-
Self-insurance charges:				
Charges for services	-	-	-	13,239,126
Risk management administration	-	-	-	269,635
Workers' compensation	-	-	-	74,999
Unemployment compensation	-	-	-	7,506
Other	198,095	378,561	576,656	139,066
Total operating revenues	<u>15,810,342</u>	<u>39,202,398</u>	<u>55,012,740</u>	<u>13,730,332</u>
Operating expenses:				
Salaries and benefits	5,225,041	7,214,687	12,439,728	636,337
Supplies and materials	1,102,092	2,543,766	3,645,858	-
Services, maintenance and claims	5,962,489	11,666,331	17,628,820	15,498,084
Depreciation and amortization	1,934,867	10,301,361	12,236,228	-
Total operating expenses	<u>14,224,489</u>	<u>31,726,145</u>	<u>45,950,634</u>	<u>16,134,421</u>
Operating income (loss)	<u>1,585,853</u>	<u>7,476,253</u>	<u>9,062,106</u>	<u>(2,404,089)</u>
Nonoperating revenues (expenses):				
Excise tax revenue	-	1,319,885	1,319,885	-
Investment earnings	110,338	361,687	472,025	42,439
Interest and fiscal charges	(129,815)	(1,448,086)	(1,577,901)	-
Miscellaneous income (expense)	187,061	(503,098)	(316,037)	-
Net nonoperating revenues (expenses)	<u>167,584</u>	<u>(269,612)</u>	<u>(102,028)</u>	<u>42,439</u>
Income (loss) before capital contributions and transfers	<u>1,753,437</u>	<u>7,206,641</u>	<u>8,960,078</u>	<u>(2,361,650)</u>
Capital contributions - donated water and sewer distribution systems	-	5,263,425	5,263,425	-
Transfers in	246,968	689,265	936,233	731,850
Transfers out	(46,000)	(2,047,762)	(2,093,762)	(81,253)
Net capital contributions and transfers	<u>200,968</u>	<u>3,904,928</u>	<u>4,105,896</u>	<u>650,597</u>
Net income (loss)	<u>1,954,405</u>	<u>11,111,569</u>	<u>13,065,974</u>	<u>(1,711,053)</u>
Net position - beginning	<u>26,327,677</u>	<u>234,529,873</u>	<u>260,857,550</u>	<u>1,947,302</u>
Net position - ending	<u>\$ 28,282,082</u>	<u>\$ 245,641,442</u>	<u>\$ 273,923,524</u>	<u>\$ 236,249</u>

See notes to financial statements

THE CITY OF NORMAN, OKLAHOMA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Business-type Activities			Governmental
	Norman Municipal Authority	Norman Utilities Authority	Total	Internal Service Fund
Cash flows from operating activities:				
Cash received from customers	\$ 15,607,141	\$ 39,140,100	\$ 54,747,241	\$ -
Cash received from interfund charges for health insurance	-	-	-	12,619,223
Cash received from interfund charges for risk management services	-	-	-	352,140
Cash paid to employees for services	(5,190,499)	(7,193,055)	(12,383,554)	(634,448)
Cash paid to suppliers	(6,917,123)	(12,327,260)	(19,244,383)	(16,647,083)
Other receipts (payments)	(538,850)	(2,654,200)	(3,193,050)	1,606,495
Net cash provided by (used for) operating activities	<u>2,960,669</u>	<u>16,965,585</u>	<u>19,926,254</u>	<u>(2,703,673)</u>
Cash flows from noncapital financing activities:				
Transfers in	246,968	689,265	936,233	731,850
Transfers out	(46,000)	(2,047,762)	(2,093,762)	(81,253)
Net cash provided by (used for) noncapital financing activities	<u>200,968</u>	<u>(1,358,497)</u>	<u>(1,157,529)</u>	<u>650,597</u>
Cash flows from capital and related financing activities:				
Proceeds from disposal of capital assets	146,687	23,261	169,948	-
Payments for the acquisition of capital assets	(1,402,578)	(16,354,091)	(17,756,669)	-
Proceeds from taxes	-	1,319,885	1,319,885	-
Principal payments on revenue bonds	(150,000)	-	(150,000)	-
Proceeds from notes payable	-	15,543,414	15,543,414	-
Principal payments on notes payable	(575,000)	(5,507,726)	(6,082,726)	-
Interest and fiscal charges paid	(130,534)	(1,261,895)	(1,392,429)	-
Net cash used for capital and related financing activities	<u>(2,111,425)</u>	<u>(6,237,152)</u>	<u>(8,348,577)</u>	<u>-</u>
Cash flows from investing activities:				
Proceeds from maturity of investments	3,706,243	10,964,938	14,671,181	2,881,331
Payments for purchases of investments	(2,857,439)	(10,178,872)	(13,036,311)	(999,552)
Investment earnings received	175,828	599,618	775,446	62,562
Net cash provided by investing activities	<u>1,024,632</u>	<u>1,385,684</u>	<u>2,410,316</u>	<u>1,944,341</u>
Net change in cash and cash equivalents	2,074,844	10,755,620	12,830,464	(108,735)
Cash and cash equivalents - beginning	1,199,091	1,857,250	3,056,341	108,735
Cash and cash equivalents - ending	<u>\$ 3,273,935</u>	<u>\$ 12,612,870</u>	<u>\$ 15,886,805</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 1,585,853	\$ 7,476,253	\$ 9,062,106	\$ (2,404,089)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Miscellaneous revenue (expense)	187,061	(503,098)	(316,037)	-
Bad debt expense	96,274	275,219	371,493	-
Depreciation	1,934,867	10,301,361	12,236,228	-
(Gain) loss on disposal of property, plant and equipment	(25,334)	539,012	513,678	-
Increase in accounts receivable, net	(308,905)	(362,669)	(671,574)	(758,969)
Decrease in due from Federal Government	225,630	100,623	326,253	128,113
Increase (decrease) in due from other funds	(926,207)	(2,790,737)	(3,716,944)	29,612
Increase in accounts payable and accrued liabilities	147,458	2,213,823	2,361,281	51,001
Increase in payroll payable	35,811	3,309	39,120	304
Increase in other payable	-	-	-	1,448,770
Decrease in liability for incurred claims	-	-	-	(1,200,000)
Decrease in retainage payable	-	(330,986)	(330,986)	-
Increase in guaranty deposits	9,430	25,152	34,582	-
Increase (decrease) in compensated absences	(1,269)	18,323	17,054	1,585
Net cash provided by (used for) operating activities	<u>\$ 2,960,669</u>	<u>\$ 16,965,585</u>	<u>\$ 19,926,254</u>	<u>\$ (2,703,673)</u>
NONCASH ACTIVITIES:				
Donated water and sewer distribution systems	\$ -	\$ 5,263,425	\$ 5,263,425	\$ -
Change in unrealized loss on investments	\$ 70,261	\$ 259,943	\$ 330,204	\$ -

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS JUNE 30, 2018

	Pension Trust Fund	Centennial Agency Fund
ASSETS		
Cash and cash equivalents	\$ -	\$ 1,623
Investments		
Mutual funds	90,874,192	-
U.S. Agencies	-	7,558
Interest receivable	-	24
Loans to 401(a) Plan participants	<u>3,853,329</u>	<u>-</u>
Total assets	<u>\$ 94,727,521</u>	<u>\$ 9,205</u>
LIABILITIES AND NET POSITION		
Funds held for others	\$ -	\$ 9,205
Net position restricted for defined benefit pensions	247,932	-
Net position restricted for defined contribution pensions	<u>94,479,589</u>	<u>-</u>
Total liabilities and net position	<u>\$ 94,727,521</u>	<u>\$ 9,205</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, 2018

	Pension Trust Fund
ADDITIONS:	
Contributions:	
Employer	\$ 2,520,077
Employee	<u>1,956,255</u>
Total contributions	4,476,332
Investment income	<u>9,828,725</u>
Total additions	<u>14,305,057</u>
DEDUCTIONS:	
Pension benefits paid	7,129,666
Administration costs	<u>(121,123)</u>
Total deductions	<u>7,008,543</u>
NET INCREASE	7,296,514
Net position restricted for pension and retirement benefits, Beginning of year	<u>87,431,007</u>
End of year	<u>\$ 94,727,521</u>

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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, 2018, 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 – A special revenue 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.

NORMAN FORWARD Fund – A special revenue fund established to receive revenues from a special half-cent sales tax dedicated to quality-of-life projects including multiple recreation facilities, libraries, parks, athletic venues, public art, trails, and swim complexes.

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 seven nonmajor 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.
- *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, 2018, 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 its separate 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 acquisition 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 valued at actual cost using the first-in/first out method. Fuel inventory is recorded using average cost. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.
- 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, 2018, 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 the 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 position 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.
 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.

Defined Benefit Other Postemployment Benefit Plan

The City has a single-employer defined benefit other postemployment benefit (OPEB) plan, (the OPEB Plan). For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, these line items have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Deferred outflows/inflows of resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City has a deferred outflow for a bond refunding, which is the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred or amortized to interest expense over the shorter of the life of the refunded or new debt. In addition, the City has deferred outflows related to pensions or other post employment benefits (OPEB), with one being the amount of contributions made to the pension plans after the measurement date, and the other the difference in investment experience between actual earnings and projected earnings on pension plan investments and the difference in assumption changes. Deferred outflows related to contributions made after the measurement date will be recognized as a reduction of net pension or OPEB

liability in the following year. The remaining amounts will be amortized to pension expense over future periods as shown in Note 4(b) and 4(c).

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will be recognized as an inflow of resources (revenue) until then. The City has a deferred inflow related to pensions and OPEB plans. This consists of the difference between the expected and actual experience related to the pension plans as well as the difference in assumption changes. These amounts are amortized over future periods to pension expense.

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, 2018 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, deferred outflows of resources, liabilities and deferred inflows of resources 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.

Adoption of Accounting Principles –

GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*

The City implemented Governmental Accounting Standard Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, for 2018. The statement includes guidance for accounting for participating employers both defined benefit and defined contribution other postemployment benefit plans (OPEB) that are administered through trusts or equivalent arrangements. The note disclosure and required supplementary information requirements for employers whose employees are provided with other postemployment benefits through plans that are not administered through trusts also are addressed. Finally, the statement includes guidance on accounting for special funding situations where an entity other than the employer government is legally responsible for plan contributions.

The Statement also requires employers participating in cost-sharing multiple-employer plans to recognize their proportional share of the plan’s collective total OPEB liability, OPEB expense and deferred outflows of resources and deferred inflows of resources in the employer’s financial statements. The OPEB expense is no longer based on the contractually required contribution or contributions actually made, but is actuarially determined. This results in the OPEB expense and liability being recognized as benefits are earned by employees, and increases current OPEB expense along with the recognition of the proportional share of the total OPEB liability. This information has been added to Note 4 and to the required supplementary information, as required. It was deemed not necessary to restate periods prior to 2018 because the impact was not significant to those periods.

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 a 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 and net pension and OPEB liabilities (including related deferred outflows/inflows of resources), are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$222,491,754 difference are as follows:

General obligation bonds payable	\$ 51,788,267
Deferred charge on refunding	(123,926)
Revenue bonds payable	91,360,000
Notes payable	16,430,000
Capital leases payable	413,971
Compensated absences	8,185,061
Net OPEB obligation	10,999,326
Net pension liability	52,365,539
Deferred outflows of resources	(14,982,483)
Deferred inflow of resources	4,573,146
Accrued interest payable	<u>1,482,853</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 222,491,754</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 \$25,449,850 difference are as follows:

Capital outlay	\$ 43,097,305
Depreciation expense	<u>(17,647,455)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 25,449,850</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 \$9,218,961 difference are as follows:

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	\$ 9,229,361
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 position differs from the change in fund balance by the cost of the capital asset sold.	123,835
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>(134,235)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 9,218,961</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 \$666,341 difference are as follows:

Accrued interest payable	\$ 392,543
Change in net pension and OPEB obligations	487,880
Change in debt issuance premium or discount	<u>(214,082)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 666,341</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, 2018 amounted to \$15,659,810. 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, 2018, none of the City's bank balance of \$61,733,248 was exposed to custodial credit risk. As of June 30, 2018, the City's carrying balance of these deposits was \$62,150,297.

Interest Rate Risk – As of June 30, 2018, the City had the following investments subject to interest rate risk:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Money Market Mutual Funds	\$ 92,678,584	0.07
U.S. Treasury Notes	17,981,229	1.85
Federal Home Loan Bank	16,877,505	2.29
Federal Farm Credit Bank	7,428,980	0.73
Federal National Mortgage Association	18,948,498	0.91
Federal Agricultural Mortgage Corporation	11,862,150	2.19
Tennessee Valley Authority	3,346,298	2.63
Federal Home Loan Mortgage Corporation	<u>10,188,454</u>	1.19
Total fair value	<u>\$ 179,311,698</u>	
Portfolio weighted average maturity		0.91

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	\$ 62,150,297
Money market mutual funds	92,678,584
Less: Certificates or deposits classified as investments	<u>(3,729,620)</u>
	<u>\$ 151,099,261</u>

Cash as reported on the government-wide statement of net position -	
Cash and cash equivalents	\$ 41,581,040
Restricted cash and cash equivalents - current	108,975,960
Restricted cash and cash equivalents - long-term	<u>542,261</u>
	<u>\$ 151,099,261</u>

Carrying value of investments -	
Pooled and nonpooled funds	\$ 179,311,698
Site development certificate of deposits	3,729,620
Less: Money market mutual funds classified as cash equivalent	<u>(92,678,584)</u>
	<u>\$ 90,362,734</u>

As reported on the government-wide statement of net position -	
Investments	\$ 77,037,575
Restricted investments - current	5,477,572
Restricted investments - long-term	<u>7,847,587</u>
	<u>\$ 90,362,734</u>

Credit Risk –The City’s investment policy does not cover credit risk. The City’s investments as of June 30, 2018 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+
Federal Agricultural Mortgage Corporation	Aaa	AA+
Tennessee Valley Authority	Aaa	AA+
U.S. Treasury Notes	Unrated	Unrated
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, Federal Home Loan Mortgage Corporation and Federal Agricultural Mortgage Corporation. These investments are 19%, 8%, 21%, 20%, 11% and 13%, 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, 2018, 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, 2018:

- US Treasury securities of \$17,981,229 are valued using quoted market prices (Level 1 inputs).
- Federal government agencies securities of \$68,651,885 are valued using quoted market prices of similar assets in an active market (Level 2 inputs).
- Money market mutual funds of \$92,678,584 are valued using quoted market prices (Level 1 inputs).
- Mutual funds of \$90,874,192 reported in the Statement of Fiduciary Net Position 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 \$1,523,423 of allowable expenditures under various direct and pass through grants for which the City has requested reimbursement.

Loan Receivable – On April 25, 2017, trustees of the Norman Tax Increment Finance Authority approved a \$3,000,000 loan to the Norman Economic Development Coalition (NEDC) that was used to payoff a loan between NEDC and Republic Bank & Trust Company. The original loan was made to purchase and make improvements to land within the University North Park area to attract potential employers. The balance of the loan has been offset by an equal allowance for an uncollectible amount within the government-wide financial statements.

Interfund receivables and payables – Interfund receivables and payables for the year ended June 30, 2018:

Due To	Due From					Total Due From
	General Fund	Nonmajor Governmental Funds	Capital Fund	Norman Forward Fund	Enterprise Funds	
Debt Service Fund	\$ 296,585	\$ 539,145	\$ 701,445	\$ 208,103	\$ -	\$ 1,745,278
Internal Service Funds	-	-	-	315,823	1,132,947	1,448,770
Public Safety	-	-	-	-	80,619	80,619
Sales Tax Fund	-	-	-	-	-	-
Total Due To	\$ 296,585	\$ 539,145	\$ 701,445	\$ 523,926	\$ 1,213,566	\$ 3,274,667

Transfers - Transfers for the year ended June 30, 2018 consisted of the following:

Transfers Out	Transfers In				
	General Fund	Capital Projects Fund	Enterprise Funds	Internal Service Fund	Total Transfers
General Fund	\$ -	\$ 200,000	\$ -	\$ 80,087	\$ 280,087
Nonmajor Governmental Funds	-	7,105,565	203,619	-	7,309,184
Debt Svs Fund	-	-	-	651,763	651,763
Capital Projects Fund	7,248,673	-	732,614	-	7,981,287
Internal Service Fund	81,253	-	-	-	81,253
Enterprise Funds	1,755,640	338,122	-	-	2,093,762
Total Transfers In	\$ 9,085,566	\$ 7,643,687	\$ 936,233	\$ 731,850	\$ 18,397,336

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 \$2,818,416 to the General Fund to pay for the purchase of vehicles and equipment and fund street maintenance projects.
- The UNP TIF Fund transferred \$4,275,508 to the General Fund to return over apportioned funds.
- The Community Development Fund transferred \$6,926,065 to the Capital Fund to reimburse for 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 \$651,763 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 Enterprise Funds transferred \$1,755,640 to the General Fund as a fee in lieu of franchise fees.

Capital Assets – Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 63,348,053	\$ 927,150	\$ -	\$ 64,275,203
Construction in progress	66,823,373	40,406,640	(20,838,311)	86,391,702
Capital assets, being depreciated:				
Buildings	39,288,315	3,431,279	-	42,719,594
Improvements other than buildings	26,937,380	10,426,842	(13,919)	37,350,303
Machinery and equipment	34,986,784	1,587,458	(744,105)	35,830,137
Vehicles	20,777,017	1,559,812	(526,046)	21,810,783
Infrastructure	<u>522,919,532</u>	<u>14,825,798</u>	<u>-</u>	<u>537,745,330</u>
Totals at historical cost	<u>775,080,454</u>	<u>73,164,979</u>	<u>(22,122,381)</u>	<u>826,123,052</u>
Less accumulated depreciation				
Buildings	(15,371,036)	(1,320,072)	-	(16,691,108)
Improvements other than buildings	(12,867,940)	(918,062)	13,919	(13,772,083)
Machinery and equipment	(22,467,813)	(3,112,479)	733,704	(24,846,588)
Vehicles	(11,863,011)	(1,825,367)	526,046	(13,162,332)
Infrastructure	<u>(338,819,798)</u>	<u>(10,471,476)</u>	<u>-</u>	<u>(349,291,274)</u>
Total accumulated depreciation	<u>(401,389,598)</u>	<u>(17,647,456)</u>	<u>1,273,669</u>	<u>(417,763,385)</u>
Governmental activities capital assets, net	<u>\$ 373,690,856</u>	<u>\$ 55,517,523</u>	<u>\$ (20,848,712)</u>	<u>\$ 408,359,667</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 10,344,901	\$ -	\$ -	\$ 10,344,901
Construction in progress	78,775,426	15,979,801	(7,720,554)	87,034,673
Capital assets, being depreciated:				
Buildings and improvements	188,311,397	5,371,998	(974,293)	192,709,102
Machinery and equipment	<u>154,054,153</u>	<u>9,571,708</u>	<u>(910,894)</u>	<u>162,714,967</u>
Totals at historical cost	<u>431,485,877</u>	<u>30,923,507</u>	<u>(9,605,741)</u>	<u>452,803,643</u>
Less accumulated depreciation				
Buildings and improvements	(100,862,277)	(4,578,804)	213,657	(105,227,424)
Machinery and equipment	<u>(61,274,735)</u>	<u>(7,657,424)</u>	<u>805,046</u>	<u>(68,127,113)</u>
Total accumulated depreciation	<u>(162,137,012)</u>	<u>(12,236,228)</u>	<u>1,018,703</u>	<u>(173,354,537)</u>
Business-type activities capital assets, net	<u>\$ 269,348,865</u>	<u>\$ 18,687,279</u>	<u>\$ (8,587,038)</u>	<u>\$ 279,449,106</u>

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

Governmental activities:

General government	\$905,014
Planning	89,105
City controller	340,098
Parks and recreation	1,353,113
Public works	12,118,687
Public service	200
Public safety	<u>2,841,238</u>
Total depreciation expense – governmental activities	<u>\$17,647,455</u>

Business-type activities:

Westwood park	\$163,466
Utilities authority	10,301,361
Sanitation services	<u>1,771,401</u>
Total depreciation expense – business-type activities	<u>\$12,236,228</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 defined benefit portion of the ERS plan is not entricial to the City’s financial statement as a whole. Therefore the information 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, 2018, 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, 2017, the date of the last actuarial study, the Annuity Pool participants included eight 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, 2017 the Actuarial Accrued Liability for the Annuity Pool was \$303,044 and the market value of assets in the Annuity Pool was \$287,009. The City’s actuary has suggested an annual contribution for a period of ten years commencing July 1, 2018. The actuarial assumptions included (a) 7.25% 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 did not make a contribution to the plan in 2018. 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, 2018 was \$29,647,965, and total City payroll was \$58,143,467.

Substantially all full-time, non-uniformed employees of the City are required to participate in the 401(a) Plan. At June 30, 2018, there were 583 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%

The amount forfeited for the year ended June 30, 2018 was \$79,146. Contributions to the 401(a) Plan for 2018 were \$4,476,332. The contributions expressed in dollars and percent of covered payroll were: City - \$2,520,077, 8.5%, participants - \$1,956,255, 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

Fiscal Year	401(a) Plan	
	City's Required Contribution	City's Percentage Contributed
2016	2,397,541	100%
2017	2,555,989	100%
2018	2,520,077	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, 2018**

	Annuity Pool Fund	401(a) Plan Fund	Total
Assets			
Investments - mutual funds	\$ 247,932	\$ 90,626,260	\$ 90,874,192
Loans to 401(a) Plan participants	-	3,853,329	3,853,329
Total assets	<u>\$ 247,932</u>	<u>\$ 94,479,589</u>	<u>\$ 94,727,521</u>
Liabilities and Net Position			
Net position restricted for pension benefits	<u>\$ 247,932</u>	<u>\$ 94,479,589</u>	<u>\$ 94,727,521</u>
Total liabilities and net position	<u>\$ 247,932</u>	<u>\$ 94,479,589</u>	<u>\$ 94,727,521</u>

**Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2018**

	Annuity Pool Fund	401(a) Plan Fund	Total
Additions:			
Contributions - employer	\$ -	\$ 2,520,077	\$ 2,520,077
Contributions - employee	-	1,956,255	1,956,255
Investment income (loss)	20,868	9,807,857	9,828,725
Total additions	<u>20,868</u>	<u>14,284,189</u>	<u>14,305,057</u>
Deductions:			
Pension benefits paid	58,782	7,070,884	7,129,666
Administration costs	1,277	(122,400)	(121,123)
Total deductions	<u>60,059</u>	<u>6,948,484</u>	<u>7,008,543</u>
Net increase (decrease)	(39,191)	7,335,705	7,296,514
Net position restricted for pension and retirement benefits:			
Beginning of year	<u>287,123</u>	<u>87,143,884</u>	<u>87,431,007</u>
End of year	<u>\$ 247,932</u>	<u>\$ 94,479,589</u>	<u>\$ 94,727,521</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 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, 2018, the total contribution to the system amounted to \$2,811,323 of which \$1,711,565 was made by the City and \$1,099,758 was made by the employees. These contributions represent 14% (City) and 9% (member) of covered payroll, actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with any 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 \$3,648,000 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, 2018, the City reported a liability of \$52,055,202, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2017, the City's proportion was 4.138843%

For the year ended June 30, 2018, the City recognized pension expense of \$5,753,312. At June 30, 2018, 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	\$ 6,953,679	\$ -
Employer change in proportion and differences between contributions recognized and proportionate share of contributions	1,444,683	204,142
Net difference between projected and actual earnings on pension plan investments	-	1,450,601
City's contributions subsequent to the measurement date	<u>1,711,565</u>	<u>-</u>
Total	<u>\$ 10,109,927</u>	<u>\$ 1,654,743</u>

At June 30, 2018, the City reported \$1,711,565 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources totaling \$6,743,619 related to pensions will be recognized as a (reduction) or increase in pension expense as follows:

2018	\$ 782,886
2019	2,393,555
2020	1,885,248
2021	243,253
2022	1,173,671
Thereafter	<u>265,006</u>
	<u>\$ 6,743,619</u>

Actuarial Assumptions – The total pension liability in the July 1, 2017, 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, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2007 through June 30, 2012.

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%	4.38%
Domestic Equity	37%	7.72%
International Equity	20%	9.70%
Real Estate	10%	6.96%
Other Assets	<u>13%</u>	5.75%
	100%	

Discount Rate – The single discount rate used to measure the total pension liability was 7.5% for the year ended June 30, 2017. 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	\$ 68,288,812	\$ 52,055,202	\$ 38,297,597

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, 2018, the total contribution to the system amounted to \$2,595,464 of which \$1,606,716 was made by the City and \$988,748 was made by the employees. These contributions represent 13% (City) and 8% (member) of covered payroll, actuarially determined as an amount that 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 \$1,383,000 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, 2018, the City reported a liability of \$310,337, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension asset used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2017, the City’s proportion was 4.0345%

For the year ended June 30, 2018, the City recognized pension expense of \$1,895,317. At June 30, 2018, 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	\$ 15,586	\$ 1,876,212
Employer change in proportion and differences between contributions recognized and proportionate share of contributions	55,635	39,919
Net difference between projected and actual earnings on pension plan investments	2,311,471	
City's contributions subsequent to the measurement date	<u>1,606,716</u>	<u>-</u>
Total	<u>\$ 3,989,408</u>	<u>\$ 1,916,131</u>

At June 30, 2018, the City reported \$1,606,716 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources totaling \$466,561 related to pensions will be recognized as a (reduction) or increase in pension expense as follows:

2018	\$ (65,411)
2019	1,149,693
2020	533,696
2021	(938,545)
2022	<u>(212,872)</u>
	<u>\$ 466,561</u>

Actuarial Assumptions – The total pension liability in the July 1, 2017, 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
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.
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, 2017 valuation was based on the results of an actuarial experience study for the period July 1, 2007 through June 30, 2012.

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%	4.51%
Domestic Equity	35%	6.62%
International Equity	15%	9.70%
Real Estate	10%	6.96%
Private Equity	10%	9.86%
Other Assets	5%	5.18%
	100%	

Discount Rate – The single discount rate used to measure the total pension liability was 7.5% for the year ended June 30, 2017. 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 (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)	\$ 10,488,449	\$ 310,337	\$ (8,286,704)

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, 2018, membership consisted of:

Retirees and beneficiaries currently receiving benefits	100
Terminated employees entitled to benefits but not yet receiving them	0
Active employees	<u>757</u>
Total	<u>857</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, 2018, no assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75 has been established. The net claims and expenses paid by the City are funded on a pay-as-you-go basis.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – At June 30, 2018, the City reported a liability of \$10,999,326, for net OPEB liability. The net OPEB liability was measured as of June 30, 2018, the net OPEB liability was determined by an actuarial valuation as of July 1, 2017 calculated based on the discount rate and actuarial assumptions and was then projected forward to the measurement date. No actuarial experience study has been performed.

For the year ended June 30, 2018, the City recognized OPEB expense of \$776,361. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 883,148	\$ -
Change in assumptions	<u>-</u>	<u>1,002,272</u>
Total	<u>\$ 883,148</u>	<u>\$ 1,002,272</u>

At June 30, 2018, the City reported amounts as deferred outflows of resources and deferred inflows of resources totaling \$119,124 related to OPEB will be recognized as a (reduction) or increase in OPEB expense as follows:

2019	\$ (11,133)
2020	(11,133)
2021	(11,133)
2022	(11,133)
2023	(11,133)
Thereafter	<u>(63,459)</u>
	<u>\$ (119,124)</u>

Actuarial Assumptions – The total OPEB liability in the July 1, 2017, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Amortization method	
Level percent or level dollar	Level percent
Closed, open, or layered periods	Open
Amortization period at July 1, 2017	30 years
Amortization growth rate	2.50%
Inflation	2.30%
Discount rate for valuing liabilities	3.87%, based on the Bond Buyer 20 year General Obligation Index
Healthcare cost trend rates	4.3%/7.4% for non-Medicare/Medicare claims in 2017, gradually decreasing to an ultimate rate of 3.9%/4.0% for 2087 and beyond. 3.0% for dental claims in 2017 and future
Mortality rates	RP-2014 Blue Collar Mortality with separate pre- and post-commencement rates projected generationally using scale MP-2017

	6/30/2018 Total OPEB Liability
Balance, beginning of year	\$ 11,073,763
Changes for the year:	
Service Cost	363,920
Interest on total OPEB Liability	423,574
Differences between expected and actual experience	965,685
Effect of assumptions changes or inputs	(1,095,942)
Benefit payments	<u>(731,674)</u>
Net changes	<u>(74,437)</u>
Balance, end of year	<u>\$ 10,999,326</u>

Sensitivity of the City's Net OPEB Liability to Changes in the Discount Rate – The City's net OPEB liability has been calculated using a discount rate of 3.87%. The following presents the City's net OPEB liability calculated using a discount rate 1% higher and 1% lower than the current rate.

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Net OPEB liability	\$ 12,201,013	\$ 10,999,326	\$ 9,943,731

Sensitivity of the City's Net OPEB Liability to Changes in the current healthcare cost trend rates – The City's net OPEB liability has been calculated using a current healthcare cost trend rates (see assumptions). The following presents the City's net OPEB liability calculated using a current healthcare cost trend rate 1% higher and 1% lower than the current rate.

	1% Decrease	Current Rate	1% Increase
Net OPEB liability	\$ 9,681,165	\$ 10,999,326	\$ 12,563,264

Guaranty Deposits - At June 30, 2018, the guaranty deposit accounts of the City included the following deposit liabilities:

Governmental activities:

Oil and gas drilling escrow	\$239,600
Site improvements	6,045,933
Contractor's escrow	111,248
Park improvement	8,615
Court fines and bond deposits	30,548
Others	<u>327,434</u>
Total governmental activities	<u>\$6,763,378</u>

Business-type activities:

Utility deposits	<u>\$1,642,992</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, backed by property taxes, 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, 2018, the net assessed valuation approximated \$993,914,000. The City had no such bonds outstanding at June 30, 2018. There is no such limit on the issuance of other types of general obligation bonds.

General obligation bonds outstanding as of June 30, 2018 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)	\$ 610,000
\$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)	15,830,000
\$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)	20,155,000
\$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)	7,500,000
\$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>6,265,000</u>
Total general obligation bonds	<u>\$ 50,360,000</u>

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

Fiscal Year	Principal	Interest	Total
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	3,035,000	1,005,220	4,040,220
2023	3,035,000	896,970	3,931,970
2024 – 2028	13,520,000	3,062,081	16,582,081
2029 – 2033	11,205,000	1,306,524	12,511,524
2034 – 2035	<u>2,380,000</u>	<u>115,595</u>	<u>2,495,595</u>
Total	<u>\$ 50,360,000</u>	<u>\$ 10,070,405</u>	<u>\$ 60,430,405</u>

- 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, 2018 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>\$ 705,000</u>
Total revenue bonds	<u>\$ 705,000</u>

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

Fiscal Year	Principal	Interest	Total
2019	\$ 160,000	\$ 43,181	\$ 203,181
2020	170,000	33,381	203,381
2021	180,000	22,969	202,969
2022	<u>195,000</u>	<u>11,944</u>	<u>206,944</u>
Total	<u>\$ 705,000</u>	<u>\$ 111,475</u>	<u>\$ 816,475</u>

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 approximately 12 percent of net revenues. The total principal and

interest remaining to be paid on the bonds is \$816,475. Principal and interest paid for the current year was \$202,369. Total Westwood revenues and room tax collections were \$3,186,198 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, 2018 are as follows:

\$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.	\$ 373,077
\$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.	1,835,000
\$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.	10,815,000
\$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.	3,836,337
\$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, 2018 only \$42,121,030 has been drawdown.	31,901,414
\$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%	11,795,000
\$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.	19,150,000

Authorized, but not fully issued, \$31,000,000 Drinking Water SRF loan payable to the OWRB due in annual payments ranging from \$1,140,000 to \$1,935,000 beginning October 1, 2019 through October 1, 2039. The loan has a 2.82% interest rate. As of June 30, 2018 only \$6,891,969 has been drawndown.	6,891,969
\$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.	165,000
\$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.	41,660,000
\$30,950,000 Norman Municipal Authority Revenue Note, Taxable Series 2017, due in annual payments ranging from \$400,000 to \$3,450,000 beginning January 1, 2018 through July 1, 2030. The loan has a 3.00% interest rate.	30,550,000
\$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.	8,340,000
\$6,105,000 Norman Municipal Authority Revenue Note, Taxable Series 2017B, due in annual payments ranging from \$490,000 to \$655,000 beginning June 1, 2018 through December 1, 2022. The loan has a 2.16% interest rate.	5,615,000
Authorized, but not issued, \$8,250,000 Norman Tax Increment Finance Authority Norman University North Park Project Plan Tax Apportionment Revenue Note, Series 2011, due in annual installments beginning July 1, 2012 through June 30, 2031, at interest rates not to exceed 8%.	-
Authorized, but not issued, \$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>\$ 172,927,797</u>

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

Fiscal Year	Principal	Interest	Total
2019	\$ 13,293,418	\$ 5,177,618	\$ 18,471,036
2020	14,586,629	5,055,059	19,641,688
2021	15,525,268	4,679,818	20,205,086
2022	16,418,254	4,280,552	20,698,806
2023	17,566,505	3,848,910	21,415,415
2024 – 2028	89,590,752	12,136,179	101,726,931
2029 – 2033	38,905,427	3,386,678	42,292,105
2034 – 2038	13,222,786	1,202,070	14,424,856
2039 – 2040	2,915,000	82,556	2,997,556
Less unfunded notes *	<u>(49,096,242)</u>	<u>-</u>	<u>(49,096,242)</u>
Total	<u>\$ 172,927,797</u>	<u>\$ 39,849,440</u>	<u>\$ 212,777,237</u>

d. *Capital Leases Payable* – Capital leases payable as of June 30, 2018 are as follows:

\$1,240,322 capital lease payable in annual installments of \$422,984 beginning August 1, 2016 through August 1, 2018. The capital lease has a 2.18% interest rate.

\$ 413,971

The City entered into a lease agreement as lessee for financing the acquisition of new data storage equipment. The assets acquired (machinery and equipment) totaled \$1,240,322. As of June 30, 2017 accumulated depreciation totaled zero on the data storage system since it was not yet placed into service.

Fiscal Year	Principal	Interest	Total
2019	<u>\$ 413,971</u>	<u>\$ 9,013</u>	<u>\$ 422,984</u>
Total	<u>\$ 413,971</u>	<u>\$ 9,013</u>	<u>\$ 422,984</u>

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.

* - Relates to \$50,300,000 Clean Water SRF loan and \$31,000,000 Drinking Water SRF loan

Changes in Long-term Liabilities – Long-term liability activity for the year ended June 30, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 61,445,000	\$ -	\$ (11,085,000)	\$ 50,360,000	\$ 11,130,000
Issuance premium/(discount)	1,656,119	-	(227,852)	1,428,267	-
Total bonds payable	63,101,119	-	(11,312,852)	51,788,267	11,130,000
Sales tax revenue notes	94,625,000	-	(3,265,000)	91,360,000	3,715,000
Notes payable	11,815,000	6,105,000	(1,490,000)	16,430,000	2,445,000
Capital leases	819,121	-	(405,150)	413,971	413,971
Liability for incurred claims	3,700,122	-	(1,200,000)	2,500,122	1,500,000
Net OPEB obligation	9,471,273	2,259,727	(731,674)	10,999,326	-
Net pension liability	56,625,541	-	(4,260,002)	52,365,539	-
Compensated absences	8,279,673	6,050,223	(6,108,259)	8,221,637	719,841
Government activity long-term liabilities	<u>\$ 248,436,849</u>	<u>\$ 14,414,950</u>	<u>\$ (28,772,937)</u>	<u>\$ 234,078,862</u>	<u>\$ 19,923,812</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 855,000	\$ -	\$ (150,000)	\$ 705,000	\$ 160,000
Less deferred amounts:					
For issuance premium and (discount)	(15,519)	3,104	-	(12,415)	-
Total bonds payable	839,481	3,104	(150,000)	692,585	160,000
Notes payable	55,677,108	15,543,415	(6,082,726)	65,137,797	6,054,829
Less deferred amounts:					
For issuance premium and (discount)	(17,827)	1,783	-	(16,044)	-
Total notes payable	55,659,281	15,545,198	(6,082,726)	65,121,753	6,054,829
Compensated absences	1,300,757	952,197	(935,143)	1,317,811	85,951
Business-type activity long-term liabilities	<u>\$ 57,799,519</u>	<u>\$ 16,500,499</u>	<u>\$ (7,167,869)</u>	<u>\$ 67,132,149</u>	<u>\$ 6,300,780</u>

For governmental activities, liability for incurred claims, compensated absences, net pension liability 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, 2018:

	General	Public Safety Sales Tax	Debt Service	Capital Projects	Norman Forward	Other Governmental Funds	Total Governmental Funds
FUND BALANCES							
Nonspendable:							
Inventory	\$ 24,898	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,898
Restricted:							
Debt service reserve	-	-	5,769,156	-	-	-	5,769,156
Arts and humanities	-	-	-	-	-	2,300	2,300
Grant activities	-	-	-	507,621	-	7,247,853	7,755,474
Bond capital projects	-	-	-	24,023,030	34,405,830	-	58,428,860
Other capital projects	-	-	-	38,257,642	19,642,908	1,458,448	59,358,998
Seizures	-	-	-	-	-	771,386	771,386
CLEET	-	-	-	-	-	9,744	9,744
Public safety	-	23,889,024	-	-	-	-	23,889,024
Committed:							
Economic stabilization	3,331,295	-	-	-	-	-	3,331,295
Assigned:							
Other capital projects	-	-	-	3,467,218	614,406	-	4,081,624
Grant activities	-	-	-	-	-	458,968	458,968
Orders on purchase	2,503,122	-	-	-	-	-	2,503,122
Unassigned:	<u>13,046,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,046,521</u>
Total fund balances	<u>\$ 18,905,836</u>	<u>\$ 23,889,024</u>	<u>\$ 5,769,156</u>	<u>\$ 66,255,511</u>	<u>\$ 54,663,144</u>	<u>\$ 9,948,699</u>	<u>\$ 179,431,370</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, 2018 the Rainy Day Fund had a balance of \$3,331,295.

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 \$2,500,122 reported at June 30, 2018 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, 2018, 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, 2018, 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 2017	<u>\$ 3,700,122</u>	<u>\$ 10,966,742</u>	<u>\$ (10,966,742)</u>	<u>\$ 3,700,122</u>
Fiscal year 2018	<u>\$ 3,700,122</u>	<u>\$ 9,951,720</u>	<u>\$ (11,151,720)</u>	<u>\$ 2,500,122</u>

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, 2018 was as follows:

	Norman Municipal Authority		Total
	Westwood Park	Sanitation Services	
Current assets:			
Cash and cash equivalents	\$ 246,032	\$ 1,919,187	\$ 2,165,219
Restricted cash and cash equivalents	3,599	562,856	566,455
Investments	-	10,174,534	10,174,534
Receivables:			
Accounts, net of allowance	-	1,235,290	1,235,290
Due from other funds	-	182,504	182,504
Interest	12	32,870	32,882
Total current assets	<u>249,643</u>	<u>14,107,241</u>	<u>14,356,884</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	223,415	318,846	542,261
Capital assets, net	<u>7,153,529</u>	<u>10,396,592</u>	<u>17,550,121</u>
Total noncurrent assets	<u>7,376,944</u>	<u>10,715,438</u>	<u>18,092,382</u>
Total assets	<u>\$ 7,626,587</u>	<u>\$ 24,822,679</u>	<u>\$ 32,449,266</u>
Current liabilities:			
Accounts payable and accrued expenses	\$ 165,866	\$ 259,500	\$ 425,366
Payroll payable	56,414	96,647	153,061
Due to other funds	-	-	-
Accrued interest payable	3,599	16,300	19,899
Guaranty deposits	-	398,319	398,319
Revenue bonds payable	160,000	-	160,000
Notes payable	-	420,000	420,000
Compensated absences	<u>8,014</u>	<u>23,159</u>	<u>31,173</u>
Total current liabilities	393,893	1,213,925	1,607,818
Non-current liabilities:			
Long-term debt and other liabilities	<u>647,447</u>	<u>1,911,919</u>	<u>2,559,366</u>
Total liabilities	<u>1,041,340</u>	<u>3,125,844</u>	<u>4,167,184</u>
Net investment in capital assets	6,448,529	8,396,592	14,845,121
Restricted for debt service	223,415	467,082	690,497
Unrestricted	<u>(86,697)</u>	<u>12,833,161</u>	<u>12,746,464</u>
Total net assets	<u>6,585,247</u>	<u>21,696,835</u>	<u>28,282,082</u>

continued

Norman Municipal Authority			
	Westwood Park	Sanitation Services	Total
Charges for services and goods, net	1,264,059	14,348,188	15,612,247
Other	34,921	163,174	198,095
Total operating revenues	<u>1,298,980</u>	<u>14,511,362</u>	<u>15,810,342</u>
Operating expenses	1,277,786	11,011,836	12,289,622
Depreciation	163,466	1,771,401	1,934,867
Total operating expenses	<u>1,441,252</u>	<u>12,783,237</u>	<u>14,224,489</u>
Operating income (loss)	<u>(142,272)</u>	<u>1,728,125</u>	<u>1,585,853</u>
Investment earnings	4,223	106,115	110,338
Interest expense	(55,958)	(73,857)	(129,815)
Miscellaneous income (expense)	3,542	183,519	187,061
(expenses)	<u>(48,193)</u>	<u>215,777</u>	<u>167,584</u>
Income before capital contributions and transfers	(190,465)	1,943,902	1,753,437
Transfers, net	<u>246,968</u>	<u>(46,000)</u>	<u>200,968</u>
Change in net position	56,503	1,897,902	1,954,405
Total net position - beginning	<u>6,528,744</u>	<u>19,798,933</u>	<u>26,327,677</u>
Total net position - ending	<u>6,585,247</u>	<u>21,696,835</u>	<u>28,282,082</u>
Net cash provided (used) by:			
Operating activities	159,142	2,801,527	2,960,669
Noncapital financing activities	246,968	(46,000)	200,968
Capital and related financing activities	(265,741)	(1,845,684)	(2,111,425)
Investing activities	4,299	1,020,333	1,024,632
Beginning cash and cash equivalents	<u>328,378</u>	<u>870,713</u>	<u>1,199,091</u>
Ending cash and cash equivalents	<u>\$ 473,046</u>	<u>\$ 2,800,889</u>	<u>\$ 3,273,935</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, 2018, the City maintained a litigation reserve, including judgments that have been awarded but not yet paid, of approximately \$1,409,000.

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

Lease Commitments - The City has entered into a number of operating leases, all of which contain cancellation provisions that are subject to annual appropriations by the City Council. For the year ended June 30, 2018, rent expenditures approximated \$494,000 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, 2018, the City paid the District \$1,196,802.

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, 2018 is as follows:

	Total Construction In Progress	Total Project	Remaining To Complete
General Government	\$ 86,391,702	\$ 186,911,585	\$ 100,519,883
Norman Municipal Authority:			
Sanitation	41,667	281,750	240,083
Norman Utilities Authority:			
Water Fund	23,257,148	65,589,427	42,332,279
Wastewater Fund	63,735,858	66,988,976	3,253,118
	<u>\$ 173,426,375</u>	<u>\$ 319,771,738</u>	<u>\$ 146,345,363</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, 2018 the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General fund	\$ 2,503,122
Public safety sales tax fund	12,611,192
Capital projects fund	7,185,239
Norman forward fund	18,160,117
Nonmajor governmental funds	5,329,536
Total	<u>\$ 45,789,206</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. 83, *Certain Asset Retirement Obligations*

GASB Statement No. 83 establishes uniform criteria for governments to recognize and measure certain asset retirement obligations (ARO). An ARO is defined as a legally enforceable liability associated with the retirement of a tangible capital asset. Examples could be costs associated with decommissioning a nuclear power plant or disposal of an x-ray machine. An ARO is recognized when the liability is incurred, which is manifested by the occurrence of both an external obligating event (such as a legally binding contract or a court judgment) and an internal obligating event (such as placing a tangible capital asset into service). A government also recognizes a deferred outflow of resources when it recognizes an ARO liability. The ARO is measured at the best estimate of the current value of outlays expected to be incurred. Additional note disclosures are required.

GASB Statement No. 83 is effective for financial statements for fiscal years beginning after June 15, 2018 (effective for the City's June 30, 2019, year-end). Earlier application is encouraged.

GASB Statement No. 84, *Fiduciary Activities*

GASB Statement No. 84 establishes criteria for identifying fiduciary activities. It presents separate criteria for evaluating component units, pension and other postemployment benefit arrangements, and other fiduciary activities. The focus is on a government controlling the assets of the fiduciary activity and identification of the beneficiaries of those assets. Fiduciary activities are reported in one of four types of funds: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds or custodial funds. Custodial funds are used to report fiduciary activities that are not held in a trust. The agency fund designation will no longer be used. GASB Statement No. 84 also provides guidance on fiduciary fund statements and timing of recognition of a liability to beneficiaries.

GASB Statement No. 84 is effective for financial statements for fiscal years beginning after December 15, 2018 (effective for the City's June 30, 2020, year-end). Earlier application is encouraged.

GASB Statement No. 87, *Leases*

The objective of GASB Statement No. 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB Statement No. 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 87 is effective for financial statements for fiscal years beginning after December 15, 2019 (effective for the City's June 30, 2021, year-end). Earlier application is encouraged.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*

The primary objective of GASB Statement No. 88 is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. GASB Statement No. 88 defines debt for the purposes of disclosure in notes to the financial statements as a liability that arises from a contractual obligation to pay cash (or other assets) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. GASB Statement No. 88 requires additional essential information related to debt be disclosed, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

GASB Statement No. 88 is effective for reporting periods beginning after June 15, 2018 (effective for the City's June 30, 2019, year-end). Earlier application is encouraged.

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Tree Lighting
&
Winter Fest



**Required Supplementary
Information**

THE CITY OF NORMAN, OKLAHOMA

Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)

Year Ended June 30, 2018

Oklahoma Firefighters Pension and Retirement System (OFPRS)	2015 *	2016 *	2017 *	2018 *
City's proportion of the net pension liability or asset	3.9342%	4.1552%	4.1283%	4.1388%
City's proportion share of the net pension liability or (asset)	\$ 40,457,734	\$ 44,103,551	\$ 50,436,541	\$ 52,055,202
City's covered payroll	\$ 10,791,880	\$ 11,330,342	\$ 11,538,401	\$ 11,772,620
City's proportion share of the net pension liability as a percentage of its covered payroll	374.891%	389.252%	437.119%	442.172%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%
Oklahoma Police Pension and Retirement System (OPPRS)				
City's proportion of the net pension liability or asset	3.8053%	3.8957%	4.0413%	4.0345%
City's proportion share of the net pension liability or (asset)	\$ (1,281,185)	\$ 158,844	\$ 6,189,000	\$ 310,337
City's covered payroll	\$ 10,645,515	\$ 11,172,374	\$ 11,918,115	\$ 12,064,110
City's proportion share of the net pension liability as a percentage of its covered payroll	-12.035%	1.422%	51.929%	2.572%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%

* - The amounts present for each fiscal year were determined as of the measurement date, June 30, 2014, 2015, 2016 and 2017, respectively.

THE CITY OF NORMAN, OKLAHOMA

Schedule of the City's Contributions Year Ended June 30, 2018

	2015	2016	2017	2018
Oklahoma Firefighters Pension and Retirement System (OFPRS)				
Contractually required contribution	\$ 1,586,248	\$ 1,615,405	\$ 1,650,048	\$ 1,711,565
Contributions in relation to the contractually required contribution	<u>1,586,248</u>	<u>1,615,405</u>	<u>1,650,048</u>	<u>1,711,565</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 11,330,342	\$ 11,538,401	\$ 11,772,620	\$ 12,225,464
Contributions as a percentage of covered payroll	14%	14%	14%	14%
Oklahoma Police Pension and Retirement System (OPPRS)				
Contractually required contribution	\$ 1,452,409	\$ 1,550,235	\$ 1,568,335	\$ 1,606,716
Contributions in relation to the contractually required contribution	<u>1,452,409</u>	<u>1,550,235</u>	<u>1,568,335</u>	<u>1,606,716</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 11,172,374	\$ 11,918,115	\$ 12,064,110	\$ 12,359,354
Contributions as a percentage of covered payroll	13%	13%	13%	13%

Note to Schedule: Only fiscal year 2015, 2016, 2017 and 2018 are presented because 10 year data is not yet available.

THE CITY OF NORMAN, OKLAHOMA

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS LAST TEN FISCAL YEARS

	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 363,920
Interest	423,574
Differences between expected and actual experience	965,685
Changes of assumptions or other inputs	(1,095,942)
Benefit payments	<u>(731,674)</u>
Net Change in Total OPEB Liability	(74,437)
City's Total OPEB Liability - Beginning	<u>11,073,763</u>
City's Total OPEB Liability - Ending	<u>10,999,326</u>
Covered Payroll	\$ 49,743,998
City's Total OPEB Liability as a Percentage of Covered Payroll	22.11%

Notes to Schedule:

This schedule is presented as of the measurement date for the fiscal year. Only the current fiscal year is presented because 10-year data is not available.

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, 2018

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
Taxes:							
Sales taxes	\$ 40,128,750	\$ -	\$ 40,128,750			\$ 39,189,350	\$ (939,400)
Franchise taxes	7,828,000	-	7,828,000			7,065,442	(762,558)
State use taxes	2,832,500	-	2,832,500			3,712,186	879,686
Total taxes	<u>50,789,250</u>	<u>-</u>	<u>50,789,250</u>			<u>49,966,978</u>	<u>(822,272)</u>
Licenses and permits:							
Licenses	321,305	-	321,305			308,540	(12,765)
Permits	1,223,995	-	1,223,995			795,166	(428,829)
Total licenses and permits	<u>1,545,300</u>	<u>-</u>	<u>1,545,300</u>			<u>1,103,706</u>	<u>(441,594)</u>
State Shared Revenues:							
State motor fuel	277,840	-	277,840			230,022	(47,818)
Alcoholic beverage	315,117	-	315,117			322,234	7,117
Cigarette	855,804	-	855,804			877,008	21,204
State motor vehicle registration	888,260	-	888,260			849,338	(38,922)
Total intergovern- mental revenues	<u>2,337,021</u>	<u>-</u>	<u>2,337,021</u>			<u>2,278,602</u>	<u>(58,419)</u>
Charges for services:							
Zoning & subdivision	168,086	-	168,086			105,484	(62,602)
Public safety	441,954	-	441,954			323,324	(118,630)
Health	219,900	-	219,900			118,588	(101,312)
Recreation fees	490,700	-	490,700			428,149	(62,551)
Credit card convenience fees	753,000	-	753,000			683,215	(69,785)
911 emergency fees	34,973	-	34,973			372,982	338,009
Total charges for services	<u>2,108,613</u>	<u>-</u>	<u>2,108,613</u>			<u>2,031,742</u>	<u>(76,871)</u>
Fines and forfeitures:							
Police court fines	2,188,750	-	2,188,750			2,377,602	188,852
Miscellaneous forfeitures	-	-	-			(11,970)	(11,970)
Total fines and forfeits	<u>2,188,750</u>	<u>-</u>	<u>2,188,750</u>			<u>2,365,632</u>	<u>176,882</u>
Investment earnings	25,000	-	25,000			81,917	56,917
Other revenue:							
Contributions	28,000	349,580	377,580			343,431	(34,149)
Rents and royalties	276,855	-	276,855			214,568	(62,287)
Cost allocations	9,750,058	-	9,750,058			9,536,241	(213,817)
Sale of fixed assets	163,000	-	163,000			116,619	(46,381)
Miscellaneous revenues	1,411,819	-	1,411,819			1,150,348	(261,471)
Total other revenue	<u>11,629,732</u>	<u>349,580</u>	<u>11,979,312</u>			<u>11,361,207</u>	<u>(618,105)</u>
Total revenues	<u>70,623,666</u>	<u>349,580</u>	<u>70,973,246</u>			<u>69,189,784</u>	<u>(1,783,462)</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, 2018

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
General government:							
City council	\$ 2,505,923	\$ 32,416	\$ 2,538,339	\$ 1,018,186	\$ 10,590	\$ 1,028,776	\$ 1,509,563
City manager's office	436,212	149,307	585,519	368,525	-	368,525	216,994
Community relations	274,027	(14,349)	259,678	227,668	24,820	252,488	7,190
Communications	114,270	62,674	176,944	150,097	-	150,097	26,847
City clerk's office	596,370	(12,413)	583,957	582,567	568	583,135	822
Municipal court	1,106,794	(21,748)	1,085,046	1,058,738	3,300	1,062,038	23,008
Legal administration	1,171,137	389,659	1,560,796	1,427,374	-	1,427,374	133,422
Information Technology	2,270,002	336,911	2,606,913	2,133,696	104,142	2,237,838	369,075
Human resource admin	745,138	80,941	826,079	723,009	2,493	725,502	100,577
Safety administration	154,951	(8,860)	146,091	124,192	3,578	127,770	18,321
Building services admin	115,936	2,380	118,316	107,839	60	107,899	10,417
Custodial services	223,557	(30,282)	193,275	190,446	(60)	190,386	2,889
Building repair services	612,470	10,640	623,110	552,991	2,937	555,928	67,182
Human rights commission	230	-	230	66	-	66	164
Children's rights commission	176	-	176	175	-	175	1
Social & voluntary services	175,000	3,738	178,738	161,462	13,539	175,001	3,737
Norman public library	344,876	27,257	372,133	372,132	-	372,132	1
Firehouse art center	85,147	(1,438)	83,709	74,574	-	74,574	9,135
Historical museum	40,618	-	40,618	37,961	-	37,961	2,657
Sooner theatre	91,843	-	91,843	89,919	-	89,919	1,924
Juvenile services	46,146	-	46,146	25,514	-	25,514	20,632
Employee training	3,726	2,530	6,256	6,177	-	6,177	79
Employee assistance program	29,444	-	29,444	29,400	-	29,400	44
Special studies & contributions	35,000	58,267	93,267	76,470	13,520	89,990	3,277
Municipal elections	82,115	5,236	87,351	68,595	-	68,595	18,756
Sister cities program	1,000	1,570	2,570	1,570	-	1,570	1,000
Holiday decorations	26,970	(1,474)	25,496	24,834	485	25,319	177
Total general government	11,289,078	1,072,962	12,362,040	9,634,177	179,972	9,814,149	2,547,891
Planning:							
Planning commission	347	(37)	310	310	-	310	-
Historic district commission	5,837	(1,000)	4,837	1,897	-	1,897	2,940
Greenbelt commission	490	(490)	-	-	-	-	-
Planning administration	585,518	(3,957)	581,561	575,386	1,032	576,418	5,143
Geographic information	435,123	(9,435)	425,688	405,358	-	405,358	20,330
Development services	1,611,429	5,800	1,617,229	1,532,436	18,343	1,550,779	66,450
Revitalization	774,414	(1,048)	773,366	694,478	814	695,292	78,074
Current planning	231,891	82	231,973	231,898	-	231,898	75
Total planning	3,645,049	(10,085)	3,634,964	3,441,763	20,189	3,461,952	173,012

(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, 2018

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
City controller:							
Finance administration	\$ 306,823	\$ 4,682	\$ 311,505	\$ 313,049	\$ -	\$ 313,049	\$ (1,544)
Accounting services	681,357	(3,328)	678,029	654,490	13,700	668,190	9,839
Printing services	257,530	(41,798)	215,732	181,951	107	182,058	33,674
Budget services	138,768	(4,875)	133,893	131,331	-	131,331	2,562
Treasury services	664,112	167,851	831,963	827,256	600	827,856	4,107
Utility services	1,334,668	53,326	1,387,994	1,327,298	1,880	1,329,178	58,816
Total city controller	3,383,258	175,858	3,559,116	3,435,375	16,287	3,451,662	107,454
Parks and recreation:							
Parks board	767	(36)	731	245	-	245	486
Mosquito control program	15,977	(2,109)	13,868	4,124	-	4,124	9,744
Santa Fe Depot	9,134	-	9,134	5,727	78	5,805	3,329
Administration	607,888	(13,286)	594,602	591,228	56	591,284	3,318
Park maintenance	2,461,962	(14,135)	2,447,827	2,152,024	49,585	2,201,609	246,218
Forestry	20,850	(10,352)	10,498	10,089	-	10,089	409
Recreation little league	305,842	(16,804)	289,038	143,363	752	144,115	144,923
Recreation programs	1,228,639	73,714	1,302,353	1,262,153	2,520	1,264,673	37,680
Senior citizens center	162,106	(2,120)	159,986	154,849	-	154,849	5,137
Total parks & recreation	4,813,165	14,872	4,828,037	4,323,802	52,991	4,376,793	451,244
Public works:							
Public works administratic	319,473	9,352	328,825	309,079	13,483	322,562	6,263
Engineering department	1,241,798	172,087	1,413,885	1,163,558	9,781	1,173,339	240,546
Street maintenance	4,342,904	28,171	4,371,075	3,328,789	423,009	3,751,798	619,277
Stormwater drainage	2,348,565	415,558	2,764,123	1,844,957	33,156	1,878,113	886,010
Stormwater quality	423,644	16,229	439,873	367,432	6,370	373,802	66,071
Traffic control	3,612,102	226,164	3,838,266	3,402,392	124,343	3,526,735	311,531
Fleet maintenance admin	404,863	23,692	428,555	415,021	646	415,667	12,888
Fleet repair light duty	491,349	6,444	497,793	478,152	-	478,152	19,641
Fleet repair heavy duty	779,707	(8,900)	770,807	747,770	1,226	748,996	21,811
Fleet fuel and parts	2,827,882	7,469	2,835,351	2,216,137	56,682	2,272,819	562,532
CNG Station	398,529	20,233	418,762	282,100	19,289	301,389	117,373
Total public works	17,190,816	916,499	18,107,315	14,555,387	687,985	15,243,372	2,863,943
Public safety:							
Police department admin	1,435,593	162,397	1,597,990	1,593,553	1,859	1,595,412	2,578
Staff services	2,313,693	32,222	2,345,915	2,268,732	50,566	2,319,298	26,617
Criminal investigations	2,923,923	(6,300)	2,917,623	2,772,855	60,005	2,832,860	84,763
Patrol	10,084,356	79,522	10,163,878	9,723,919	20,490	9,744,409	419,469
Special Investigations	1,145,858	138,476	1,284,334	1,241,404	4,057	1,245,461	38,873
Animal control	1,406,525	38,473	1,444,998	1,356,245	45,891	1,402,136	42,862
911 services	2,038,704	(42,236)	1,996,468	1,909,272	25,954	1,935,226	61,242
Fire department admin	582,251	67,384	649,635	609,809	16	609,825	39,810
Training - fire department	322,958	16,304	339,262	301,276	5,481	306,757	32,505
Fire prevention	891,024	9,262	900,286	884,885	5,919	890,804	9,482
Fire suppression	13,414,135	207,621	13,621,756	13,101,314	185,462	13,286,776	334,980
Diaster preparedness servi	174,588	37,990	212,578	169,273	38,942	208,215	4,363
Total public safety	36,733,608	741,115	37,474,723	35,932,537	444,642	36,377,179	1,097,544
Total expenditures and encumbrances	77,054,974	2,911,221	79,966,195	\$ 71,323,041	\$ 1,402,066	72,725,107	7,241,088

(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, 2018

	Original Budget	Revisions	Revised Budget	Actual	Variance- Positive (Negative)
Excess (deficiency) of revenues over expendi- tures and encumbrances	<u>(6,431,308)</u>	<u>(2,561,641)</u>	<u>(8,992,949)</u>	<u>(3,535,323)</u>	<u>5,457,626</u>
OTHER FINANCING					
SOURCES (USES):					
Transfers in:					
Norman Utilities					
Authority	1,664,877	-	1,664,877	1,709,640	44,763
Sanitation Fund	46,000	-	46,000	46,000	-
Capital Projects Fund	3,656,410	-	3,656,410	2,887,277	(769,133)
UNP TIF Fund	-	3,972,075	3,972,075	4,275,508	303,433
Center City TIF Fund	-	85,888	85,888	85,888	-
Insurance Fund	-	99,841	99,841	81,253	(18,588)
Total transfers in	<u>5,367,287</u>	<u>4,157,804</u>	<u>9,525,091</u>	<u>9,085,566</u>	<u>(439,525)</u>
Transfers out:					
Insurance Fund	-	(80,087)	(80,087)	(80,087)	-
Westwood Fund	-	(40,152)	(40,152)	-	40,152
Center City TIF Fund	-	(200,000)	(200,000)	(200,000)	-
Total transfers out	<u>-</u>	<u>(320,239)</u>	<u>(320,239)</u>	<u>(280,087)</u>	<u>40,152</u>
Net other financing sources (uses)	<u>5,367,287</u>	<u>3,837,565</u>	<u>9,204,852</u>	<u>8,805,479</u>	<u>(399,373)</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, 2018

	Original Budget	Revisions	Revised Budget	Actual	Variance- Positive (Negative)
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances, and other uses	(1,064,021)	1,275,924	211,903	5,270,156	5,058,253
Fund balance, July 1, 2017 (Non-GAAP budgetary basis)	<u>126,225</u>	<u>-</u>	<u>126,225</u>	<u>126,225</u>	<u>-</u>
Fund balance, June 30, 2018 (Non-GAAP budgetary basis)	<u>\$ (937,796)</u>	<u>\$ 1,275,924</u>	<u>\$ 338,128</u>	<u>\$ 5,396,381</u>	<u>\$ 5,058,253</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, 2018

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Sales tax	\$ 9,613,475	\$ -	\$ 9,613,475			\$ 9,193,369	\$ (420,106)
Use tax	461,492	-	461,492			618,698	157,206
Total taxes	10,074,967	-	10,074,967			9,812,067	(262,900)
SRO reimbursement-NPS	648,694	-	648,694			648,694	-
Investment earnings	50,000	-	50,000			226,141	176,141
Miscellaneous income	-	-	-			3,058	3,058
Total revenues	10,773,661	-	10,773,661			10,689,960	(83,701)
EXPENDITURES AND ENCUMBRANCES:							
Public safety:							
Police staff services	92,531	411,125	503,656	\$ (227,511)	\$ 299,494	71,983	431,673
Police criminal investigations	630,814	62,865	693,679	627,488	41,092	668,580	25,099
Police patrol	5,175,167	444,111	5,619,278	5,232,564	114,616	5,347,180	272,098
911	110,536	19,928	130,464	130,383	-	130,383	81
Fire suppression	4,662,831	(378,529)	4,284,302	3,891,557	237,871	4,129,428	154,874
Capital projects	70,000	20,456,054	20,526,054	113,369	33,513	146,882	20,379,172
Debt services	2,346,374	513	2,346,887	2,346,886	-	2,346,886	1
Total expenditures and encumbrances	13,088,253	21,016,067	34,104,320	\$ 12,114,736	\$ 726,586	12,841,322	21,262,998
Excess (deficiency) of revenues over (under) expenditures and encumbrances	(2,314,592)	(21,016,067)	(23,330,659)			(2,151,362)	21,179,297
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other sources (uses)	(2,314,592)	(21,016,067)	(23,330,659)			(2,151,362)	21,179,297
Fund balance, July 1, 2017 (Non-GAAP budgetary basis)	12,015,948	-	12,015,948			12,015,948	-
Fund balance, June 30, 2018 (Non-GAAP budgetary basis)	\$ 9,701,356	\$ (21,016,067)	\$ (11,314,711)			\$ 9,864,586	\$ 21,179,297

**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, 2018, are as follows:

	General Fund	Public Safety Sales Tax Fund
Fund balances - budgetary basis, June 30, 2018	\$ 5,396,381	\$ 9,864,586
Current year encumbrances included in expenditures	1,402,066	726,586
Prior year encumbrances outstanding	1,113,996	11,864,292
Current year revenue accrual	8,999,353	1,641,189
Current year expenditure accrual	(1,337,255)	(207,629)
Rainy Day Fund Balance	<u>3,331,295</u>	<u>-</u>
Fund balances - fund financial statements, June 30, 2018	<u>\$ 18,905,836</u>	<u>\$ 23,889,024</u>
Revenues - budgetary basis	\$ 69,189,784	\$ 10,689,960
Current year revenue accrual	8,999,353	1,641,189
Prior year revenue accrual	(8,317,688)	(1,574,198)
Interest earned within Rainy Day Fund	<u>28,639</u>	<u>-</u>
Revenues - fund financial statements	<u>\$ 69,900,088</u>	<u>\$ 10,756,951</u>
Expenditures - budgetary basis	\$ 72,725,107	\$ 12,841,322
Current year encumbrances included in expenditures	(1,402,066)	(726,586)
Prior year encumbrances paid	1,184,475	1,383,050
Current year expenditure accrual	1,337,255	207,629
Prior year expenditure accrual	<u>(1,248,429)</u>	<u>(195,503)</u>
Expenditures - fund financial statements	<u>\$ 72,596,342</u>	<u>\$ 13,509,912</u>



May 2018 Art Walk



Other Supplementary Information

THE CITY OF NORMAN, OKLAHOMA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	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	\$ 183,794	\$ 4,776,710	\$ 646,998	\$ 155,036	\$ 497,892	\$ 5,833	\$ 1,859	\$ 6,268,122
Investments	200,051	-	1,110,568	710,813	331,976	5,093	-	2,358,501
Receivables:								
Taxes	187,043	-	-	-	-	-	-	187,043
Accounts	-	-	-	-	-	-	346	346
Interest	635	-	3,529	2,259	1,055	16	-	7,494
Due from Federal Government	-	888,405	334,027	-	-	-	-	1,222,432
Due from other funds	<u>17,233</u>	<u>443,615</u>	<u>58,793</u>	<u>14,698</u>	<u>4,136</u>	<u>546</u>	<u>124</u>	<u>539,145</u>
Total assets	<u>\$ 588,756</u>	<u>\$ 6,108,730</u>	<u>\$ 2,153,915</u>	<u>\$ 882,806</u>	<u>\$ 835,059</u>	<u>\$ 11,488</u>	<u>\$ 2,329</u>	<u>\$ 10,583,083</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable and other accrued liabilities	\$ -	\$ 214,548	\$ 1,162	\$ -	\$ 31,260	\$ 777	\$ -	\$ 247,747
Payroll payable	-	7,701	6,125	-	-	-	-	13,826
Retainage payable	-	372,811	-	-	-	-	-	372,811
Total liabilities	<u>-</u>	<u>595,060</u>	<u>7,287</u>	<u>-</u>	<u>31,260</u>	<u>777</u>	<u>-</u>	<u>634,384</u>
Fund balance:								
Restricted	583,583	5,513,670	1,734,183	874,865	771,386	9,744	2,300	9,489,731
Assigned	<u>5,173</u>	<u>-</u>	<u>412,445</u>	<u>7,941</u>	<u>32,413</u>	<u>967</u>	<u>29</u>	<u>458,968</u>
Total fund balance	<u>588,756</u>	<u>5,513,670</u>	<u>2,146,628</u>	<u>882,806</u>	<u>803,799</u>	<u>10,711</u>	<u>2,329</u>	<u>9,948,699</u>
Total liabilities and fund balance	<u>\$ 588,756</u>	<u>\$ 6,108,730</u>	<u>\$ 2,153,915</u>	<u>\$ 882,806</u>	<u>\$ 835,059</u>	<u>\$ 11,488</u>	<u>\$ 2,329</u>	<u>\$ 10,583,083</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, 2018

	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	\$ 1,879,453	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,879,453
Intergovernmental revenues	-	7,389,845	345,273	-	-	24,825	-	7,759,943
Charges for services	-	-	-	69,389	-	-	-	69,389
Investment earnings	2,262	-	15,348	7,941	8,836	74	28	34,489
Other	-	-	-	819	236,582	296	10,492	248,189
Total revenues	<u>1,881,715</u>	<u>7,389,845</u>	<u>360,621</u>	<u>78,149</u>	<u>245,418</u>	<u>25,195</u>	<u>10,520</u>	<u>9,991,463</u>
Expenditures:								
Current:								
Parks and recreation	65,004	-	-	-	-	-	11,442	76,446
Public service	1,357,635	1,292,763	11,249	-	-	-	-	2,661,647
Public safety	-	-	184,531	-	130,762	27,791	-	343,084
Public works	-	-	9,354	-	-	-	-	9,354
Capital outlay	14,596	6,288,734	184,496	58,293	15,272	-	-	6,561,391
Total expenditures	<u>1,437,235</u>	<u>7,581,497</u>	<u>389,630</u>	<u>58,293</u>	<u>146,034</u>	<u>27,791</u>	<u>11,442</u>	<u>9,651,922</u>
Excess (deficiency) of revenues over (under) expenditures	<u>444,480</u>	<u>(191,652)</u>	<u>(29,009)</u>	<u>19,856</u>	<u>99,384</u>	<u>(2,596)</u>	<u>(922)</u>	<u>339,541</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(203,619)	(6,923,065)	(100,000)	-	(82,500)	-	-	(7,309,184)
Net other financing sources (uses)	<u>(203,619)</u>	<u>(6,923,065)</u>	<u>(100,000)</u>	<u>-</u>	<u>(82,500)</u>	<u>-</u>	<u>-</u>	<u>(7,309,184)</u>
Net change in fund balances	240,861	(7,114,717)	(129,009)	19,856	16,884	(2,596)	(922)	(6,969,643)
Fund balance - beginning	<u>347,895</u>	<u>12,628,387</u>	<u>2,275,637</u>	<u>862,950</u>	<u>786,915</u>	<u>13,307</u>	<u>3,251</u>	<u>16,918,342</u>
Fund balance - ending	<u>\$ 588,756</u>	<u>\$ 5,513,670</u>	<u>\$ 2,146,628</u>	<u>\$ 882,806</u>	<u>\$ 803,799</u>	<u>\$ 10,711</u>	<u>\$ 2,329</u>	<u>\$ 9,948,699</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, 2018

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Hotel/motel tax	\$ 1,797,350	\$ -	\$ 1,797,350			\$ 1,874,828	\$ 77,478
Investment earnings	3,250	-	3,250			3,560	310
Total revenues	<u>1,800,600</u>	<u>-</u>	<u>1,800,600</u>			<u>1,878,388</u>	<u>77,788</u>
EXPENDITURES AND ENCUMBRANCES:							
Public service:							
Room tax	<u>1,719,524</u>	<u>239,312</u>	<u>1,958,836</u>	\$ 1,432,172	\$ 97,812	<u>1,529,984</u>	<u>428,852</u>
Total expenditures and encumbrances	<u>1,719,524</u>	<u>239,312</u>	<u>1,958,836</u>	<u>\$ 1,432,172</u>	<u>\$ 97,812</u>	<u>1,529,984</u>	<u>428,852</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	<u>81,076</u>	<u>(239,312)</u>	<u>(158,236)</u>			<u>348,404</u>	<u>506,640</u>
OTHER FINANCING USES:							
Transfers out:							
Westwood	<u>(99,827)</u>	<u>(103,702)</u>	<u>(203,529)</u>			<u>(203,619)</u>	<u>(90)</u>
Net other financing sources (uses)	<u>(99,827)</u>	<u>(103,702)</u>	<u>(203,529)</u>			<u>(203,619)</u>	<u>(90)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other uses	<u>(18,751)</u>	<u>(343,014)</u>	<u>(361,765)</u>			<u>144,785</u>	<u>506,550</u>
Fund balance, July 1, 2017 (Non-GAAP budgetary basis)	<u>161,622</u>		<u>161,622</u>			<u>161,622</u>	<u>-</u>
Fund balance, June 30, 2018 (Non-GAAP budgetary basis)	<u>\$ 142,871</u>	<u>\$ (343,014)</u>	<u>\$ (200,143)</u>			<u>\$ 306,407</u>	<u>\$ 506,550</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, 2018

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Intergovernmental:							
Community development							
block grant ("CDBG")	\$ 756,303	\$ 1,000	\$ 757,303			\$ 592,350	\$ (164,953)
CDBG-DR grant	-	-	-			6,923,065	6,923,065
Home grant	316,375	-	316,375			184,901	(131,474)
COC planning grant	-	11,875	11,875			12,015	140
Total revenues	<u>1,072,678</u>	<u>12,875</u>	<u>1,085,553</u>			<u>7,712,331</u>	<u>6,626,778</u>
EXPENDITURES AND ENCUMBRANCES:							
Public service:							
Community development	329,888	252,816	582,704	\$ 298,087	\$ 85,000	383,087	199,617
CDBG housing	426,415	429,746	856,161	490,063	5,853	495,916	360,245
CDBG-DR	-	11,935,514	11,935,514	2,134,697	2,168,172	4,302,869	7,632,645
Home grants	316,375	510,486	826,861	197,176	257,458	454,634	372,227
COC planning grants	-	23,890	23,890	12,015	-	12,015	11,875
Total expenditures and encumbrances	<u>1,072,678</u>	<u>13,152,452</u>	<u>14,225,130</u>	<u>\$ 3,132,038</u>	<u>\$ 2,516,483</u>	<u>5,648,521</u>	<u>8,576,609</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	-	(13,139,577)	(13,139,577)			2,063,810	15,203,387
OTHER FINANCING SOURCES (USES):							
Operating transfers in:							
Capital Fund	-	-	-			-	-
Operating transfers out:							
Capital Fund	-	(6,953,449)	(6,953,449)			(6,923,065)	30,384
Excess (deficiency) of revenues over (under) expenditures, encumbrances and other uses	-	(20,093,026)	(20,093,026)			(4,859,255)	15,233,771
Fund balance (deficit), July 1, 2017 (Non-GAAP budgetary basis)							
	<u>4,693,834</u>	<u>-</u>	<u>4,693,834</u>			<u>4,693,834</u>	<u>-</u>
Fund balance (deficit), June 30, 2018 (Non-GAAP budgetary basis)							
	<u>\$ 4,693,834</u>	<u>\$ (20,093,026)</u>	<u>\$ (15,399,192)</u>			<u>\$ (165,421)</u>	<u>\$ 15,233,771</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, 2018

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Intergovernmental:							
County Court DUI	\$ 62,834	\$ -	\$ 62,834			\$ 31,391	\$ (31,443)
Public safety grants	-	156,650	156,650			173,687	17,037
Public service grants	-	-	-			23,658	23,658
Public works grants	-	-	-			493,620	493,620
Total intergovernmental	62,834	156,650	219,484			722,356	502,872
Investment earnings	-	-	-			19,973	19,973
Total revenues	<u>62,834</u>	<u>156,650</u>	<u>219,484</u>			<u>742,329</u>	<u>522,845</u>
EXPENDITURES AND							
ENCUMBRANCES:							
DUI enforcement	62,834	616	63,450	\$ 30,234	\$ 758	30,992	32,458
Traffic & alcohol enforcement	-	110,173	110,173	70,209	-	70,209	39,964
Shelter rebate grant	-	96,606	96,606	40,830	-	40,830	55,776
Homeland security grant	-	23,450	23,450	23,450	-	23,450	-
Emergency management	-	2,562	2,562	2,080	-	2,080	482
Miscellaneous police grants	-	96	96	-	-	-	96
SHPO / CLG grant	-	11,250	11,250	11,249	-	11,249	1
Firehouse art grant	25,000	-	25,000	-	-	-	25,000
CNG facility	-	21	21	(21)	-	(21)	42
ACOG fleet conversion grant	-	124	124	(124)	-	(124)	248
Legacy trail improvement grant	-	558,425	558,425	(1,046)	-	(1,046)	559,471
Sutton Wilderness grant	-	160,000	160,000	-	-	-	160,000
Drug evaluation/recognition	-	83,797	83,797	41,029	-	41,029	42,768
Traffic grant	-	1,314,615	1,314,615	10,400	-	10,400	1,304,215
School Zone Imp grant	-	15,000	15,000	-	-	-	15,000
Total expenditures and encumbrances	<u>87,834</u>	<u>2,376,735</u>	<u>2,464,569</u>			<u>229,048</u>	<u>2,235,521</u>

(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, 2018**

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances	<u>(25,000)</u>	<u>(2,220,085)</u>	<u>(2,245,085)</u>			<u>513,281</u>	<u>2,758,366</u>
OTHER FINANCING SOURCES (USES):							
Operating transfers in:							
Capital Fund	-	-	-			-	-
General Fund	-	-	-			-	-
Operating transfers out:							
General Fund	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>			<u>(100,000)</u>	<u>-</u>
Net other financing sources sources	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>			<u>(100,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other sources	<u>(25,000)</u>	<u>(2,320,085)</u>	<u>(2,345,085)</u>			<u>413,281</u>	<u>2,758,366</u>
Fund balance (deficit), July 1, 2017 (Non-GAAP budgetary basis)	<u>1,560,074</u>	<u>-</u>	<u>1,560,074</u>			<u>1,560,074</u>	<u>-</u>
Fund balance (deficit), June 30, 2018 (Non-GAAP budgetary basis)	<u>\$1,535,074</u>	<u>\$ (2,320,085)</u>	<u>\$ (785,011)</u>			<u>\$ 1,973,355</u>	<u>\$ 2,758,366</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, 2017

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Investment earnings	\$ 10,000	\$ -	\$ 10,000			\$ 13,468	\$ 3,468
Charges for services	<u>120,000</u>	<u>-</u>	<u>120,000</u>			<u>69,389</u>	<u>(50,611)</u>
Total revenues	<u>130,000</u>	<u>-</u>	<u>130,000</u>			<u>82,857</u>	<u>(47,143)</u>
EXPENDITURES AND ENCUMBRANCES:							
Parks and recreation	<u>-</u>	<u>178,679</u>	<u>178,679</u>	<u>\$ 37,726</u>	<u>\$ -</u>	<u>37,726</u>	<u>140,953</u>
Total expenditures and encumbrances	<u>-</u>	<u>178,679</u>	<u>178,679</u>	<u>\$ 37,726</u>	<u>\$ -</u>	<u>37,726</u>	<u>140,953</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances and other financing sources (uses)	130,000	(178,679)	(48,679)			45,131	93,810
Fund balance, July 1, 2017 (Non-GAAP budgetary basis)	<u>846,574</u>	<u>-</u>	<u>846,574</u>			<u>846,574</u>	<u>-</u>
Fund balance, June 30, 2018 (Non-GAAP budgetary basis)	<u>\$ 976,574</u>	<u>\$ (178,679)</u>	<u>\$ 797,895</u>			<u>\$ 891,705</u>	<u>\$ 93,810</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, 2018**

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Intergovernmental:							
State Seizure/Restitution	\$ 9,000	\$ -	\$ 9,000			\$ 161,754	\$ 152,754
Federal Seizure/Restitution	6,000	-	6,000			68,976	62,976
Investment earnings	500	-	500			11,351	10,851
Miscellaneous income	-	-	-			5,852	5,852
	<u>15,500</u>	<u>-</u>	<u>15,500</u>			<u>247,933</u>	<u>232,433</u>
EXPENDITURES AND ENCUMBRANCES:							
Public Safety:							
State seizures	156,560	63,198	219,758	\$ 138,543	\$ 27,994	166,537	53,221
Federal seizures	<u>300</u>	<u>82,693</u>	<u>82,993</u>	<u>492</u>	<u>-</u>	<u>492</u>	<u>82,501</u>
	<u>156,860</u>	<u>145,891</u>	<u>302,751</u>	<u>\$ 139,035</u>	<u>\$ 27,994</u>	<u>167,029</u>	<u>135,722</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	<u>(141,360)</u>	<u>(145,891)</u>	<u>(287,251)</u>			<u>80,904</u>	<u>368,155</u>
OTHER FINANCING SOURCES (USES):							
Transfers out:							
General Fund	-	-	-			(82,500)	(82,500)
	<u>-</u>	<u>-</u>	<u>-</u>			<u>(82,500)</u>	<u>(82,500)</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances and other financing sources (uses)	<u>(141,360)</u>	<u>(145,891)</u>	<u>(287,251)</u>			<u>(1,596)</u>	<u>285,655</u>
Fund balance, July 1, 2017 (Non-GAAP budgetary basis)	<u>777,299</u>	<u>-</u>	<u>777,299</u>			<u>777,299</u>	<u>-</u>
Fund balance, June 30, 2018 (Non-GAAP budgetary basis)	<u>\$ 635,939</u>	<u>\$ (145,891)</u>	<u>\$ 490,048</u>			<u>\$ 775,703</u>	<u>\$ 285,655</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, 2018

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Fines and forfeitures:							
Cleet training revenue	\$ 32,000	\$ -	\$ 32,000			\$ 24,825	\$ (7,175)
Investment earnings	-	-	-			91	91
Miscellaneous revenue	-	-	-			296	296
	<u>32,000</u>	<u>-</u>	<u>32,000</u>			<u>25,212</u>	<u>(6,788)</u>
Total revenues							
EXPENDITURES AND ENCUMBRANCES:							
Public Safety:							
Court Cleet Training	1,500	-	1,500	\$ 610	\$ -	610	890
Police Cleet Training	<u>29,005</u>	<u>414</u>	<u>29,419</u>	<u>26,767</u>	<u>2,000</u>	<u>28,767</u>	<u>652</u>
Total expenditures and encumbrances	<u>30,505</u>	<u>414</u>	<u>30,919</u>	<u>\$ 27,377</u>	<u>\$ 2,000</u>	<u>29,377</u>	<u>1,542</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	1,495	(414)	1,081			(4,165)	(5,246)
Fund balance, July 1, 2017 (Non-GAAP budgetary basis)	<u>12,940</u>	<u>-</u>	<u>12,940</u>			<u>12,940</u>	<u>-</u>
Fund balance, June 30, 2018 (Non-GAAP budgetary basis)	<u>\$ 14,435</u>	<u>\$ (414)</u>	<u>\$ 14,021</u>			<u>\$ 8,775</u>	<u>\$ (5,246)</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, 2018

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Other revenue	\$ 16,000	\$ -	\$ 16,000			\$ 10,520	\$ (5,480)
Total revenues	16,000	-	16,000			10,520	(5,480)
EXPENDITURES AND ENCUMBRANCES:							
Parks & recreation							
Donation	16,000	3,251	19,251	\$ 8,191	\$7,810	16,001	3,250
Total expenditures and encumbrances	16,000	3,251	19,251	\$ 8,191	\$7,810	16,001	3,250
Excess (deficiency) of revenues over (under) expenditures and encumbrances	-	(3,251)	(3,251)			(5,481)	(2,230)
OTHER FINANCING SOURCES (USES):							
Transfers in:							
General Fund	-	-	-			-	-
Excess (deficiency) of revenues over (under) expenditures and encumbrances and other financing sources (uses)	-	(3,251)	(3,251)			(5,481)	(2,230)
Fund balance, July 1, 2017 (Non-GAAP budgetary basis)	-	-	-			-	-
Fund balance, June 30, 2018 (Non-GAAP budgetary basis)	\$ -	\$ (3,251)	\$ (3,251)			\$ (5,481)	\$ (2,230)

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, 2018

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Property tax	\$ 14,197,672	\$ -	\$ 14,197,672			\$ 10,404,106	\$ (3,793,566)
Sales tax	<u>-</u>	<u>-</u>	<u>-</u>			<u>-</u>	<u>-</u>
Total taxes	14,197,672	-	14,197,672			10,404,106	(3,793,566)
Investment earnings	25,000	-	25,000			133,297	108,297
Other revenue:							
Special assessments	<u>-</u>	<u>-</u>	<u>-</u>			<u>-</u>	<u>-</u>
Total revenues	<u>14,222,672</u>	<u>-</u>	<u>14,222,672</u>			<u>10,537,403</u>	<u>(3,685,269)</u>
EXPENDITURES AND ENCUMBRANCES:							
Debt service:							
Principal	11,085,000	-	11,085,000	\$ 11,085,000	\$ -	11,085,000	-
Interest and fiscal charges	<u>1,611,591</u>	<u>-</u>	<u>1,611,591</u>	<u>1,607,990</u>	<u>-</u>	<u>1,607,990</u>	<u>3,601</u>
Total expenditures and encumbrances	<u>12,696,591</u>	<u>-</u>	<u>12,696,591</u>	<u>\$ 12,692,990</u>	<u>\$ -</u>	<u>12,692,990</u>	<u>3,601</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	<u>1,526,081</u>	<u>-</u>	<u>1,526,081</u>			<u>(2,155,587)</u>	<u>(3,681,668)</u>
OTHER FINANCING SOURCES (USES):							
Transfers out:							
Insurance fund	<u>(825,000)</u>	<u>-</u>	<u>(825,000)</u>			<u>(651,763)</u>	<u>173,237</u>
Net other financing sources (uses)	<u>(825,000)</u>	<u>-</u>	<u>(825,000)</u>			<u>(651,763)</u>	<u>173,237</u>
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other sources (uses)	701,081	-	701,081			(2,807,350)	(3,508,431)
Fund balance, July 1, 2017 (Non-GAAP budgetary basis)	<u>8,670,288</u>	<u>-</u>	<u>8,670,288</u>			<u>8,670,288</u>	<u>-</u>
Fund balance, June 30, 2018 (Non-GAAP budgetary basis)	<u>\$ 9,371,369</u>	<u>\$ -</u>	<u>\$ 9,371,369</u>			<u>\$ 5,862,938</u>	<u>\$ (3,508,431)</u>

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, 2018

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Sales tax	\$ 12,469,125	\$ -	\$ 12,469,125			\$ 11,927,194	\$ (541,931)
Sales tax - UNP TIF	5,653,079	-	5,653,079			4,043,676	(1,609,403)
Property tax - UNP TIF	835,000	-	835,000			1,567,419	732,419
Special assessment	100,000	-	100,000			94,614	(5,386)
Investment earnings	167,500	-	167,500			508,488	340,988
Miscellaneous	369,516	425,000	794,516			853,388	58,872
Total revenues	19,594,220	425,000	20,019,220			18,994,779	(1,024,441)
EXPENDITURES AND ENCUMBRANCES:							
Personnel costs	1,203,552	2,192	1,205,744	\$ 1,158,383	\$ -	1,158,383	47,361
Services and maintenance	144,355	176,916	321,271	213,402	77,226	290,628	30,643
Cost allocation charges	239,916	74,164	314,080	314,080	-	314,080	-
Capital equipment	-	20,000	20,000	19,611	-	19,611	389
Capital projects	14,129,717	37,306,375	51,436,092	11,393,023	5,794,983	17,188,006	34,248,086
Capital projects - UNP TIF	624,983	2,579,430	3,204,413	648,822	111,054	759,876	2,444,537
Debt service - UNP TIF	1,433,602	166,095	1,599,697	1,599,697	-	1,599,697	-
Debt service	-	665,762	665,762	665,657	-	665,657	105
Total expenditures and encumbrances	17,776,125	40,990,934	58,767,059	\$ 16,012,675	\$ 5,983,263	21,995,938	36,771,121
Excess (deficiency) of revenues over (under) expenditures and encumbrances	1,818,095	(40,565,934)	(38,747,839)			(3,001,159)	35,746,680
OTHER FINANCING SOURCES (USES):							
Transfers Out:							
General fund	(3,656,410)	(3,363,587)	(7,019,997)			(7,248,673)	(228,676)
Westwood fund	(81,200)	-	(81,200)			(43,349)	37,851
Water fund	-	(689,265)	(689,265)			(689,265)	-
Transfers In:							
General fund	-	200,000	200,000			200,000	-
CDBG fund	-	6,953,449	6,953,449			6,923,065	(30,384)
Water fund	-	-	-			338,122	338,122
Special grants fund	-	-	-			100,000	100,000
Seizures fund	82,500	-	82,500			82,500	-
Debt service fund	-	-	-			-	-
Debt proceeds	-	6,105,000	6,105,000			6,105,000	-
Net other financing sources (uses)	(3,655,110)	9,205,597	5,550,487			5,767,400	216,913
Excess (deficiency) of revenues over expenditures and encumbrances and other sources (uses)	(1,837,015)	(31,360,337)	(33,197,352)			2,766,241	35,963,593
Fund balance, July 1, 2017 (Non-GAAP budgetary basis)	53,587,045	-	53,587,045			53,587,045	-
Fund balance, June 30, 2018 (Non-GAAP budgetary basis)	\$ 51,750,030	\$ (31,360,337)	\$ 20,389,693			\$ 56,353,286	\$ 35,963,593

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, 2018

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Sales tax	\$ 9,613,475	\$ -	\$ 9,613,475			\$ 9,101,396	\$ (512,079)
Use tax	493,225	-	493,225			710,671	217,446
Investment earnings	15,000	-	15,000			595,431	580,431
Miscellaneous	-	-	-			8,500	8,500
Total revenues	<u>10,121,700</u>	<u>-</u>	<u>10,121,700</u>			<u>10,415,998</u>	<u>294,298</u>
EXPENDITURES AND ENCUMBRANCES:							
Services and maintenance	4,000	1,273,052	1,277,052	\$ -	\$ -	-	1,277,052
Capital projects	23,640,900	50,135,153	73,776,053	2,502,325	1,815,393	4,317,718	69,458,335
Debt service	<u>5,993,263</u>	<u>-</u>	<u>5,993,263</u>	<u>3,061,501</u>	<u>-</u>	<u>3,061,501</u>	<u>2,931,762</u>
Total expenditures and encumbrances	<u>29,638,163</u>	<u>51,408,205</u>	<u>81,046,368</u>	<u>\$ 5,563,826</u>	<u>\$ 1,815,393</u>	<u>7,379,219</u>	<u>73,667,149</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	<u>(19,516,463)</u>	<u>(51,408,205)</u>	<u>(70,924,668)</u>			<u>3,036,779</u>	<u>73,961,447</u>
OTHER FINANCING SOURCES (USES):							
Transfers Out:							
Capital fund	-	-	-			-	-
Transfers In:							
Capital fund	-	-	-			-	-
Debt proceeds	<u>25,840,000</u>	<u>-</u>	<u>25,840,000</u>			<u>-</u>	<u>(25,840,000)</u>
Net other financing sources (uses)	<u>25,840,000</u>	<u>-</u>	<u>25,840,000</u>			<u>-</u>	<u>(25,840,000)</u>
Excess (deficiency) of revenues over expenditures and encumbrances and other sources (uses)	6,323,537	(51,408,205)	(45,084,668)			3,036,779	48,121,447
Fund balance, July 1, 2017 (Non-GAAP budgetary basis)	<u>32,862,557</u>	<u>-</u>	<u>32,862,557</u>			<u>32,862,557</u>	<u>-</u>
Fund balance, June 30, 2018 (Non-GAAP budgetary basis)	<u>\$ 39,186,094</u>	<u>\$ (51,408,205)</u>	<u>\$ (12,222,111)</u>			<u>\$ 35,899,336</u>	<u>\$ 48,121,447</u>

**NOTES TO OTHER SUPPLEMENTARY INFORMATION ON BUDGETARY COMPARISON
SCHEDULES – NONMAJOR SPECIAL REVENUE FUNDS, DEBT SERVICE FUND, CAPITAL PROJECTS
FUND AND NORMAN FORWARD 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, 2018, are as follows:

	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Norman Forward Fund
Fund balances, June 30, 2018 (Non-GAAP budgetary basis)	\$ 3,785,043	\$ 5,862,938	\$ 56,353,286	\$ 35,899,336
Current year encumbrances included in expenditures	2,652,857	-	5,983,262	1,815,393
Prior year encumbrances outstanding	2,677,482	-	1,441,178	16,344,723
Current year revenue accrual	1,219,944	(93,782)	2,684,576	1,576,650
Current year expenditure accrual	(386,627)	-	(206,791)	(972,958)
GAAP basis fund balances, June 30, 2018	<u>\$ 9,948,699</u>	<u>\$ 5,769,156</u>	<u>\$ 66,255,511</u>	<u>\$ 54,663,144</u>
Budgetary basis revenues	\$ 10,699,570	\$ 10,537,403	\$ 18,994,779	\$ 10,415,998
Current year revenue accrual	1,219,944	(93,782)	2,684,576	1,576,650
Prior year revenue accrual	(1,928,051)	32,130	(2,736,828)	(1,574,910)
GAAP basis revenues	<u>\$ 9,991,463</u>	<u>\$ 10,475,751</u>	<u>\$ 18,942,527</u>	<u>\$ 10,417,738</u>
Budgetary basis expenditures	\$ 7,657,686	\$ 12,692,990	\$ 21,995,938	\$ 7,379,219
Current year encumbrances included in expenditures	(2,652,857)	-	(5,983,262)	(1,815,393)
Prior year encumbrances paid	4,277,245	-	4,101,561	19,605,619
Current year expenditure accrual	386,627	-	206,791	972,958
Prior year expenditure accrual	(16,779)	-	(256,828)	(367,615)
GAAP basis expenditures	<u>\$ 9,651,922</u>	<u>\$ 12,692,990</u>	<u>\$ 20,064,200</u>	<u>\$ 25,774,788</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF NET POSITION ENTERPRISE FUND - NORMAN MUNICIPAL AUTHORITY JUNE 30, 2018

ASSETS	Westwood Park	Sanitation Services	Total
Current assets:			
Cash and cash equivalents	\$ 246,032	\$ 1,919,187	\$ 2,165,219
Restricted cash and cash equivalents	3,599	562,856	566,455
Investments	-	10,174,534	10,174,534
Receivables:			
Accounts, net of allowance for estimated uncollectible accounts	-	1,235,290	1,235,290
Interest	12	32,870	32,882
Due from other Federal Government	-	182,504	182,504
Total current assets	<u>249,643</u>	<u>14,107,241</u>	<u>14,356,884</u>
Noncurrent assets:			
Restricted cash and cash equivalents	223,415	318,846	542,261
Capital assets, net	<u>7,153,529</u>	<u>10,396,592</u>	<u>17,550,121</u>
Total noncurrent assets	<u>7,376,944</u>	<u>10,715,438</u>	<u>18,092,382</u>
Total assets	<u>7,626,587</u>	<u>24,822,679</u>	<u>32,449,266</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	165,866	259,500	425,366
Payroll payable	56,414	96,647	153,061
Due to other funds	-	-	-
Accrued interest payable	3,599	16,300	19,899
Guaranty deposits	-	398,319	398,319
Revenue bonds payable	160,000	-	160,000
Notes payable	-	420,000	420,000
Compensated absences	<u>8,014</u>	<u>23,159</u>	<u>31,173</u>
Total current liabilities	<u>393,893</u>	<u>1,213,925</u>	<u>1,607,818</u>
Noncurrent liabilities:			
Notes payable	-	1,580,000	1,580,000
Compensated absences	114,862	331,919	446,781
Revenue bonds payable, net	<u>532,585</u>	<u>-</u>	<u>532,585</u>
Total noncurrent liabilities	<u>647,447</u>	<u>1,911,919</u>	<u>2,559,366</u>
Total liabilities	<u>1,041,340</u>	<u>3,125,844</u>	<u>4,167,184</u>
NET POSITION			
Net invested in capital assets	6,448,529	8,396,592	14,845,121
Restricted for debt service	223,415	467,082	690,497
Unrestricted	<u>(86,697)</u>	<u>12,833,161</u>	<u>12,746,464</u>
Total net position	<u>\$ 6,585,247</u>	<u>\$ 21,696,835</u>	<u>\$ 28,282,082</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION ENTERPRISE FUND - NORMAN MUNICIPAL AUTHORITY FOR THE YEAR ENDED JUNE 30, 2018

	Westwood Park	Sanitation Services	Total
Operating revenues:			
Golf and pool fees	\$ 1,264,059	\$ -	\$ 1,264,059
Sanitation services, net	-	14,348,188	14,348,188
Other	34,921	163,174	198,095
	<u>1,298,980</u>	<u>14,511,362</u>	<u>15,810,342</u>
Total operating revenues			
Operating expenses:			
Salaries and benefits	882,736	4,342,305	5,225,041
Supplies and materials	154,654	947,438	1,102,092
Services and maintenance	240,396	5,722,093	5,962,489
Depreciation and amortization	163,466	1,771,401	1,934,867
	<u>1,441,252</u>	<u>12,783,237</u>	<u>14,224,489</u>
Total operating expenses			
Operating income (loss)	<u>(142,272)</u>	<u>1,728,125</u>	<u>1,585,853</u>
Nonoperating revenues (expenses):			
Investment earnings	4,223	106,115	110,338
Interest and fiscal charges	(55,958)	(73,857)	(129,815)
Miscellaneous income (expense)	3,542	183,519	187,061
	<u>(48,193)</u>	<u>215,777</u>	<u>167,584</u>
Net nonoperating revenues (expenses)			
Income (loss) before transfers	<u>(190,465)</u>	<u>1,943,902</u>	<u>1,753,437</u>
Transfers in (out):			
Transfers in	246,968	-	246,968
Transfers out	-	(46,000)	(46,000)
	<u>246,968</u>	<u>(46,000)</u>	<u>200,968</u>
Net transfers			
Net income	56,503	1,897,902	1,954,405
Net position - beginning	<u>6,528,744</u>	<u>19,798,933</u>	<u>26,327,677</u>
Net position - ending	<u>\$ 6,585,247</u>	<u>\$ 21,696,835</u>	<u>\$ 28,282,082</u>

THE CITY OF NORMAN, OKLAHOMA
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUND - NORMAN MUNICIPAL AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2018

	Westwood Park	Sanitation Services	Total
Cash flows from operating activities:			
Cash received from customers	\$ 1,298,980	\$ 14,308,161	\$ 15,607,141
Cash paid to employees for services	(845,353)	(4,345,146)	(5,190,499)
Cash paid to suppliers	(294,485)	(6,622,638)	(6,917,123)
Other payments	-	(538,850)	(538,850)
Net cash provided by operating activities	<u>159,142</u>	<u>2,801,527</u>	<u>2,960,669</u>
Cash flows from noncapital financing activities:			
Transfers in	246,968	-	246,968
Transfers out	-	(46,000)	(46,000)
Net cash provided by (used for) noncapital financing activities	<u>246,968</u>	<u>(46,000)</u>	<u>200,968</u>
Cash flows from capital and related financing activities:			
Proceeds from disposal of capital assets	22,950	123,737	146,687
Payments for the acquisition of capital assets	(85,072)	(1,317,506)	(1,402,578)
Principal payments on revenue bonds payable	(150,000)	-	(150,000)
Principal payments on notes payable	-	(575,000)	(575,000)
Interest and fiscal charges paid	(53,619)	(76,915)	(130,534)
Net cash used for capital and related financing activities	<u>(265,741)</u>	<u>(1,845,684)</u>	<u>(2,111,425)</u>
Cash flows from investing activities:			
Proceeds from maturity of investments	-	3,706,243	3,706,243
Payments for purchases of investments	-	(2,857,439)	(2,857,439)
Investment earnings received	4,299	171,529	175,828
Net cash provided by (used for) investing activities	<u>4,299</u>	<u>1,020,333</u>	<u>1,024,632</u>
Net change in cash and cash equivalents	144,668	1,930,176	2,074,844
Cash and cash equivalents - beginning	<u>328,378</u>	<u>870,713</u>	<u>1,199,091</u>
Cash and cash equivalents - ending	<u>\$ 473,046</u>	<u>\$ 2,800,889</u>	<u>\$ 3,273,935</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (142,272)	\$ 1,728,125	\$ 1,585,853
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Miscellaneous revenue	3,542	183,519	187,061
Bad debt expense	-	96,274	96,274
Depreciation	163,466	1,771,401	1,934,867
Gain on disposal of property, plant and equipment	(3,542)	(21,792)	(25,334)
Increase in accounts receivable, net	-	(308,905)	(308,905)
Decrease in due from Federal Government	-	225,630	225,630
Increase in due from other funds	-	(926,207)	(926,207)
Increase in accounts payable and accrued liabilities	100,565	46,893	147,458
Increase (decrease) in payroll payable	37,558	(1,747)	35,811
Increase in guaranty deposits	-	9,430	9,430
Decrease in compensated absences	(175)	(1,094)	(1,269)
Net cash provided by (used for) operating activities	<u>\$ 159,142</u>	<u>\$ 2,801,527</u>	<u>\$ 2,960,669</u>
NONCASH ACTIVITIES:			
Change in unrealized loss on investments	<u>\$ -</u>	<u>\$ 70,261</u>	<u>\$ 70,261</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF NET POSITION ENTERPRISE FUND - NORMAN UTILITIES AUTHORITY JUNE 30, 2018

ASSETS	Water	Wastewater	Total
Current assets:			
Cash and cash equivalents	\$ 4,258,614	\$ 6,470,648	\$ 10,729,262
Restricted cash and cash equivalents	1,357,279	526,329	1,883,608
Investments	22,088,326	6,308,171	28,396,497
Receivables:			
Accounts, net of allowance for estimated uncollectible accounts	2,661,579	1,105,578	3,767,157
Interest	70,679	45,090	115,769
Due from other funds	422,689	608,373	1,031,062
Total current assets	<u>30,859,166</u>	<u>15,064,189</u>	<u>45,923,355</u>
Noncurrent assets:			
Restricted investments	-	7,847,587	7,847,587
Capital assets, net	111,745,482	150,153,503	261,898,985
Total noncurrent assets	<u>111,745,482</u>	<u>158,001,090</u>	<u>269,746,572</u>
Total assets	<u>142,604,648</u>	<u>173,065,279</u>	<u>315,669,927</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred charge on refunding	<u>753,279</u>	<u>60,410</u>	<u>813,689</u>
Total deferred outflows of resources	<u>753,279</u>	<u>60,410</u>	<u>813,689</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	3,638,728	390,827	4,029,555
Payroll payable	92,589	75,422	168,011
Accrued interest payable	151,010	246,200	397,210
Retainage payable	657,700	383,415	1,041,115
Guaranty deposits	852,994	391,679	1,244,673
Notes payable	1,825,000	3,809,829	5,634,829
Compensated absences	30,279	24,499	54,778
Total current liabilities	<u>7,248,300</u>	<u>5,321,871</u>	<u>12,570,171</u>
Noncurrent liabilities:			
Notes payable, net	24,826,370	32,660,554	57,486,924
Compensated absences	433,965	351,114	785,079
Total noncurrent liabilities	<u>25,260,335</u>	<u>33,011,668</u>	<u>58,272,003</u>
Total liabilities	<u>32,508,635</u>	<u>38,333,539</u>	<u>70,842,174</u>
NET POSITION			
Net invested in capital assets	84,425,813	113,294,260	197,720,073
Restricted for debt service	353,277	-	353,277
Restricted for capital projects	-	15,914,341	15,914,341
Unrestricted	26,070,202	5,583,549	31,653,751
Total net position	<u>\$ 110,849,292</u>	<u>\$ 134,792,150</u>	<u>\$ 245,641,442</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION ENTERPRISE FUND - NORMAN UTILITIES AUTHORITY FOR THE YEAR ENDED JUNE 30, 2018

	Water	Wastewater	Total
Operating revenues:			
Water service, net	\$ 23,042,347	\$ -	\$ 23,042,347
Wastewater service, net	-	15,781,490	15,781,490
Other	<u>378,561</u>	<u>-</u>	<u>378,561</u>
Total operating revenues	<u>23,420,908</u>	<u>15,781,490</u>	<u>39,202,398</u>
Operating expenses:			
Salaries and benefits	3,996,636	3,218,051	7,214,687
Supplies and materials	2,080,870	462,896	2,543,766
Services and maintenance	6,354,986	5,311,345	11,666,331
Depreciation and amortization	<u>4,801,648</u>	<u>5,499,713</u>	<u>10,301,361</u>
Total operating expenses	<u>17,234,140</u>	<u>14,492,005</u>	<u>31,726,145</u>
Operating income	<u>6,186,768</u>	<u>1,289,485</u>	<u>7,476,253</u>
Nonoperating revenues (expenses):			
Tax revenue	-	1,319,885	1,319,885
Investment earnings	224,105	137,582	361,687
Interest and fiscal charges	(613,257)	(834,829)	(1,448,086)
Miscellaneous income (expense)	<u>128,458</u>	<u>(631,556)</u>	<u>(503,098)</u>
Net nonoperating revenues (expenses)	<u>(260,694)</u>	<u>(8,918)</u>	<u>(269,612)</u>
Income before capital contributions and operating transfers	<u>5,926,074</u>	<u>1,280,567</u>	<u>7,206,641</u>
Capital contributions - donated water and sewer distribution systems	2,506,439	2,756,986	5,263,425
Transfers in	689,265	-	689,265
Transfers out	<u>(1,434,085)</u>	<u>(613,677)</u>	<u>(2,047,762)</u>
Net capital contributions and transfers	<u>1,761,619</u>	<u>2,143,309</u>	<u>3,904,928</u>
Net income	7,687,693	3,423,876	11,111,569
Net position - beginning	<u>103,161,599</u>	<u>131,368,274</u>	<u>234,529,873</u>
Net position - ending	<u>\$ 110,849,292</u>	<u>\$ 134,792,150</u>	<u>\$ 245,641,442</u>

THE CITY OF NORMAN, OKLAHOMA
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUND - NORMAN UTILITIES AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2018

	Water	Wastewater	Total
Cash flows from operating activities:			
Cash received from customers	\$ 23,415,588	\$ 15,724,512	\$ 39,140,100
Cash paid to employees for services	(3,988,870)	(3,204,185)	(7,193,055)
Cash paid to suppliers	(5,596,490)	(6,730,770)	(12,327,260)
Other payments	(1,449,189)	(1,205,011)	(2,654,200)
Net cash provided by operating activities	<u>12,381,039</u>	<u>4,584,546</u>	<u>16,965,585</u>
Cash flows from noncapital financing activities:			
Transfers in	689,265	0	689,265
Transfers out	(1,434,085)	(613,677)	(2,047,762)
Net cash used for noncapital financing activities	<u>(744,820)</u>	<u>(613,677)</u>	<u>(1,358,497)</u>
Cash flows from capital and related financing activities:			
Proceeds from disposal of capital assets	10,543	12,718	23,261
Payments for the acquisition of capital assets	(13,817,059)	(2,537,032)	(16,354,091)
Proceeds from taxes	-	1,319,885	1,319,885
Proceeds from notes payable	6,891,968	8,651,446	15,543,414
Principal payments on notes payable	(1,785,000)	(3,722,726)	(5,507,726)
Interest and fiscal charges paid	(491,814)	(770,081)	(1,261,895)
Net cash provided by (used for) capital and related financing activities	<u>(9,191,362)</u>	<u>2,954,210</u>	<u>(6,237,152)</u>
Cash flows from investing activities:			
Proceeds from maturity of investments	7,662,270	3,302,668	10,964,938
Payments for purchases of investments	(6,203,336)	(3,975,536)	(10,178,872)
Investment earnings received	367,241	232,377	599,618
Net cash provided by (used for) investing activities	<u>1,826,175</u>	<u>(440,491)</u>	<u>1,385,684</u>
Net change in cash and cash equivalents	4,271,032	6,484,588	10,755,620
Cash and cash equivalents - beginning	<u>1,344,861</u>	<u>512,389</u>	<u>1,857,250</u>
Cash and cash equivalents - ending	<u>\$ 5,615,893</u>	<u>\$ 6,996,977</u>	<u>\$ 12,612,870</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 6,186,768	\$ 1,289,485	\$ 7,476,253
Adjustments to reconcile operating income to net cash provided by operating activities:			
Miscellaneous income (expense)	128,458	(631,556)	(503,098)
Bad debt expense	179,608	95,611	275,219
Depreciation	4,801,648	5,499,713	10,301,361
Gain (Loss) on disposal of property, plant and equipment	(171,301)	710,313	539,012
Increase in accounts receivable, net	(192,504)	(170,165)	(362,669)
Decrease due from Federal Government	100,623	0	100,623
Increase due from other funds	(1,506,969)	(1,283,768)	(2,790,737)
Increase (decrease) in accounts payable and accrued liabilities	2,329,779	(115,956)	2,213,823
Increase in payroll payable	2,895	414	3,309
Increase (decrease) in retainage payable	509,587	(840,573)	(330,986)
Increase in guaranty deposits	7,576	17,576	25,152
Increase in compensated absences	4,871	13,452	18,323
Net cash provided by operating activities	<u>\$ 12,381,039</u>	<u>\$ 4,584,546</u>	<u>\$ 16,965,585</u>
NONCASH ACTIVITIES:			
Donated water and sewer distribution systems	<u>\$ 2,506,439</u>	<u>\$ 2,756,986</u>	<u>\$ 5,263,425</u>
Change in unrealized (gain) loss on investments	<u>\$ 154,188</u>	<u>\$ 105,755</u>	<u>\$ 259,943</u>

THE CITY OF NORMAN, OKLAHOMA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018**

	Annuity Pool Fund	401(a) Plan Fund	Total
ASSETS			
Investments - mutual funds	\$ 247,932	\$ 90,626,260	\$ 90,874,192
Loans to 401(a) Plan participants	<u>-</u>	<u>3,853,329</u>	<u>3,853,329</u>
Total assets	<u>\$ 247,932</u>	<u>\$ 94,479,589</u>	<u>\$ 94,727,521</u>
LIABILITIES AND NET POSITION			
Net position:			
Restricted for pension benefits	\$ 247,932	\$ -	\$ 247,932
Restricted for retirement benefits	<u>-</u>	<u>94,479,589</u>	<u>94,479,589</u>
Total liabilities and net position	<u>\$ 247,932</u>	<u>\$ 94,479,589</u>	<u>\$ 94,727,521</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED JUNE 30, 2018

ADDITIONS:	Annuity Pool Fund	401(a) Fund	Total
Contributions:			
Employer	\$ -	\$ 2,520,077	\$ 2,520,077
Employee	<u>-</u>	<u>1,956,255</u>	<u>1,956,255</u>
Total contributions	-	4,476,332	4,476,332
Investment income (loss)	<u>20,868</u>	<u>9,807,857</u>	<u>9,828,725</u>
Total additions	<u>20,868</u>	<u>14,284,189</u>	<u>14,305,057</u>
DEDUCTIONS:			
Pension benefits paid	58,782	7,070,884	7,129,666
Administration costs	<u>1,277</u>	<u>(122,400)</u>	<u>(121,123)</u>
Total deductions	<u>60,059</u>	<u>6,948,484</u>	<u>7,008,543</u>
NET (DECREASE) INCREASE	(39,191)	7,335,705	7,296,514
Net position restricted for pension and retirement benefits, Beginning of year	<u>287,123</u>	<u>87,143,884</u>	<u>87,431,007</u>
End of year	<u>\$ 247,932</u>	<u>\$ 94,479,589</u>	<u>\$ 94,727,521</u>

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
CENTENNIAL AGENCY FUND:				
ASSETS				
Cash	\$ -	\$ 1,623	\$ -	\$ 1,623
Investments	9,120	-	(1,562)	7,558
Interest receivable	<u>23</u>	<u>1</u>	<u>-</u>	<u>24</u>
Total assets	<u>\$ 9,143</u>	<u>\$ 1,624</u>	<u>\$ (1,562)</u>	<u>\$ 9,205</u>
LIABILITIES				
Funds held for others	<u>\$ 9,143</u>	<u>\$ 1,624</u>	<u>\$ (1,562)</u>	<u>\$ 9,205</u>

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Statistical Section

STATISTICAL SECTION

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

Contents	Page
Financial Trends	107-112
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	113-115
These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.	
Debt Capacity	116-120
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	121-122
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	123-125
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 POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities										
Net investment in capital assets	\$ 313,981,902	\$ 256,880,446	\$ 283,831,364	\$ 282,047,232	\$ 244,461,034	\$ 230,316,125	\$ 226,301,248	\$ 206,982,527	\$ 175,482,607	\$ 168,461,960
Restricted	90,270,821	128,695,200	86,079,582	62,156,755	59,573,841	59,450,003	46,103,535	42,431,883	33,165,081	26,111,498
Unrestricted	(38,717,191)	(44,522,535)	(43,098,736)	(48,153,075)	(6,068,605)	(6,704,318)	(2,190,465)	(1,500,859)	(259,210)	8,974,819
Total governmental activities net position	\$ 365,535,532	\$ 341,053,111	\$ 326,812,210	\$ 296,050,912	\$ 297,966,270	\$ 283,061,810	\$ 270,214,318	\$ 247,913,551	\$ 208,388,478	\$ 203,548,277
Business-type activities										
Net investment in capital assets	\$ 212,565,194	\$ 211,414,863	\$ 198,638,260	\$ 183,385,272	\$ 159,760,362	\$ 153,645,303	\$ 149,661,248	\$ 149,829,383	\$ 146,472,150	\$ 135,025,019
Restricted	16,958,115	6,629,187	1,067,921	10,023,153	23,214,855	23,764,771	23,888,626	22,568,084	23,202,532	22,411,356
Unrestricted	44,400,215	42,813,500	48,149,794	34,949,967	30,864,543	31,874,629	29,032,825	22,177,807	17,147,722	17,475,856
Total business-type activities net position	\$ 273,923,524	\$ 260,857,550	\$ 247,855,975	\$ 228,358,392	\$ 213,839,760	\$ 209,284,703	\$ 202,582,699	\$ 194,575,274	\$ 186,822,404	\$ 174,912,231
Primary government										
Net investment in capital assets	\$ 526,547,096	\$ 468,295,309	\$ 482,469,624	\$ 465,432,504	\$ 404,221,396	\$ 383,961,428	\$ 375,962,496	\$ 356,811,910	\$ 321,954,757	\$ 303,486,979
Restricted	107,228,936	135,324,387	87,147,503	72,179,908	82,788,696	83,214,774	69,992,161	64,999,967	56,367,613	48,522,854
Unrestricted	5,683,024	(1,709,035)	5,051,058	(13,203,108)	24,795,938	25,170,311	26,842,360	20,676,948	16,888,512	26,450,675
Total primary government net position	\$ 639,459,056	\$ 601,910,661	\$ 574,668,185	\$ 524,409,304	\$ 511,806,030	\$ 492,346,513	\$ 472,797,017	\$ 442,488,825	\$ 395,210,882	\$ 378,460,508

THE CITY OF NORMAN, OKLAHOMA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
EXPENSES										
Governmental activities:										
General government	\$ 12,859,373	\$ 10,763,028	\$ 7,999,471	\$ 8,500,923	\$ 11,353,764	\$ 10,067,554	\$ 10,443,931	\$ 6,904,076	\$ 5,830,137	\$ 3,751,170
Planning	3,477,364	3,315,422	3,320,979	3,297,788	3,208,350	3,334,674	3,063,260	2,944,363	3,345,225	3,139,732
City controller	2,449,352	1,231,508	893,000	706,793	3,337,932	3,256,464	2,404,401	2,299,619	3,487,837	3,317,241
Parks and recreation	6,502,407	7,087,981	5,936,777	5,194,010	5,555,796	5,251,598	5,076,388	4,951,495	5,909,298	5,441,885
Public works	26,682,973	30,953,789	25,389,053	22,130,634	21,530,165	21,126,808	19,810,834	17,384,501	17,665,244	18,412,370
Public service	2,627,283	3,892,316	2,976,064	2,875,451	2,841,186	2,242,861	2,368,850	2,777,749	2,964,057	3,871,811
Public safety	55,817,838	53,613,442	50,921,384	47,480,003	47,819,597	46,133,723	44,528,493	41,050,651	41,750,244	38,223,543
Interest on long-term debt	4,937,107	4,734,646	5,277,210	2,325,103	1,901,483	1,812,032	1,715,040	1,306,589	1,175,941	1,022,021
Total governmental activities expenses	<u>115,353,697</u>	<u>115,592,132</u>	<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>
Business-type activities:										
Westwood Park	1,500,752	1,256,295	1,340,514	1,352,050	1,456,266	1,451,959	1,477,312	1,475,445	1,458,522	1,498,891
Water	16,321,995	14,535,092	14,843,372	13,258,111	13,261,728	13,776,395	13,630,489	10,479,592	10,307,362	10,650,815
Wastewater	14,627,959	15,448,412	17,222,233	15,477,741	15,658,935	12,229,767	11,846,247	12,736,928	10,794,791	11,534,123
Sanitation	12,878,886	12,005,272	12,135,886	12,298,641	13,580,465	12,325,246	11,679,875	11,055,474	10,802,282	10,395,098
Total business-type activities expenses	<u>45,329,592</u>	<u>43,245,071</u>	<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>
Total primary government expenses	<u>\$ 160,683,289</u>	<u>\$ 158,837,203</u>	<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>

THE CITY OF NORMAN, OKLAHOMA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 2,767,032	\$ 2,730,336	\$ 2,612,495	\$ 2,644,776	\$ 2,554,566	\$ 2,431,538	\$ 2,297,341	\$ 186,094	\$ 244,495	\$ 253,409
Planning	992,383	1,061,776	1,353,411	1,369,582	1,376,330	1,213,106	1,123,524	1,009,561	1,080,835	893,633
City controller	683,215	661,162	642,726	624,135	214,838	165,969	155,226	66,093	-	-
Parks and recreation	497,538	530,140	653,613	609,175	587,433	506,358	568,817	592,238	586,611	426,476
Public safety	3,256,469	2,912,640	3,097,858	3,296,808	3,125,456	3,040,640	3,208,642	3,066,665	2,815,951	2,877,921
Operating grants and contributions	14,570,508	12,379,368	10,375,508	7,758,836	7,533,947	6,893,726	8,241,861	6,771,145	8,143,742	6,427,085
Capital grants and contributions	9,476,361	3,813,991	15,614,024	29,958,311	5,501,318	5,754,538	13,944,754	30,934,491	2,513,839	8,102,826
Total governmental activities program revenues	<u>32,243,506</u>	<u>24,089,413</u>	<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>
Business-type activities:										
Charges for services										
Westwood Park	1,264,059	933,853	1,098,470	1,065,318	1,102,085	1,141,661	1,167,227	1,143,973	1,067,800	1,089,329
Water	21,843,184	21,735,237	21,496,086	16,050,007	14,053,978	14,817,012	15,460,504	14,185,492	13,267,513	12,881,381
Wastewater	15,781,490	15,767,530	15,923,396	15,715,128	13,906,530	11,383,549	11,451,634	11,075,566	11,012,593	11,000,250
Sanitation	14,549,273	14,584,853	14,338,856	13,991,281	14,006,612	13,546,341	13,501,474	11,820,912	11,028,021	11,035,050
Capital grants and contributions	5,263,425	2,324,230	10,525,831	7,703,017	3,721,838	5,006,692	4,291,238	4,474,408	7,215,720	2,055,411
Total business-type activities program revenues	<u>58,701,431</u>	<u>55,345,703</u>	<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>
Total primary government revenues	<u>\$ 90,944,937</u>	<u>\$ 79,435,116</u>	<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>
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (83,110,191)	\$ (91,502,719)	\$ (68,364,303)	\$ (46,249,082)	\$ (76,654,385)	\$ (73,219,839)	\$ (59,871,032)	\$ (36,992,756)	\$ (66,742,510)	\$ (58,198,423)
Business-type activities	13,371,839	12,100,632	17,840,634	12,138,208	2,833,649	6,111,888	7,238,154	6,952,912	10,201,690	3,982,494
Total primary government net expense	<u>\$ (69,738,352)</u>	<u>\$ (79,402,087)</u>	<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>

THE CITY OF NORMAN, OKLAHOMA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
GENERAL REVENUE AND OTHER CHANGES IN NET ASSETS										
Governmental activities:										
Sales taxes	\$ 73,967,709	\$ 73,345,458	\$ 70,981,084	\$ 65,778,553	\$ 63,580,323	\$ 60,558,342	\$ 58,777,068	\$ 56,146,152	\$ 53,601,698	\$ 52,261,757
Franchise taxes	7,094,490	6,807,860	6,743,712	7,155,689	6,782,746	6,572,686	6,584,853	6,228,264	6,262,225	6,215,692
Property taxes	11,971,525	14,739,604	9,794,490	11,620,098	12,481,940	11,532,189	7,931,992	7,684,537	6,111,415	3,373,306
Use taxes	5,148,317	3,797,125	3,467,863	2,864,048	2,504,136	2,428,484	2,393,708	2,187,289	2,179,503	2,401,933
Hotel/Motel taxes	1,879,453	1,759,851	1,825,087	1,785,788	1,648,452	1,352,311	1,130,488	1,068,000	1,033,060	991,435
Alcoholic beverage taxes	324,252	316,013	306,225	301,618	272,697	285,339	271,359	247,014	232,016	231,077
Cigarette taxes	834,649	894,092	839,492	771,946	746,900	764,653	845,149	816,503	744,416	705,377
Investment earnings	1,586,732	513,238	1,965,790	323,863	379,805	208,763	701,524	396,095	490,604	1,074,489
Miscellaneous	3,627,956	2,275,838	1,943,106	2,196,990	2,458,091	2,319,411	2,761,766	962,203	838,558	1,003,269
Transfers	1,157,529	1,294,541	1,258,752	1,085,283	703,755	734,795	773,892	781,772	89,216	690,763
Total governmental activities	<u>107,592,612</u>	<u>105,743,620</u>	<u>99,125,601</u>	<u>93,883,876</u>	<u>91,558,845</u>	<u>86,756,973</u>	<u>82,171,799</u>	<u>76,517,829</u>	<u>71,582,711</u>	<u>68,949,098</u>
Business-type activities:										
Sales taxes	-	-	-	-	-	-	-	-	-	-
Excise taxes	1,319,885	1,530,490	1,709,914	2,149,079	1,769,195	1,432,321	1,597,960	1,038,715	1,562,722	1,251,242
State use taxes	-	-	-	-	-	-	-	-	-	-
Investment earnings	472,025	163,961	515,716	250,382	342,984	187,837	278,751	355,657	440,118	1,109,011
Miscellaneous	(940,246)	501,033	690,071	1,066,246	312,984	241,978	(333,548)	187,358	(205,141)	53,097
Transfers	(1,157,529)	(1,294,541)	(1,258,752)	(1,085,283)	(703,755)	(734,795)	(773,892)	(781,772)	(89,216)	(690,763)
Total business-type activities	<u>(305,865)</u>	<u>900,943</u>	<u>1,656,949</u>	<u>2,380,424</u>	<u>1,721,408</u>	<u>1,127,341</u>	<u>769,271</u>	<u>799,958</u>	<u>1,708,483</u>	<u>1,722,587</u>
Total primary government	<u>\$ 107,286,747</u>	<u>\$ 106,644,563</u>	<u>\$ 100,782,550</u>	<u>\$ 96,264,300</u>	<u>\$ 93,280,253</u>	<u>\$ 87,884,314</u>	<u>\$ 82,941,070</u>	<u>\$ 77,317,787</u>	<u>\$ 73,291,194</u>	<u>\$ 70,671,685</u>
CHANGE IN NET POSITION										
Governmental activities	\$ 23,282,421	\$ 14,240,901	\$ 30,761,298	\$ 47,634,794	\$ 14,904,460	\$ 13,537,134	\$ 22,300,767	\$ 39,525,073	\$ 4,840,201	\$ 10,750,675
Business-type activities	<u>13,065,974</u>	<u>13,001,575</u>	<u>19,497,583</u>	<u>14,518,632</u>	<u>4,555,057</u>	<u>7,239,229</u>	<u>8,007,425</u>	<u>7,752,870</u>	<u>11,910,173</u>	<u>5,705,081</u>
Total primary government	<u>\$ 36,348,395</u>	<u>\$ 27,242,476</u>	<u>\$ 50,258,881</u>	<u>\$ 62,153,426</u>	<u>\$ 19,459,517</u>	<u>\$ 20,776,363</u>	<u>\$ 30,308,192</u>	<u>\$ 47,277,943</u>	<u>\$ 16,750,374</u>	<u>\$ 16,455,756</u>

THE CITY OF NORMAN, OKLAHOMA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,826,810	\$ 1,819,264
Unreserved	-	-	-	-	-	-	-	-	19,530,033	17,472,575
Nonspendable	24,898	29,473	20,896	26,642	47,131	337,642	320,512	334,339		
Restricted	-	-	-	-	-	-	-	14,307		
Committed	3,331,295	3,302,656	3,226,149	3,191,393	2,554,596	1,510,323	1,503,429			
Assigned	2,503,122	2,298,057	2,281,428	2,890,768	2,152,746	2,169,071	1,467,574	1,037,294		
Unassigned	13,046,521	7,166,425	8,861,932	8,290,555	8,384,756	8,405,617	10,184,006	12,283,864		
Total general fund	<u>\$ 18,905,836</u>	<u>\$ 12,796,611</u>	<u>\$ 14,390,405</u>	<u>\$ 14,399,358</u>	<u>\$ 13,139,229</u>	<u>\$ 12,422,653</u>	<u>\$ 13,475,521</u>	<u>\$ 13,669,804</u>	<u>\$ 21,356,843</u>	<u>\$ 19,291,839</u>
All other governmental funds										
Reserved										
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,865,963	\$ 5,682,896
Debt service	-	-	-	-	-	-	-	-	2,512,584	1,590,705
Unreserved, reported in:										
Public safety sales tax fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	21,127,319	30,098,079
Special revenue funds	-	-	-	-	-	-	-	-	2,647,787	2,800,254
Restricted	155,984,942	180,115,682	162,761,288	123,475,384	86,328,836	95,384,952	68,041,077	48,791,046		
Assigned	4,540,592	3,712,781	3,436,379	2,148,078	1,834,631	1,350,473	1,059,369	587,163		
Total all other governmental funds	<u>\$ 160,525,534</u>	<u>\$ 183,828,463</u>	<u>\$ 166,197,667</u>	<u>\$ 125,623,462</u>	<u>\$ 88,163,467</u>	<u>\$ 96,735,425</u>	<u>\$ 69,100,446</u>	<u>\$ 49,378,209</u>	<u>\$ 34,153,653</u>	<u>\$ 40,171,934</u>

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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
REVENUES										
Taxes	\$ 100,061	\$ 100,450	\$ 92,812	\$ 89,204	\$ 86,998	\$ 82,444	\$ 76,818	\$ 73,314	\$ 69,188	\$ 65,244
Licenses & permits	1,104	1,162	1,399	1,393	1,426	1,212	1,190	1,086	1,156	968
Intergovernmental revenues	10,501	8,358	6,396	4,553	8,773	8,637	9,370	9,608	8,354	7,456
Charges for services	11,657	10,427	10,966	11,484	10,918	10,684	10,268	11,775	11,836	10,874
Fines and forfeitures	2,366	2,300	2,425	2,644	2,461	2,352	2,554	2,490	2,176	2,204
Investment earnings	1,330	278	334	278	365	194	517	389	491	1,075
Special assessment revenue	-	-	-	-	-	-	26	38	50	57
Other	3,466	2,652	1,762	2,403	2,424	1,424	2,381	1,006	969	1,196
Total revenues	<u>130,485</u>	<u>125,627</u>	<u>116,094</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>
EXPENDITURES										
General government	10,681	10,022	9,742	9,431	10,218	7,963	8,571	8,036	8,960	6,399
Planning	3,637	3,429	3,454	3,416	3,379	3,387	3,261	3,112	3,394	3,237
City controller	3,503	3,353	3,141	2,940	4,492	4,957	4,405	6,009	5,645	5,360
Parks & recreation	5,249	5,999	5,167	4,665	4,930	4,520	4,598	4,760	5,372	5,034
Public works	18,907	22,634	18,572	18,137	18,054	17,481	17,240	15,863	16,151	16,519
Public service	2,662	3,892	2,963	2,920	2,803	2,239	2,401	2,772	2,961	3,749
Public safety	45,765	43,913	46,079	43,780	45,846	42,780	40,310	37,997	37,312	34,643
Capital Outlay	43,097	31,375	32,910	22,358	20,897	18,152	16,449	16,150	15,654	18,043
Debt Service:										
Principal	16,245	11,671	9,668	9,542	22,949	5,655	4,319	3,750	2,647	2,510
Interest and fiscal charges	4,545	4,839	3,905	2,180	2,400	1,578	1,315	1,223	1,004	1,022
Total expenditures	<u>154,291</u>	<u>141,127</u>	<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>
Excess of revenues over (under) expenditures	<u>(23,806)</u>	<u>(15,500)</u>	<u>(19,507)</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>
OTHER FINANCING SOURCES (USES)										
Bonds issued	6,105	30,950	65,935	45,909	14,971	28,175	19,861	7,559	-	15,166
Premium on issuance of debt	-	-	1,426	-	-	179	19,861	7,559	-	15,166
Payment to refunded bond escrow agent	-	-	(7,707)	-	-	-	-	-	-	-
Transfers in	16,729	10,533	35,034	7,456	5,486	8,863	7,404	9,564	6,900	8,867
Transfers out	(16,222)	(9,946)	(34,616)	(7,235)	(5,710)	(8,870)	(7,992)	(8,782)	(6,811)	(8,177)
Total other financing sources (uses)	<u>6,612</u>	<u>31,537</u>	<u>60,072</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>
Net change in fund balances	\$ (17,194)	\$ 16,037	\$ 40,565	\$ 38,720	\$ (7,856)	\$ 26,582	\$ 39,389	\$ 15,934	\$ (4,791)	\$ 23,580
Debt service as a percentage of noncapital expenditures	23.00%	17.71%	15.23%	13.74%	28.25%	8.68%	6.97%	6.33%	4.58%	4.71%

THE CITY OF NORMAN, OKLAHOMA

TAXABLE SALES BY CATEGORY

LAST TEN FISCAL YEARS

(Dollars in Thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General merchandise	\$ 17,324	\$ 16,869	\$ 15,678	\$ 15,047	\$ 14,991	\$ 10,174	\$ 14,697	\$ 14,515	\$ 14,138	\$ 13,656
Eating and drinking establishments	12,558	12,011	11,366	10,708	10,096	10,372	9,350	8,973	8,498	8,015
Miscellaneous retail	9,253	9,063	9,060	8,518	7,899	17,001	6,177	5,696	5,017	4,444
Building materials and farm tools	5,133	5,241	5,948	4,487	4,742	2,708	3,985	3,421	3,535	3,630
Electric, gas & sanitary services	4,242	3,864	3,460	3,586	3,512	3,393	3,538	3,304	3,377	3,170
Home furnishings and appliances	3,704	3,785	3,480	3,507	3,166	1,963	3,156	3,246	3,045	3,306
Food stores	4,019	4,158	4,062	3,849	4,058	2,430	3,470	3,136	2,933	2,756
Apparel and accessory stores	3,527	3,547	3,642	3,549	3,531	2,423	3,050	2,983	2,765	2,613
Communications	2,503	2,585	2,429	2,349	2,322	1,494	2,480	2,463	2,576	2,398
Wholesale trade-durable goods	4,571	4,657	4,392	4,042	3,341	2,487	2,018	1,687	1,561	1,623
All other outlets	<u>7,204</u>	<u>8,097</u>	<u>7,377</u>	<u>6,327</u>	<u>6,484</u>	<u>5,477</u>	<u>7,267</u>	<u>7,043</u>	<u>6,366</u>	<u>6,498</u>
Total	<u>\$ 74,038</u>	<u>\$ 73,877</u>	<u>\$ 70,894</u>	<u>\$ 65,969</u>	<u>\$ 64,142</u>	<u>\$ 59,922</u>	<u>\$ 59,188</u>	<u>\$ 56,467</u>	<u>\$ 53,811</u>	<u>\$ 52,109</u>
City direct sales tax rate	4.00%	4.00%	4.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

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
2018	4.0 %	4.5 %	0.25 %
2017	4.0 %	4.5 %	0.25 %
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 %

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 2018 AND 2017

(Dollars in Thousands)

	Fiscal Year 2018				Fiscal Year 2017			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail trade	1,106	37.4 %	\$ 42,960	58.0 %	1,182	39.9 %	\$ 42,663	57.6 %
Accommodation and food service	284	9.6 %	14,513	19.6 %	303	10.2 %	13,789	18.6 %
Real estate and rental and leasing	188	6.4 %	1,081	1.5 %	198	6.7 %	1,107	1.5 %
Wholesale trade	520	17.6 %	4,571	6.2 %	542	18.3 %	4,657	6.3 %
Manufacturing	225	7.6 %	1,619	2.2 %	219	7.4 %	1,757	2.4 %
Information	151	5.1 %	2,503	3.4 %	151	5.1 %	2,585	3.5 %
Other services (except public administration)	118	4.0 %	653	0.9 %	115	3.9 %	623	0.8 %
Professional, scientific, and technical services	72	2.4 %	269	0.4 %	72	2.4 %	206	0.3 %
Arts, entertainment, and recreation	36	1.2 %	448	0.6 %	32	1.1 %	478	0.6 %
Admin, support, waste mgmt and remediation services	46	1.6 %	86	0.1 %	44	1.5 %	79	0.1 %
Construction	37	1.3 %	68	0.1 %	28	0.9 %	66	0.1 %
Transportation and warehousing	33	1.1 %	140	0.2 %	22	0.7 %	126	0.2 %
Finance and insurance	19	0.6 %	75	0.1 %	17	0.6 %	68	0.1 %
Utilities	9	0.3 %	4,242	5.7 %	7	0.2 %	3,864	5.2 %
Agricultural, forestry, fishing and hunting	3	0.1 %	8	0.0 %	5	0.2 %	10	0.0 %
Educational services	20	0.7 %	534	0.7 %	21	0.7 %	1,014	1.4 %
Health care and social assistance	9	0.3 %	22	0.0 %	9	0.3 %	15	0.0 %
Mining, quarrying, and oil and gas extraction	4	0.1 %	22	0.0 %	6	0.2 %	86	0.1 %
Public administration	1	0.0 %	-	0.0 %	1	0.0 %	-	0.0 %
Nonclassifiable	79	2.7 %	224	0.3 %	83	2.8 %	684	0.9 %
Total	2,960	100.0 %	\$ 74,038	100.0 %	3,057	103.3 %	\$ 73,877	99.8 %

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			
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	-	-	226	36,411	18,597	41,009	-	160,439	1.3 %	1,211.08
2016	71,419	-	-	-	78,650	981	54,470	-	205,520	1.8 %	1,708.66
2017	63,101	-	-	819	106,440	839	55,677	-	226,876	1.9 %	1,843.48
2018	51,788	-	-	414	107,790	693	65,138	-	225,823	1.9 %	1,843.48

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
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
2017	63,101	8,638	54,463	5.48%	432.21
2018	51,788	5,769	46,019	4.49%	362.99

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, 2018 (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	84,935	94.69%	80,425
Debt repaid with property taxes: McLoud Public Schools	1,940	0.03%	1
Debt repaid with property taxes: Robin Hill Public Schools	200	0.11%	0
Debt repaid with property taxes: Noble Public Schools	5,600	0.66%	37
Debt repaid with property taxes: Mid Del Public Schools	47,480	0.02%	9
Debt repaid with property taxes: Little Axe Public Schools	3,000	0.19%	6
Debt repaid with property taxes: Moore Public Schools	<u>98,950</u>	2.67%	<u>2,642</u>
Subtotal, overlapping debt	242,105		83,120
City of Norman direct debt			<u>159,992</u>
Total direct and overlapping debt			<u>\$ 243,112</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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Assessed value of property	\$ 993,913	\$ 963,371	\$ 930,798	\$ 873,553	\$ 843,440	\$ 807,370	\$ 790,324	\$ 773,094	\$ 719,235	\$ 715,777
Debt limit ¹ , 10% of assessed value	99,391	96,337	93,080	87,355	84,344	80,737	79,032	77,309	71,924	71,578
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>\$ 99,391</u>	<u>\$ 96,337</u>	<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>
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	\$ 298,174	\$ 289,011	\$ 279,239	\$ 262,066	\$ 253,032	\$ 242,211	\$ 237,097	\$ 231,928	\$ 215,771	\$ 214,733
Amount of debt applicable to limit:										
General Obligation Bonds	50,360	61,445	71,419	64,196	49,495	58,620	43,140	28,495	25,915	28,370
Less: Resources restricted to paying principal	(5,769)	(8,638)	(6,552)	(8,847)	(8,967)	(9,121)	(4,817)	(3,669)	(2,513)	(1,591)
Total net debt applicable to limit	44,591	52,807	64,867	55,349	40,528	49,499	38,323	24,826	23,402	26,779
Legal debt margin	<u>\$ 253,583</u>	<u>\$ 236,204</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	14.95%	18.27%	23.23%	21.12%	16.02%	20.44%	16.16%	10.70%	10.85%	12.47%

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

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

THE CITY OF NORMAN, OKLAHOMA

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

Fiscal Year	NUA Revenue Bonds & Term Loans						NMA Revenue Bonds and Term Loans						Special Assessment Term Loans			
	Gross Revenue ¹	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	
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	16,021	11,781	4,240	680	171	4.98	-	-	-	-
2017	33,834	18,055	15,779	5,943	1,053	2.26	16,315	11,603	4,712	705	151	5.50	-	-	-	-
2018	34,050	17,747	16,303	5,508	1,262	2.41	16,624	12,346	4,278	725	131	5.00	-	-	-	-

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

¹ Total revenues (including interest and transfers in) 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
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%
2017	122,180	11.9	28,458	30.3	16,363	4.20%
2018	122,843	11.8	30,168	30.3	16,162	3.50%

Data Sources

¹ Years 2009-10 estimated by the City of Norman Planning Department. Years 2011- 18 obtained from census data

² U.S. Census Bureau, American Community Survey 2009-2018 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	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
The University of Oklahoma	11,172	1	18.25%	12,098	1	23.15%
Norman Regional Hospital	3,040	2	4.97%	2,506	2	4.79%
Norman Public Schools	1,872	3	3.06%	1,715	3	3.28%
York International/Johnson Controls	1,030	4	1.68%	974	4	1.86%
Walmart	950	5	1.55%			
City of Norman	865	6	1.41%	780	5	1.49%
Department of Mental Health & Substance Abuse	549	7	0.09%	775	6	1.48%
Hitachi	460	8	0.75%			
NOAA National Severe Storm Laboratory	400	9	0.65%	400	8	0.77%
Oklahoma Veteran's Center	350	10	0.57%			
USPS National Center for Employee Development	350	10	0.57%	640	7	1.22%
Moore-Norman Technology Center	-		-	399	9	0.76%
ClientLogic/Site1	-		-	380	10	0.73%
Total	<u>21,038</u>		<u>33.55%</u>	<u>20,667</u>		<u>39.53%</u>

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government	60	64	61	59	40	38	36	36	49	48
Planning	36	38	37	36	37	36	36	37	39	39
City controller	30	30	29	28	35	37	38	38	38	38
Parks & recreation	59	58	53	52	47	52	54	53	60	63
Public works	116	119	112	112	110	108	106	104	107	107
Public safety										
Police	262	259	245	235	231	240	229	237	216	192
Fire	171	173	163	162	163	157	142	137	134	133
Westwood	18	16	17	17	18	18	19	18	18	20
Water	48	50	49	47	49	49	49	48	47	50
Wastewater	45	46	43	43	42	42	40	41	42	42
Sanitation	58	60	58	55	58	57	55	56	52	53
Total	903	913	867	846	830	834	804	805	802	785

Source: City Payroll Office

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

THE CITY OF NORMAN, OKLAHOMA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

FUNCTION	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
FUNCTION										
Planning										
Building permits issued	1,540	1,575	2,418	2,493	3,437	1,997	1,661	1,212	1,243	1,252
Building inspections conducted	23,799	25,846	26,556	29,348	26,699	26,410	21,572	24,001	24,489	25,925
Police										
Physical arrests	6,076	5,594	5,709	5,637	6,529	5,922	5,740	6,005	8,596	8,227
Parking violations	14,836	17,438	13,433	15,616	12,422	10,053	5,883	4,848	6,791	14,332
Traffic violations	14,985	16,988	16,249	16,330	16,803	16,295	17,531	19,102	19,215	17,349
Non-traffic violations	3,792	4,704	4,012	4,444	4,619	4,423	4,996	4,260	4,531	4,745
Fire										
Calls answered	15,491	14,425	13,761	12,650	12,234	11,560	11,129	11,198	10,530	10,376
Inspections	2,331	2,972	2,983	3,456	2,083	2,700	2,814	2,623	3,050	2,815
Sanitation										
Refuse collected (tons per day)	288	272	316	286	286	298	279	292	289	276
Recyclables collected (tons per day)	22	28	32	32	27	28	22	11	13	12
Highways and streets										
Street resurfacing (miles)	19	8	17	16	15	19	26	19	9	11
Street patching (tons of asphalt used)	1,611	2,502	2,767	1,814	2,364	1,178	792	2,651	2,621	3,521
Parks and recreation										
Athletic field permits issued	150,173	119,904	146,641	143,878	154,596	159,817	170,291	174,268	168,648	154,757
Community center admissions	127,239	129,705	127,522	138,650	121,791	138,109	142,738	145,828	155,380	152,071
Water										
New connections	407	458	496	649	504	919	364	649	632	562
Water main breaks	166	160	159	185	191	268	308	177	163	143
Average daily consumption (thousands of gallons)	13,250	12,730	12,180	12,500	12,470	12,390	13,220	13,060	15,800	12,420
Peak daily consumption (thousands of gallons)	20,560	22,290	19,870	21,800	20,610	24,820	23,940	22,290	22,240	23,380
Wastewater										
Average daily sewage treatment (thousands of gallons)	11,000	9,700	9,800	9,500	9,800	10,300	9,500	10,500	10,800	10,800

Sources: Various city departments.

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

THE CITY OF NORMAN, OKLAHOMA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

FUNCTION	Fiscal year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Public safety										
Police										
Stations	2	2	2	2	2	1	1	1	1	1
Patrol units	117	116	117	116	119	120	118	108	105	100
Fire stations	9	9	9	9	9	8	8	8	7	7
Sanitation										
Collection trucks	43	40	41	45	41	41	41	41	42	42
Highways and streets										
Streets (miles)	768	765	763	783	753	752	749	745	740	738
Streetlights	6,605	6,565	6,478	6,339	6,296	6,191	6,115	5,585	5,577	5,497
Traffic signals	256	256	250	246	241	189	185	176	170	170
Parks and recreation										
Acreage	1,158	1,158	1,158	1,158	1,156	1,150	1,150	1,142	1,142	1,133
Playgrounds	53	53	52	52	52	52	52	51	50	50
Swimming pools	6	6	5	5	5	5	5	5	5	5
Tennis courts	24	24	24	24	22	22	22	22	22	22
Community centers	5	5	5	5	5	5	5	5	5	5
Golf courses	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	600	600	597	593	576	566	562	547	536	531
Fire hydrants	5,986	5,988	5,921	5,860	5,618	5,498	5,392	5,337	5,158	5,038
Water towers	5	5	5	4	4	4	4	4	4	4
Maximum daily capacity (thousands of gallons)	23,300	23,300	23,500	23,500	23,500	22,600	22,600	20,300	20,300	19,577
Wastewater										
Sanitary sewers (miles)	508	511	500	494	491	485	479	476	466	462
Manholes	11,927	11,928	11,656	11,625	11,530	11,387	11,228	11,154	10,885	10,665
Maximum daily treatment capacity (thousands of gallons)	36,000	36,000	30,000	30,000	30,000	30,000	24,000	24,000	24,000	24,000

Sources: Various city departments.

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

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