



COMPREHENSIVE ANNUAL FINANCIAL REPORT



THE CITY OF NORMAN, OKLAHOMA

FISCAL YEAR ENDING JUNE 30, 2013



ABOVE – pictured above is the T-6 Texan. Along with the Stearman (Boeing) Model 75 Kaydet, the primary aircraft used for basic training of Naval aviators at Naval Air Station-Norman during World War II.

ON THE COVER – Norman is home to the Max Westheimer – University of Oklahoma Airport, which served as an important U.S. Navy aviation training base during World War II. Over 6,500 pilots and cadets graduated from the Naval Air Station - Norman between 1942 and 1946, and many of these naval officers support personnel and their families settled in Norman after the war. Today, Westheimer is one of the largest University-owned airports in the United States. The University of Oklahoma currently offers accredited programs in Aeronautical Engineering, Professional Pilot, Air Traffic Control and Airport Management. Over 100 aircraft are based at Westheimer, including the Oklahoma Highway Patrol's air fleet and "Oklahoma 1", the governor's aircraft (photos provided by The University of Oklahoma Airport, digitally enhanced by City of Norman Information Technology Division).

**The City
of
Norman, Oklahoma**



**Comprehensive
Annual Financial Report
Fiscal Year Ended
June 30, 2013**

**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, Bldg. C • P.O. Box 370
Norman, Oklahoma 73069 • 73070

OFFICE OF THE FINANCE DIRECTOR
Phone: 405-366-5413
FAX: 405-366-5417

December 5, 2013

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, 2013.

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, 2013. 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.

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 116,000 residents and numerous visitors annually. Municipal services provided include traffic control, municipal courts, water production and distribution, stormwater management and flood control, wastewater collection and treatment, solid waste collection and disposal, emergency response services, City code enforcement, crime enforcement and adjudication, construction and maintenance of streets and certain bridges, maintenance of park land, and recreation.

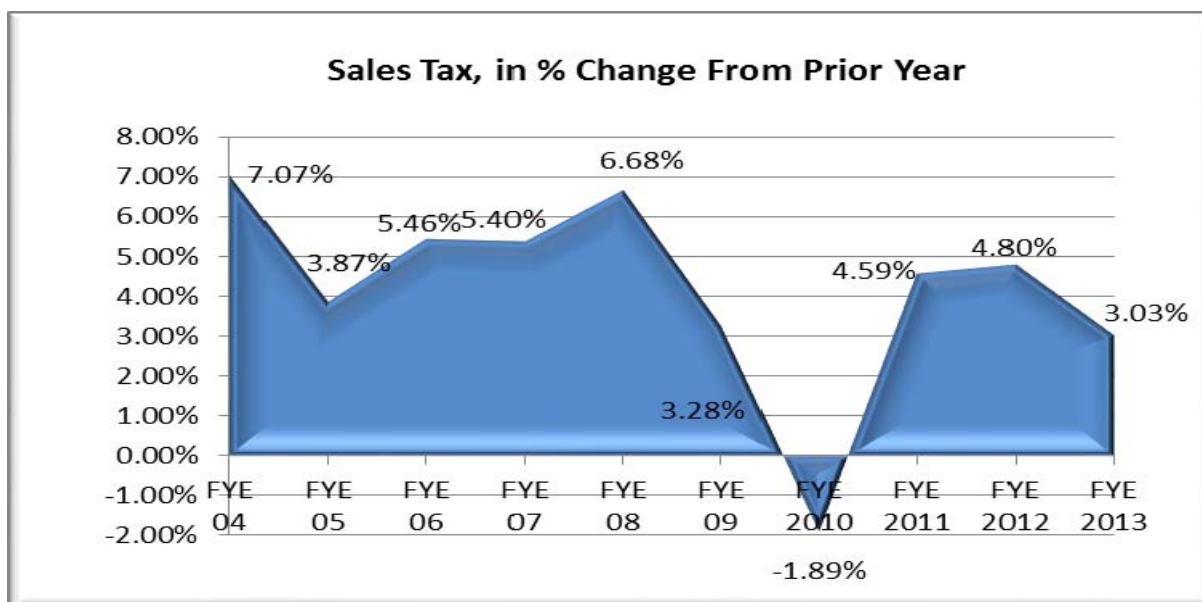
The City does not operate hospitals, schools, or public transportation systems. Special districts and governmental entities with independent authority administer the public hospital, public schools and the university within the City. The City contributes to a public transportation system operated by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

The Council is required to adopt a final budget by no later than ten days before the close of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, department and category (e.g., salary and benefits). Department 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 quality of life is sought by people of all ages and in all walks of life, and is demonstrated in the population growth over the past ten years. The University of Oklahoma, National Severe Storms Laboratory and National Weather Service, Hitachi Computer Products, U.S. Postal Service Technical Training Center, SYSCO Food Services Corporation, Astellas Pharmaceuticals Corporation, and Johnson Controls/York International Unitary Products Group are some of the leading institutions and businesses located in Norman.

One of the best indicators of the economic condition of the City is the evaluation of trends in some key factors. Sales and use taxes and franchise fees collectively represent 68% of the City's total General Fund revenue. Overall, sales tax collections increased 3.03% from FYE 2012 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) decreased .2% from FYE 2012 levels. 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. Trends in City sales tax for the last ten fiscal years are illustrated below:



Since sales and use taxes and building permit revenues are a primary source of the City's general governmental revenue and are by nature volatile, and because Norman is subject to volatile 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 of this factor, the City has adopted prudent reserve policies, and a Net Revenue Stabilization ("Rainy Day") Fund Ordinance was adopted and effective in fiscal year 2011-2012. The Ordinance requires a budgetary fund balance of at least three percent (3%) of budgeted expenditures in the General Fund, an "Emergency Reserve" appropriation of 2% and a minimum of 3 percent of General Fund expenditures to be maintained in a separate "Rainy Day" Fund. 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 transferred \$1,500,000 from the General Fund to the Rainy Day Fund during fiscal year 2011-2012.

It is the City's policy that one-time revenues not be used for operating purposes. The drawdown of General Fund balances to meet operating expenditures in recent years has conflicted with that policy. 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.

Long-term Financial Planning

The long-term financial status of the City's major operating funds (General Fund and Special Revenue Funds) is driven in large part by personnel expenses. These operating funds have extremely low employment levels and the City of Norman has a relatively small workforce, in comparison to most comparable cities. The City also provides relatively generous employee benefits, 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 financial status of the City's utility enterprise funds are driven in large part by capital expenditures. Major capital improvement programs are under way in the Water and Wastewater Utility operations, financed by ratepayer revenues, a temporary sales tax dedicated to sewer improvements (expired in October, 2006), and development charges. The Council, acting as Trustees of the Norman Utilities Authority, has studied future improvements and expansion that are needed to the Norman Water and Wastewater Treatment Plants. Voter referenda will be required to provide adequate ratepayer funding for these needed improvements. On November 12, 2013, voters did approve a sewer rate increase.

Major Initiatives

During fiscal year 2012-2013, the City of Norman continued several major capital programs to improve its transportation infrastructure. General obligation bonds authorized in 2005 and 2010 provided funding for major street construction and resurfacing programs throughout the city, including the opening of a new underpass of the Burlington Northern-Santa Fe railroad tracks at Robinson Avenue. Continued progress was made in reducing the rate of inflation in the cost of the City's self-funded health care benefit program, with emphasis on employee wellness and major disease prevention and chronic disease management.

During fiscal year 2012-2013, construction began on Legacy Park, a nine-acre City development within the University North Park commercial district. The \$8 million park and other public improvements in University North Park are funded by tax apportionments to a tax increment finance district fund. When opened, Legacy Park will feature an amphitheater and stage overlooking a 2-acre pond, and will be bordered by privately-financed restaurants and entertainment facilities within the development.

The City continued to provide enhanced public safety services, funded primarily by a temporary (7-years, expiring in September 2015) ½ percent sales tax. Additional personnel continue to be added to the Police and Fire Departments, bringing staffing levels in line with regional benchmarks. During fiscal year 2012-2013 construction was completed on the second of two planned fire stations paid for by the temporary Public Safety Sales Tax (PSST). At the conclusion of the temporary PSST period, 71 personnel will have been added to the City's public safety areas and voters may be asked to consider funding sources to maintain the personnel.

Norman's Water and Wastewater (Water Reclamation) Utility enterprises continue to plan for needed system expansion and improvement projects. Engineering design and environmental review processes are nearing completion for plant expansions to serve Norman utility customers, assuming voter approval of adequate rate structures to pay for the improvements. On November 12, 2013, voters did approve a sewer rate increase.

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, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

Preparation of a CAFR is a complex task and one that requires considerable expertise and experience. More important, the ongoing maintenance and reporting of the City's financial

condition at the level to which Norman has been accustomed requires professionalism and dedication far beyond what could be expected from a paycheck. The City is fortunate to have a very talented accounting staff willing to undertake these magnanimous efforts year after year. It is our pleasure to express sincere thanks to the accounting staff of the City. Chief Accountant Clint Mercer, CPA and Municipal Accountant Debbie Whitaker deserve particular recognition for their efforts in preparing representative financial statements. We would also like to thank 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 2013 CAFR.

Respectfully submitted,



Steven Lewis
City Manager



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



Government Finance Officers Association

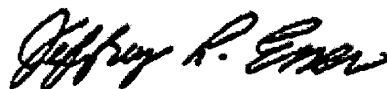
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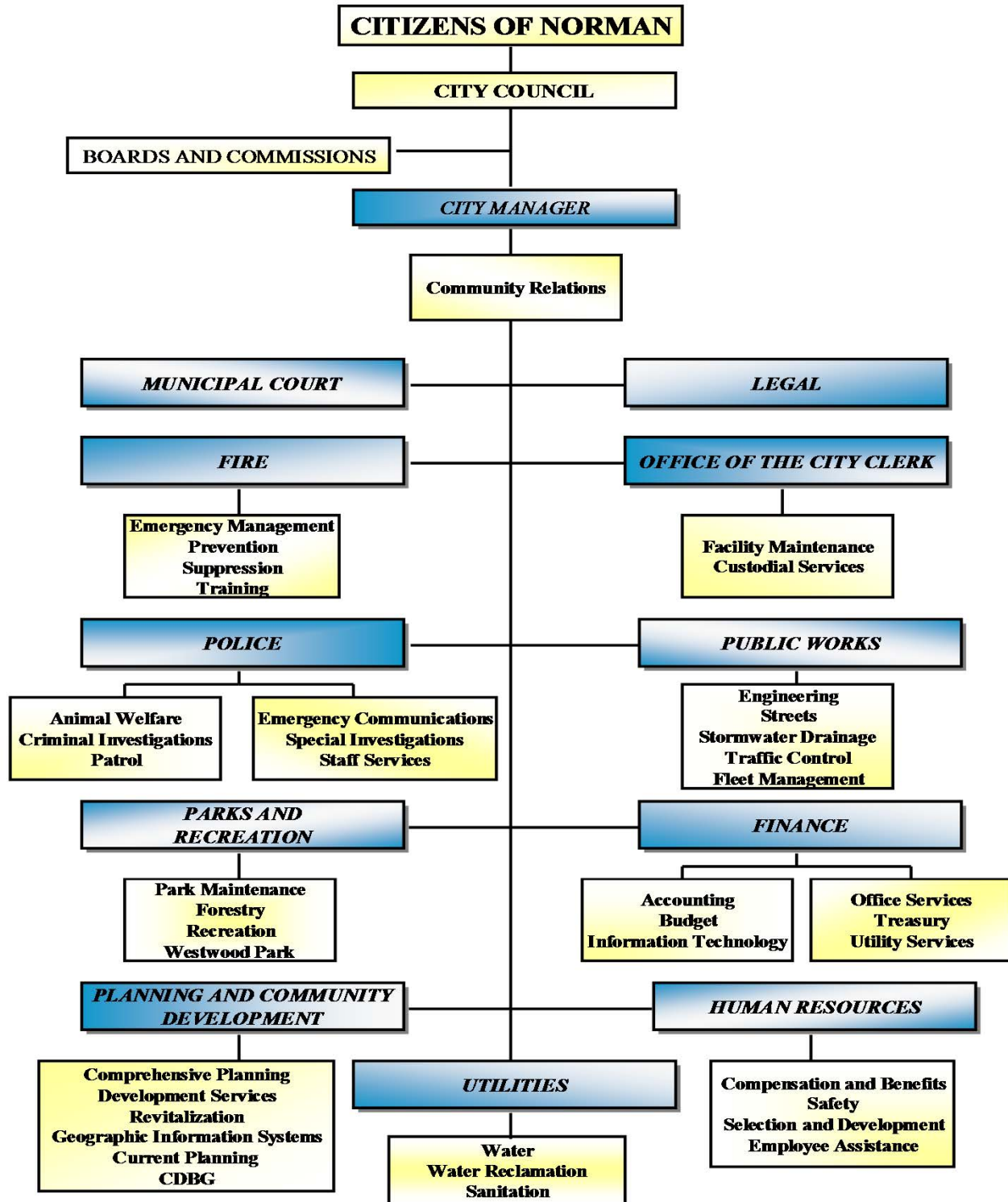
**City of Norman
Oklahoma**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012



Executive Director/CEO



CITY OFFICIALS

MAYOR
Cindy Rosenthal

Ward 1	Roger Gallagher	Ward 5	Dave Spaulding
Ward 2	Tom Kovach	Ward 6	Jim Griffith
Ward 3	Robert Castleberry	Ward 7	Linda Lockett
Ward 4	Gregory Jungman	Ward 8	Chad Williams

City Manager Steve Lewis

ACCOUNTING & RESEARCH STAFF

Anthony Francisco, CPFO, CTP, CPFA
Finance Director

Clint Mercer, CPA
Chief Accountant

Debbie Whitaker
Municipal Accountant III

Mindy Aynes
Municipal Accountant I

Mary Anne Kirkland
Administrative Technician IV

Lisa Woods
Municipal Accountant I

Suzanne Krohmer, CPFO
Budget Manager

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FINANCIAL SECTION

Independent Auditor's Report on Financial Statements and Supplementary Information

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements 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 City'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Norman, Oklahoma, as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Implementation of New Accounting Standards

As discussed in *Note 1* to the financial statements, in 2013, the City adopted new accounting guidance with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary and pension information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by GASB, 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.

Supplementary 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 accompanying other supplementary information as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

Oklahoma City, Oklahoma
December 5, 2013

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, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report.

Financial Highlights

- The assets and deferred outflow of resources of the City exceeded its liabilities at the close of the most recent fiscal year by \$492,346,513 (net position). Of this amount, \$25,170,311 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$20,776,363.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$109,158,078, an increase of \$26,582,111 in comparison with the prior year. Approximately 90% or \$100,752,461 was nonspendable, restricted, committed or assigned for specific purposes. Approximately 7.7% or \$8,405,617 was unassigned at fiscal year end.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,405,617 or 12 % of total general fund expenditures.
- The City's total debt increased by \$21,388,410 during the current fiscal year. The City issued \$20,050,000 in general obligation bonds and \$140,387 in loans payable as well as drew down \$7,984,847 in tax increment notes payable and \$2,378,070 in utility system notes payable. The remaining decrease was due to scheduled payments.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type

activities). The governmental activities of the City include general government, planning, city controller, parks and recreation, public works, public service and public safety. The business-type activities of the City include the Norman Municipal Authority (the “NMA”) and the Norman Utilities Authority (the “NUA”). The NMA operates Westwood Park and the City’s sanitation services. Westwood Park includes golf, tennis and swimming facilities. The NUA operates the City’s water and wastewater services.

The government-wide financial statements can be found on pages 16-17 of this report.

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 18-20 of this report.

Proprietary funds – The City maintains two different types of proprietary funds. Enterprise funds to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for NMA and NUA activities, which are both presented as major proprietary funds. The components of these funds are presented in additional detail in the form of combining statements elsewhere in this report. The City uses one internal service fund to account for its retained risks. These services predominantly benefit governmental rather than business-type functions and have been included within *governmental activities* in the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 21-23 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 24-25 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 26-62 of this report.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City’s progress in funding its obligation to provide pension benefits to its employees and budgetary comparison schedules for the general fund and public safety sales tax fund. Required supplementary information can be found on pages 63-72 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 73-95 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets exceeded liabilities by \$492,346,513 at the close of the most recent fiscal year.

Net Position As of June 30

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 120,857,255	\$ 93,203,650	\$ 68,970,202	\$ 67,879,967	\$ 189,827,457	\$ 161,083,617
Capital assets	267,395,716	254,704,726	190,690,843	185,385,633	458,086,559	440,090,359
Total assets	388,252,971	347,908,376	259,661,045	253,265,600	647,914,016	601,173,976
Deferred outflows	-	-	275,767	-	275,767	-
Long-term liabilities	81,985,644	61,176,155	43,014,758	43,926,374	125,000,402	105,102,529
Other liabilities	23,205,517	16,517,903	7,637,351	6,756,527	30,842,868	23,274,430
Total liabilities	105,191,161	77,694,058	50,652,109	50,682,901	155,843,270	128,376,959
Net position:						
Net investment in capital assets	230,316,125	226,301,248	153,645,303	149,661,248	383,961,428	375,962,496
Restricted	59,450,003	46,103,535	23,764,771	23,888,626	83,214,774	69,992,161
Unrestricted	(6,704,318)	(2,190,465)	31,874,629	29,032,825	25,170,311	26,842,360
Total net position	\$ 283,061,810	\$ 270,214,318	\$ 209,284,703	\$ 202,582,699	\$ 492,346,513	\$ 472,797,017

By far the largest portion of the City’s net position (78 percent) reflect its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure), less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the

resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (17 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$25,170,311) may be used to meet the City's ongoing obligations to citizens and creditors.

There was an increase of \$7.2 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 \$13.5 million during the current fiscal year. This increase was due to several factors. See below for more information.

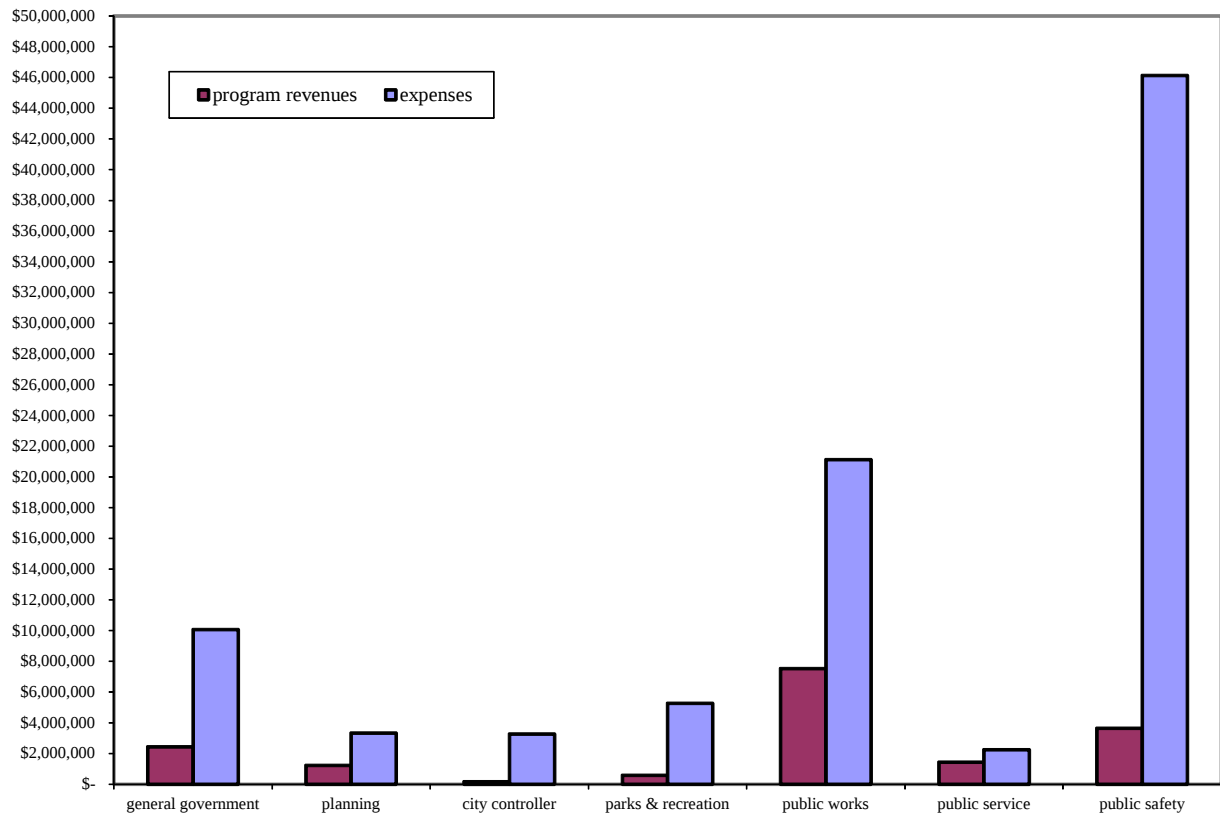
Change in Net Assets For the Year Ended June 30

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Program Revenues:						
Charges for services	\$ 7,357,611	\$ 7,353,550	\$ 40,888,563	\$ 41,580,839	\$ 48,246,174	\$ 48,934,389
Operating grants & contributions	6,893,726	8,241,861	-	-	6,893,726	8,241,861
Capital grants & contributions	5,754,538	13,944,754	5,006,692	4,291,238	10,761,230	18,235,992
General revenues:					-	-
Sales and excise taxes	60,558,342	58,777,068	1,432,321	1,597,960	61,990,663	60,375,028
Franchise taxes	6,572,686	6,584,853	-	-	6,572,686	6,584,853
Property taxes	11,532,189	7,931,992	-	-	11,532,189	7,931,992
State use taxes	2,428,484	2,393,708	-	-	2,428,484	2,393,708
Other taxes	2,402,303	2,246,996	-	-	2,402,303	2,246,996
Investment earnings	208,763	701,524	187,837	278,751	396,600	980,275
Miscellaneous	2,319,411	2,761,766	241,978	(333,548)	2,561,389	2,428,218
Total revenues	106,028,053	110,938,072	47,757,391	47,415,240	153,785,444	158,353,312
Expenses:						
General government	10,067,554	10,443,931	-	-	10,067,554	10,443,931
Planning	3,334,674	3,063,260	-	-	3,334,674	3,063,260
City controller	3,256,464	2,404,401	-	-	3,256,464	2,404,401
Parks and recreation	5,251,598	5,076,388	-	-	5,251,598	5,076,388
Public works	21,126,808	19,810,834	-	-	21,126,808	19,810,834
Public service	2,242,861	2,368,850	-	-	2,242,861	2,368,850
Public safety	46,133,723	44,528,493	-	-	46,133,723	44,528,493
Interest on long-term debt	1,812,032	1,715,040	-	-	1,812,032	1,715,040
Westwood park	-	-	1,451,959	1,477,312	1,451,959	1,477,312
Water	-	-	13,776,395	13,630,489	13,776,395	13,630,489
Wastewater	-	-	12,229,767	11,846,247	12,229,767	11,846,247
Sanitation	-	-	12,325,246	11,679,875	12,325,246	11,679,875
Total expenses	93,225,714	89,411,197	39,783,367	38,633,923	133,009,081	128,045,120
Change in net assets before transfers	12,802,339	21,526,875	7,974,024	8,781,317	20,776,363	30,308,192
Transfers	734,795	773,892	(734,795)	(773,892)	-	-
Change in net assets	13,537,134	22,300,767	7,239,229	8,007,425	20,776,363	30,308,192
Net assets, beginning	270,214,318	247,913,551	202,582,699	194,575,274	472,797,017	442,488,825
Cumulative effect of accounting change	(689,642)	-	(537,225)	-	(1,226,867)	-
Net assets, beginning revised	269,524,676	247,913,551	202,045,474	194,575,274	471,570,150	442,488,825
Net assets, ending	\$ 283,061,810	\$ 270,214,318	\$ 209,284,703	\$ 202,582,699	\$ 492,346,513	\$ 472,797,017

Governmental activities – Governmental activities increased the City’s net position by \$13.5 million. In the prior year, governmental activities increased the City’s net position by \$22.3 million. Key elements of this change are as follows:

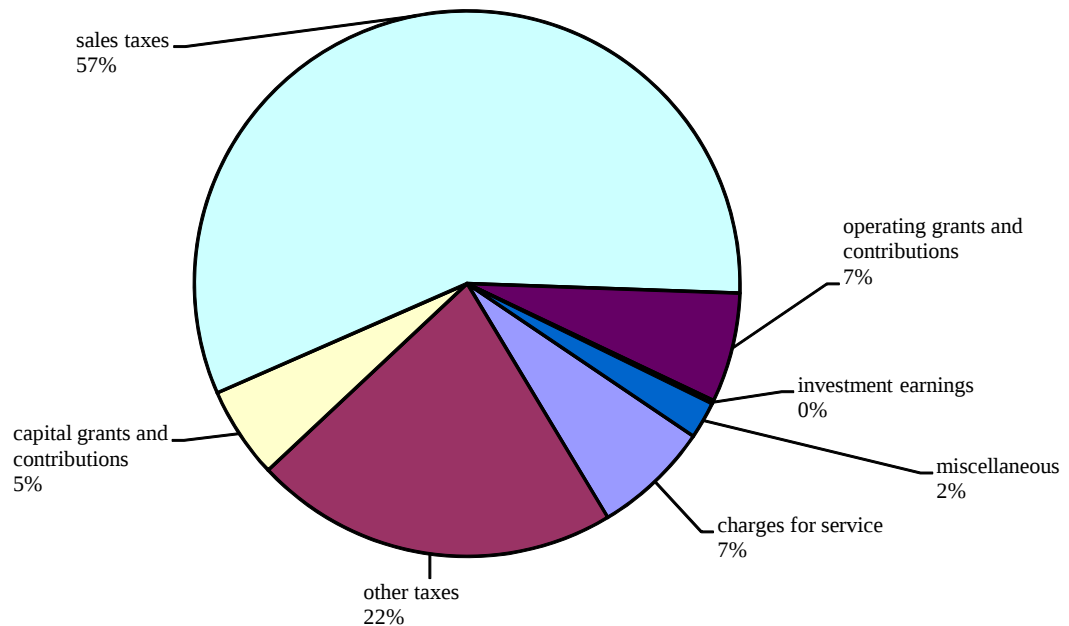
- Sales tax revenue within the governmental activities (the City’s primary fund source) increased by \$1,781,274 or 3.03% over the prior fiscal year. This increase was due to the slow, continued improvement within the economy as a whole.
- Capital grants and contribution revenues decreased by \$8,190,216 or 59% from the prior fiscal year. Developers dedicate roadways and right-of-way to the City when they develop additions. In addition, the City works with the Oklahoma Department of Transportation (ODOT) on joint road infrastructure projects that become City property when completed. In the prior year, the Rock Creek Overpass project and Railroad Corridor Safety projects were completed with \$5,553,360 and \$2,569,020, respectively, being provided by ODOT.
- Public works expenses increased \$1,315,974 or 6.6% over the prior fiscal year. This increase was primarily due to an increase in depreciation expense (\$1,248,169) relating to road and storm sewer assets donated to the City in the prior fiscal year by developers.
- Public safety expenses increased \$1,605,230 or 3.6% over the prior fiscal year. The majority of this increase was due to the addition of 12 positions within the Public Safety Sales Tax Fund during Fiscal Year 2013.

Expenses and Program Revenues – Governmental Activities



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

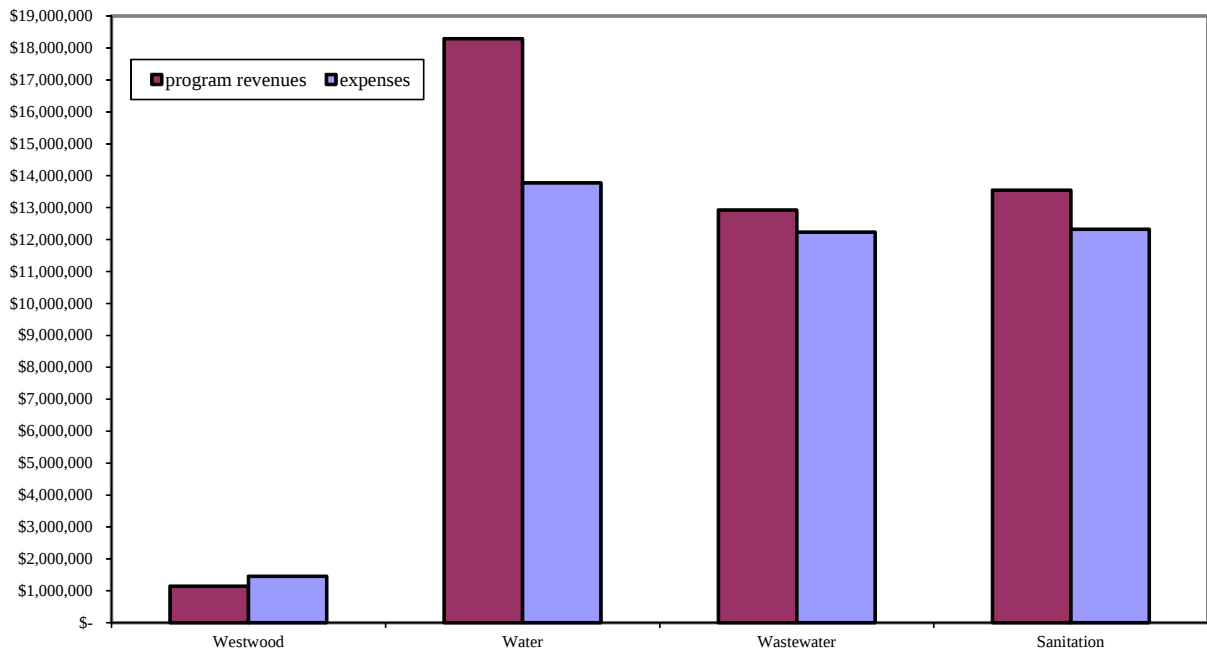
Revenues by Source - Governmental Activities



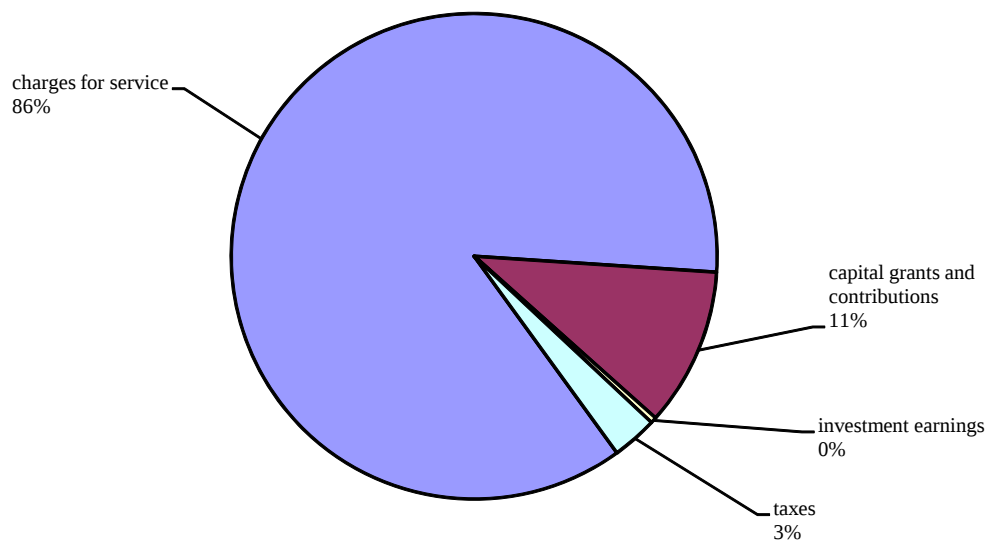
Business-type activities – Business-type activities increased the City’s net position by \$7.2 million. In the prior year, business-type activities increased the City’s net position by \$8 million. Key elements of this change are as follows:

- Charges for service revenue decreased \$692,276 or 1.7% from the prior fiscal year. This decrease was due to the wetter and milder 2013 spring and summer. Overall demand (consumption) for water was down .9% in Fiscal Year 2013 compared to the prior year.
- Tax revenue decreased \$165,639, or 10.4% from the prior fiscal year. This tax represents an excise tax on development to fund wastewater improvements. The decrease is directly attributable to development activity.
- Sanitation expenses increased \$645,371 or 5.5% over the prior fiscal year. Most of this increase was due to increased overtime costs and retiring employee payouts.
- Capital grants and contributions revenue increased \$715,454 or 16.7% from the prior year. The largest portion of this increase was from donated water pipe.

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 \$109,158,078, an increase of \$26,582,111 from the prior year. Approximately 7.7 percent of this total amount (\$8,405,617) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is either nonspendable, restricted, committed or assigned to indicate that it is not available for new spending.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,405,617 while total fund balance reached \$12,422,653. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 12 percent of total General Fund expenditures, while total fund balance represents 17 percent of that same amount.

The fund balance of the City's General Fund decreased by \$1,052,868 during the current fiscal year compared to a decrease of \$194,283 in the previous year. Key factors in the current year change are as follows:

- Sales tax revenues increased \$725,104 or 2.02%. This increase was due to the continued slow improvement within the overall local economy.
- City Controller activities increased \$550,749 or 12.5% over the prior fiscal year. Most of this increase was within the Information Systems Division for the purchase of software licenses.
- Public safety activities increased \$503,722 or 1.4% over the prior fiscal year. Most of this increase was due to salary and benefits (\$600,581 or 2.1%). Cost of living increases were 2.75% for Fire and 3% for Police in addition to merit increases.

The Public Safety Sales Tax Fund has a total fund balance of \$11,011,470 all of which is restricted for public safety activities. The net increase in fund balance during the current year was \$259,343. This increase was due to faster collection of tax revenue than was needed to pay for public safety activities covered by the fund. The half-cent sales tax will expire September 30, 2015.

The Debt Service Fund has a total fund balance of \$9,120,958, all of which is restricted for the payment of debt service. The net increase in the fund balance during the current year was \$4,304,098 due to increased property tax revenue to fund principal and interest payments on general obligation bond issues and judgments awarded against the City as they come due.

The Capital Projects Fund has a total fund balance of \$71,624,273. The net increase in fund balance during the current year was \$21,731,352. This increase was due to receipt of \$20,050,000 in general obligation bond proceeds, \$140,387 in notes payable proceeds and \$7,984,847 in tax increment notes payable proceeds. In addition, \$1,127,448 was transferred into the Capital Projects Fund from the Public Safety Sales Tax Fund to make renovations to the Norman Investigations Center building (formerly the Smalley Center).

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 \$5,774,747 and \$26,099,882, respectively. The total growth in net position for these funds was \$1,322,746 and \$5,916,483, 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 \$2,093,762 increase in appropriations between the original and final amended budget. Following are the main components of the increase:

- \$575,585 in increases to the public safety budget. The Special Investigations division received \$164,507 in increases with the most significant portion representing appropriations for termination payouts of retiring employees.
- \$1,003,457 in increases to the public works budget. The Stormwater Drainage division received \$597,083 in increases with the most significant portion representing transfers from the City Council division of a portion of the 2% emergency reserve and the City Manager division for storm clean-up. Also, the Traffic Control division received \$127,967 in increases of which a significant portion was for damaged traffic signals.
- \$583,982 in increases to the city controller budget primarily within Information Services for increases related to Microsoft Office software licenses.

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, 2013 the Rainy Day Fund had a balance of \$1,510,323.

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

- General Fund revenues were below expectations by \$2,053,701.
 - o Taxes were below expectations by \$1,811,404 due to a continued slower than expected recovering local economy.
 - o Franchise taxes were below expectations by \$618,855 with most of the decrease occurring within the electric franchise revenue. This can be attributed to the milder weather conditions during Fiscal Year 2013.
 - o Police court fines exceeded expectations by \$244,688. This revenue also exceeded expectations in the prior fiscal year. The City instituted new procedures and hired additional staff in the prior fiscal year to more aggressively collect these revenues.
- General Fund expenditures and encumbrances were below expectations by \$5,687,734.
 - o City Council expenditures were \$1,246,565 below expectation due to lack of expense of all the 2% reserve.
 - o Stormwater Drainage and Street Maintenance expenditures were \$658,397 and \$606,451, respectively, below expectations. A significant portion of this was due to savings from open positions within the divisions.

- o Patrol expenditures were \$438,898 below expectations. A significant portion of this was due to savings within the fleet parts and fuel accounts.
- Net General Fund transfers were \$1,186,998 more than expected. The General Fund transferred \$1,254,340 to the Public Safety Sales Tax Fund to cover 911 software upgrade project costs until Fire Station #9 was substantially complete. At year-end, this amount was transferred back to the General Fund from the Public Safety Sales Tax Fund. The transfer back to the General Fund was not included in the budget and therefore exceeded expectations.

The City closed the year with a fund balance that was higher than what was budgeted by \$4,868,898.

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, 2013, amounted to \$458,086,559 (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 4% (5% increase for governmental activities and a 3% increase for business-type activities).

Capital Assets As of June 30

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 54,137,701	\$ 53,856,720	\$ 9,487,634	\$ 9,357,961	\$ 63,625,335	\$ 63,214,681
Buildings and improvements	47,488,637	46,035,526	164,033,392	155,307,474	211,522,029	201,343,000
Machinery and equipment	42,046,941	37,612,227	114,117,417	111,106,714	156,164,358	148,718,941
Infrastructure	437,295,460	426,942,710	-	-	437,295,460	426,942,710
Construction in progress	41,828,185	35,298,023	30,882,711	29,454,942	72,710,896	64,752,965
Less: Accumulated depreciation	(355,401,208)	(345,040,480)	(127,830,311)	(119,841,458)	(483,231,519)	(464,881,938)
Total	\$ 267,395,716	\$ 254,704,726	\$ 190,690,843	\$ 185,385,633	\$ 458,086,559	\$ 440,090,359

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

- Sewer interceptor projects were completed at a cost of \$1,169,060.
- The Sanitation transfer station was completed at a cost of \$3,679,545.
- Two intersections within the University North Park Tax Increment Financing District were completed at a cost of \$1,462,558.
- Various roadway projects were completed in conjunction with ODOT at a cost of \$3,204,652. The donated portion funded by ODOT amounted to \$1,333,831.
- Certain road bond projects were completed at a cost of \$1,729,751 consisting of rural road projects, urban asphalt pavement projects and urban concrete pavement projects.
- A variety of street and roadway construction projects were underway; governmental construction in progress as of the end of the current fiscal year had reached \$41,828,185.
- A variety of water and sewer projects were underway; NUA construction in progress as of the end of the current fiscal year was \$30,882,711.

Additional information on the City's capital assets can be found in note 4 on pages 40-41 of this report.

Long-term debt – At the end of the current fiscal year, the City had total bonded debt outstanding of \$81,215,000. Of this amount, \$58,620,000 comprises debt backed by the full faith and credit of the government. The remainder of the City's bonded debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds) of \$22,595,000. The City also had notes payable outstanding of \$36,833,240 at the end of the current fiscal year and was secured by capital assets and specified revenue sources.

Outstanding Debt As of June 30

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 58,620,000	\$ 43,140,000	\$ -	\$ -	\$ 58,620,000	\$ 43,140,000
Special assessment debt with governmental commitment	-	-	-	-	-	-
Revenue bonds	-	-	22,595,000	24,570,000	22,595,000	24,570,000
Notes payable	13,965,481	6,925,153	22,867,759	22,024,677	36,833,240	28,949,830
Total	<u>\$ 72,585,481</u>	<u>\$ 50,065,153</u>	<u>\$ 45,462,759</u>	<u>\$ 46,594,677</u>	<u>\$ 118,048,240</u>	<u>\$ 96,659,830</u>

The City's total debt increased by \$21,388,410 (22 percent) during the current fiscal year. The key factors of this change were issuance of \$20,050,000 in general obligation bonds payable, issuance of \$2,378,070 in utilities system notes payable, issuance of \$7,984,847 in tax increment notes payable, issuance of \$140,387 in notes payable and 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 49-55 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 5 percent, which is a increase of .6 percent from a year ago. This compares favorably to the state's average unemployment rate of 5.2 percent and favorably to the national average rate of 7.6 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 3.03% over the prior year total.

All of these factors were considered in preparing the City's budget for the 2014 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, 2013

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 19,689,804	\$ 4,427,640	\$ 24,117,444
Restricted cash and cash equivalents	46,594,914	11,176,289	57,771,203
Investments	26,373,254	27,968,627	54,341,881
Restricted investments	10,941,680	-	10,941,680
Receivables:			
Taxes	12,082,364	-	12,082,364
Accounts, net of allowance for estimated uncollectible Business-Type accounts of \$149,799	1,131,969	2,713,350	3,845,319
Interest	69,517	93,316	162,833
Due from Federal Government	401,583	-	401,583
Inventory	337,642	-	337,642
Total current assets	<u>117,622,727</u>	<u>46,379,222</u>	<u>164,001,949</u>
Non-current assets:			
Restricted cash and cash equivalents	3,234,528	6,976,188	10,210,716
Restricted investments	-	15,614,792	15,614,792
Capital assets not subject to depreciation	95,965,886	40,370,345	136,336,231
Capital assets, net	<u>171,429,830</u>	<u>150,320,498</u>	<u>321,750,328</u>
Total non-current assets	<u>270,630,244</u>	<u>213,281,823</u>	<u>483,912,067</u>
Total assets	<u>388,252,971</u>	<u>259,661,045</u>	<u>647,914,016</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred charge on refunding	-	275,767	275,767
Total deferred outflows of resources	<u>-</u>	<u>275,767</u>	<u>275,767</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other accrued liabilities	3,037,731	1,580,227	4,617,958
Payroll payable	2,430,168	522,772	2,952,940
Accrued interest payable	584,482	345,976	930,458
Guaranty deposits	5,043,960	1,478,243	6,522,203
Current portion of long-term debt	<u>12,109,176</u>	<u>3,710,133</u>	<u>15,819,309</u>
Total current liabilities	<u>23,205,517</u>	<u>7,637,351</u>	<u>30,842,868</u>
Non-current liabilities:			
Long-term debt and other liabilities	<u>81,985,644</u>	<u>43,014,758</u>	<u>125,000,402</u>
Total non-current liabilities	<u>81,985,644</u>	<u>43,014,758</u>	<u>125,000,402</u>
Total liabilities	<u>105,191,161</u>	<u>50,652,109</u>	<u>155,843,270</u>
NET POSITION			
Net investment in capital assets	230,316,125	153,645,303	383,961,428
Restricted for:			
Debt service	9,120,958	5,080,981	14,201,939
Capital improvements	34,698,819	18,683,790	53,382,609
Public safety	12,009,602	-	12,009,602
Public parks and recreation	1,538,801	-	1,538,801
Public service	737,993	-	737,993
Public works	1,343,830	-	1,343,830
Unrestricted (deficit)	<u>(6,704,318)</u>	<u>31,874,629</u>	<u>25,170,311</u>
Total net position	<u>\$ 283,061,810</u>	<u>\$ 209,284,703</u>	<u>\$ 492,346,513</u>

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-Type Activities
Primary government						
Governmental activities:						
General government	\$ 10,067,554	\$ 2,431,538	\$ -	\$ -	\$ (7,636,016)	\$ (7,636,016)
Planning	3,334,674	1,213,106	-	-	(2,121,568)	(2,121,568)
City controller	3,256,464	165,969	-	-	(3,090,495)	(3,090,495)
Parks and recreation	5,251,598	506,358	60,379	-	(4,684,861)	(4,684,861)
Public works	21,126,808	-	1,767,735	5,754,538	(13,604,535)	(13,604,535)
Public service	2,242,861	-	1,433,071	-	(809,790)	(809,790)
Public safety	46,133,723	3,040,640	3,632,541	-	(39,460,542)	(39,460,542)
Interest on long-term debt	1,812,032	-	-	-	(1,812,032)	(1,812,032)
Total governmental activities	93,225,714	7,357,611	6,893,726	5,754,538	(73,219,839)	(73,219,839)
Business-type activities:						
Westwood Park	1,451,959	1,141,661	-	-	-	(310,298)
Water	13,776,395	14,817,012	-	3,471,037	-	4,511,654
Wastewater	12,229,767	11,383,549	-	1,535,655	-	689,437
Sanitation	12,325,246	13,546,341	-	-	-	1,221,095
Total business-type activities	39,783,367	40,888,563	-	5,006,692	-	6,111,888
Total primary government	\$ 133,009,081	\$ 48,246,174	\$ 6,893,726	\$ 10,761,230	(73,219,839)	(67,107,951)
General revenues:						
Taxes (unrestricted unless otherwise noted):						
Sales taxes					36,557,908	36,557,908
Sales taxes - restricted					24,000,434	24,000,434
Excise taxes - restricted					-	1,432,321
Franchise taxes					6,572,686	6,572,686
Property taxes - restricted					11,532,189	11,532,189
State use taxes					2,081,558	2,081,558
State use taxes - restricted					346,926	346,926
Hotel/Motel taxes					1,352,311	1,352,311
Alcoholic beverage taxes					285,339	285,339
Cigarette taxes					764,653	764,653
Investment earnings					208,763	187,837
Miscellaneous					2,319,411	241,978
Transfers					734,795	(734,795)
Total general revenues and transfers					86,756,973	1,127,341
Change in net position					13,537,134	20,776,363
Net position - beginning					270,214,318	472,797,017
Cumulative effect of change in accounting principle					(689,642)	(537,225)
Net position - beginning (as restated)					269,524,676	471,570,150
Net position - ending					\$ 283,061,810	\$ 492,346,513

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2013

	General	Public Safety Sales Tax	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,787,025	\$ -	\$ -	\$ 13,936,013	\$ 1,839,679	\$ 18,562,717
Investments	3,410,308	-	5,495,717	14,805,434	2,661,795	26,373,254
Receivables:						
Taxes	7,676,329	1,559,896	-	2,660,191	185,948	12,082,364
Accounts	934,094	-	-	38,905	16,784	989,783
Interest	6,818	16,797	10,986	29,596	5,320	69,517
Due from Federal Government	-	-	-	-	401,583	401,583
Inventory	337,642	-	-	-	-	337,642
Restricted Assets:						
Cash and cash equivalents	1,558,195	1,609,694	3,614,255	43,047,298	-	49,829,442
Investments	2,539,205	8,402,475	-	-	-	10,941,680
Total assets	<u>\$ 19,249,616</u>	<u>\$ 11,588,862</u>	<u>\$ 9,120,958</u>	<u>\$ 74,517,437</u>	<u>\$ 5,111,109</u>	<u>\$ 119,587,982</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable and other accrued liabilities	\$ 580,534	\$ 337,130	\$ -	\$ 1,921,208	\$ 116,906	\$ 2,955,778
Payroll payable	2,159,093	240,262	-	15,332	15,479	2,430,166
Guaranty deposits	4,087,336	-	-	956,624	-	5,043,960
Total liabilities	<u>6,826,963</u>	<u>577,392</u>	<u>-</u>	<u>2,893,164</u>	<u>132,385</u>	<u>10,429,904</u>
FUND BALANCES						
Nonspendable	337,642	-	-	-	-	337,642
Restricted	-	11,011,470	9,120,958	70,633,768	4,618,756	95,384,952
Committed	1,510,323	-	-	-	-	1,510,323
Assigned	2,169,071	-	-	990,505	359,968	3,519,544
Unassigned	8,405,617	-	-	-	-	8,405,617
Total fund balances	<u>12,422,653</u>	<u>11,011,470</u>	<u>9,120,958</u>	<u>71,624,273</u>	<u>4,978,724</u>	<u>109,158,078</u>
Total liabilities and fund balance	<u>\$ 19,249,616</u>	<u>\$ 11,588,862</u>	<u>\$ 9,120,958</u>	<u>\$ 74,517,437</u>	<u>\$ 5,111,109</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.

267,395,716

Other long-term receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds.

142,186

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

(5,189,743)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

(88,444,427)

Net assets of governmental activities

\$ 283,061,810

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, 2013

	General	Public Safety Sales Tax	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 45,212,152	\$ 8,998,109	\$ 10,638,465	\$ 16,242,975	\$ 1,352,311	\$ 82,444,012
Licenses and permits	1,211,582	-	-	-	-	1,211,582
Intergovernmental revenues	5,848,416			10,000	2,779,066	8,637,482
Charges for services	10,586,984	-	-	-	97,016	10,684,000
Fines and forfeitures	2,352,459	-	-	-	-	2,352,459
Investment earnings	5,394	36,495	20,397	120,535	11,487	194,308
Special assessment revenue	-	-	-	-	-	-
Other	839,743	-	-	63,830	520,130	1,423,703
Total revenues	<u>66,056,730</u>	<u>9,034,604</u>	<u>10,658,862</u>	<u>16,437,340</u>	<u>4,760,010</u>	<u>106,947,546</u>
Expenditures:						
Current:						
General government	5,896,835	-	-	2,065,977	-	7,962,812
Planning	3,387,288	-	-	-	-	3,387,288
City controller	4,946,841	-	-	10,516	-	4,957,357
Parks and recreation	4,175,303	-	-	335,005	10,096	4,520,404
Public works	14,410,558	-	-	3,069,968	-	17,480,526
Public service	-	-	-	-	2,239,327	2,239,327
Public safety	36,524,226	5,747,488	-	13,761	494,015	42,779,490
Capital outlay	2,157,629	1,940,325	-	13,044,686	1,009,475	18,152,115
Debt service:						
Principal retirement	74,236	-	4,570,000	1,010,670	-	5,654,906
Interest and fiscal charges	3,463	-	964,542	610,278	-	1,578,283
Total expenditures	<u>71,576,379</u>	<u>7,687,813</u>	<u>5,534,542</u>	<u>20,160,861</u>	<u>3,752,913</u>	<u>108,712,508</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,519,649)</u>	<u>1,346,791</u>	<u>5,124,320</u>	<u>(3,723,521)</u>	<u>1,007,097</u>	<u>(1,764,962)</u>
Other financing sources (uses):						
Transfers in	5,770,877	1,294,340	-	1,193,187	604,117	8,862,521
Transfers out	(1,304,096)	(2,381,788)	(820,222)	(4,092,382)	(271,028)	(8,869,516)
Issuance of debt	-	-	-	28,175,234	-	28,175,234
Premium on issuance of debt	-	-	-	178,834	-	178,834
Net other financing sources (uses)	<u>4,466,781</u>	<u>(1,087,448)</u>	<u>(820,222)</u>	<u>25,454,873</u>	<u>333,089</u>	<u>28,347,073</u>
Net change in fund balances	<u>(1,052,868)</u>	<u>259,343</u>	<u>4,304,098</u>	<u>21,731,352</u>	<u>1,340,186</u>	<u>26,582,111</u>
Fund balances, July 1, 2012	13,475,521	10,752,127	4,816,860	49,892,921	3,638,538	82,575,967
Fund balances, June 30, 2013	<u>\$ 12,422,653</u>	<u>\$ 11,011,470</u>	<u>\$ 9,120,958</u>	<u>\$ 71,624,273</u>	<u>\$ 4,978,724</u>	<u>\$ 109,158,078</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, 2013

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

Net change in fund balances - total governmental funds	\$ 26,582,111
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.	7,088,017
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	5,602,973
Debt service principal retirement expensed in fund level financial statements but treated as reduction in outstanding debt in government-wide financial statements	5,654,906
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in the governmental funds	(1,697,402)
The issuance of long-term debt provides current financial resources to governmental funds	(28,345,552)
Decrease in liability for incurred claims and compensated absences and miscellaneous expensed in government-wide financial statements	(464,512)
Internal service funds are used by management to charge the costs of insurance services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(883,407)</u>
Change in net assets of governmental activities	<u>\$ 13,537,134</u>

See notes to financial statements

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

JUNE 30, 2013

	Business-type Activities			Governmental Activities
	Norman Municipal Authority	Norman Utilities Authority	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,962,826	\$ 2,464,814	\$ 4,427,640	\$ 1,127,087
Restricted cash and cash equivalents	2,018,081	9,158,208	11,176,289	-
Investments	3,898,733	24,069,894	27,968,627	-
Receivables:				
Accounts, net of allowance estimated uncollectible accounts	867,267	1,846,083	2,713,350	-
Interest	14,158	79,158	93,316	-
Due from other funds	-	-	-	-
Total current assets	8,761,065	37,618,157	46,379,222	1,127,087
Noncurrent assets:				
Restricted cash and cash equivalents	437,314	6,538,874	6,976,188	-
Restricted investments	105,359	15,509,433	15,614,792	-
Capital assets, net	16,510,640	174,180,203	190,690,843	-
Total noncurrent assets	17,053,313	196,228,510	213,281,823	-
Total assets	25,814,378	233,846,667	259,661,045	1,127,087
DEFERRED OUTFLOW OF RESOURCES				
Deferred charge on refunding	-	275,767	275,767	-
Total deferred outflows of resources	-	275,767	275,767	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	293,556	1,286,671	1,580,227	81,953
Payroll payable	228,739	294,033	522,772	-
Accrued interest payable	33,599	312,377	345,976	-
Guaranty deposits	343,070	1,135,173	1,478,243	-
Revenue bonds payable	120,000	1,920,000	2,040,000	-
Notes payable	395,000	1,229,528	1,624,528	-
Compensated absences	16,598	29,007	45,605	1,297
Total current liabilities	1,430,562	6,206,789	7,637,351	83,250
Noncurrent liabilities:				
Notes payable	4,215,000	17,028,232	21,243,232	-
Compensated absences	429,345	750,356	1,179,701	33,580
Liability for incurred claims	-	-	-	6,200,000
Revenue bonds payable, net	1,237,065	19,354,760	20,591,825	-
Total noncurrent liabilities	5,881,410	37,133,348	43,014,758	6,233,580
Total liabilities	7,311,972	43,340,137	50,652,109	6,316,830
NET POSITION				
Net investment in capital assets	12,133,208	141,512,095	153,645,303	-
Restricted for debt service	594,451	4,486,530	5,080,981	-
Restricted for capital improvements	-	18,683,790	18,683,790	-
Unrestricted	5,774,747	26,099,882	31,874,629	(5,189,743)
Total net position	\$ 18,502,406	\$ 190,782,297	\$ 209,284,703	\$ (5,189,743)

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities			Governmental Activities
	Norman Municipal Authority	Norman Utilities Authority	Total	Internal Service Fund
Operating revenues:				
Golf and pool fees	\$ 1,141,661	\$ -	\$ 1,141,661	\$ -
Water service, net	-	15,865,933	15,865,933	-
Wastewater service, net	-	11,383,549	11,383,549	-
Sanitation services, net	13,341,296	-	13,341,296	-
Self-insurance charges:				
Charges for services	-	-	-	12,482,731
Risk management administration	-	-	-	404,963
Workers' compensation	-	-	-	1,708,151
Unemployment compensation	-	-	-	39,121
Other	205,199	249,511	454,710	240,325
Total operating revenues	14,688,156	27,498,993	42,187,149	14,875,291
Operating expenses:				
Salaries and benefits	5,000,066	6,826,497	11,826,563	1,096,446
Supplies and materials	1,418,143	2,003,992	3,422,135	-
Services, maintenance and claims	6,041,055	9,585,612	15,626,667	15,409,981
Depreciation and amortization	1,042,733	7,391,745	8,434,478	-
Total operating expenses	13,501,997	25,807,846	39,309,843	16,506,427
Operating income (loss)	1,186,159	1,691,147	2,877,306	(1,631,136)
Nonoperating revenues (expenses):				
Excise tax revenue	-	1,432,321	1,432,321	-
Investment earnings	26,413	161,424	187,837	5,939
Interest and fiscal charges	(232,335)	(1,492,448)	(1,724,783)	-
Miscellaneous income (expense)	42,873	151,778	194,651	-
Net nonoperating revenues (expenses)	(163,049)	253,075	90,026	5,939
Income before capital contributions and transfers	1,023,110	1,944,222	2,967,332	(1,625,197)
Capital contributions - donated water and sewer distribution systems	-	5,006,692	5,006,692	-
Transfers in	299,636	5,010	304,646	820,052
Transfers out	-	(1,039,441)	(1,039,441)	(78,262)
Net capital contributions and transfers	299,636	3,972,261	4,271,897	741,790
Net income (loss)	1,322,746	5,916,483	7,239,229	(883,407)
Net position - beginning	17,246,672	185,336,027	202,582,699	(4,306,336)
Cumulative effect of change in accounting principle	(67,012)	(470,213)	(537,225)	-
Net position - beginning (as restated)	17,179,660	184,865,814	202,045,474	(4,306,336)
Net position - ending	\$ 18,502,406	\$ 190,782,297	\$ 209,284,703	\$ (5,189,743)
See notes to financial statements				

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities			Governmental Activities
	Norman Municipal Authority	Norman Utilities Authority	Total	Interal Service Fund
Cash flows from operating activities:				
Cash received from customers	\$ 14,810,051	\$ 27,533,349	\$ 42,343,400	\$ 14,875,291
Cash paid to employees for services	(4,969,584)	(6,749,181)	(11,718,765)	(1,101,436)
Cash paid to suppliers	(7,435,945)	(11,004,270)	(18,440,215)	(14,294,370)
Other receipts (payments)	12,485	385,598	398,083	18,715
Net cash provided by (used for) operating activities	2,417,007	10,165,496	12,582,503	(501,800)
Cash flows from noncapital financing activities:				
Transfers in	299,636	5,010	304,646	820,052
Transfers out	-	(1,039,441)	(1,039,441)	(78,262)
Net cash provided by (used for) noncapital financing activities	299,636	(1,034,431)	(734,795)	741,790
Cash flows from capital and related financing activities:				
Proceeds from disposal of capital assets	78,200	4,300	82,500	-
Payments for the acquisition of capital assets	(754,528)	(8,013,795)	(8,768,323)	-
Proceeds from taxes	-	1,432,321	1,432,321	-
Principal payments on revenue bonds	(115,000)	(1,860,000)	(1,975,000)	-
Proceeds from notes payable	1,620,000	758,070	2,378,070	-
Principal payments on notes payable	(210,000)	(1,324,987)	(1,534,987)	-
Interest and fiscal charges paid	(230,666)	(1,430,261)	(1,660,927)	-
Net cash provided by (used for) capital and related financing activities	388,006	(10,434,352)	(10,046,346)	-
Cash flows from investing activities:				
Proceeds from maturity of investments	-	13,241,175	13,241,175	-
Payments for purchases of investments	(3,185,242)	(14,808,015)	(17,993,257)	-
Investment earnings received	54,357	623,905	678,262	5,939
Net cash used for investing activities	(3,130,885)	(942,935)	(4,073,820)	5,939
Net change in cash and cash equivalents	(26,236)	(2,246,222)	(2,272,458)	245,929
Cash and cash equivalents - beginning	4,444,457	20,408,118	24,852,575	881,158
Cash and cash equivalents - ending	\$ 4,418,221	\$ 18,161,896	\$ 22,580,117	\$ 1,127,087
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 1,186,159	\$ 1,691,147	\$ 2,877,306	\$ (1,631,136)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Miscellaneous revenue	42,873	151,778	194,651	-
Bad debt expense	90,215	181,502	271,717	-
Depreciation	1,042,733	7,391,745	8,434,478	-
(Gain) on disposal of property, plant and equipment	(42,873)	(4,300)	(47,173)	-
Increase (decrease) in accounts receivable, net	15,808	(176,391)	(160,583)	-
Decrease in due from other funds	12,485	238,120	250,605	18,715
Increase (decrease) in accounts payable and accrued liabilities	23,253	585,334	608,587	(84,389)
Increase in payroll payable	17,186	23,281	40,467	-
Increase in liability for incurred claims	-	-	-	1,200,000
Increase in guaranty deposits	15,872	29,245	45,117	-
Increase (decrease) in compensated absences	13,296	54,035	67,331	(4,990)
Net cash provided by operating activities	\$ 2,417,007	\$ 10,165,496	\$ 12,582,503	\$ (501,800)
NONCASH ACTIVITIES:				
Donated water and sewer distribution systems	\$ -	\$ 5,006,692	\$ 5,006,692	\$ -
Change in unrealized (gain) loss on investments	\$ 10,707	\$ (94,818)	\$ (84,111)	\$ -
See notes to financial statements.				

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS JUNE 30, 2013

	Pension Trust Fund	Centennial Agency Fund
ASSETS		
Cash and cash equivalents	\$ -	\$ 1,394
Investments		
Mutual funds	61,812,637	-
U.S. Agencies	-	4,440
Interest receivable	-	9
Loans to 401(a) Plan participants	<u>4,149,605</u>	<u>-</u>
Total assets	<u>\$ 65,962,242</u>	<u>\$ 5,843</u>
LIABILITIES AND NET POSITION		
Funds held for others	\$ -	\$ 5,843
Net position:		
Held in trust for pension benefits	424,514	-
Held in trust for retirement benefits	<u>65,537,728</u>	<u>-</u>
Total liabilities and net position	<u>\$ 65,962,242</u>	<u>\$ 5,843</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, 2013

	Pension Trust Fund
ADDITIONS:	
Contributions:	
Employer	\$ 2,274,169
Employee	<u>1,739,070</u>
Total contributions	4,013,239
Investment income	<u>6,825,436</u>
Total additions	<u>10,838,675</u>
DEDUCTIONS:	
Pension benefits paid	3,652,703
Administration costs	<u>69,586</u>
Total deductions	<u>3,722,289</u>
NET INCREASE	7,116,386
Net position held in trust for pension and retirement benefits, Beginning of year	<u>58,845,856</u>
End of year	<u>\$ 65,962,242</u>

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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.

Adoption of Accounting Principles

Effective July 1, 2012, the City implemented the following financial accounting and reporting standards issued by GASB:

Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. This statement provides guidance on information presented about the financial reporting entity and its component units and amends the criteria for blending in certain circumstances. The adoption of GASB Statement No. 61 did not have a material effect on the financial statements in the current year and had no effect on previously issued financial statements.

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement incorporates Financial Accounting Standard Board (FASB) pronouncements, Accounting Principles Board Opinions, and AICPA Accounting Research Bulletins (ARB) that do not conflict with GASB pronouncements, and issued on or before November 30, 1989, into the GASB authoritative literature. It also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of that Statement. The adoption of GASB Statement No. 62 did not have a material effect on the financial statements in the current year and had no effect on previously issued financial statements.

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. GASB Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Additional descriptions of these financial statement elements can be found on page 32. The adoption of GASB Statement No. 63 did not have a material effect on the financial statements in the current year and had no effect on previously issued financial statements.

Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources (expenses or expenditures) or inflows of resources (revenues), certain items that were previously reported as assets and liabilities. The adoption of GASB Statement No. 65 required

debt issuance costs that were previously reported as assets to be shown as an expense. The effects of this statement were applied retroactively by reporting the cumulative effect of the application as a restatement of beginning net position or fund balance, as appropriate. The change resulted in the restatements of the government-wide governmental and business-type activities beginning net positions of \$689,642 and \$537,225, respectively and resulted in the restatement of the Norman Municipal Authority and Norman Utilities Authority beginning net positions by \$67,012 and \$470,213, respectively. The adoption had no effect on the governmental fund financial statements.

Reporting Entity - The City is a municipal corporation governed by an elected mayor and eight-member council. As required by accounting principles generally accepted in the United States of America (primarily Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity*), these financial statements present the government and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and therefore data from these units are combined with data of the City. Each blended component unit has a June 30 year end.

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

The Norman Utilities Authority ("NUA") was established February 2, 1970. Activities of the NUA include financing and operating 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.

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

Basis of presentation – The City follows Governmental Accounting Standards Board ("GASB") 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 and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or

segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

Measurement focus, basis of accounting, and financial statement presentation – The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements with the exception of agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Sales taxes, excise taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

Public Safety Sales Tax Fund – Established to receive revenues from a special half-cent sales tax dedicated to public safety activities. This tax is scheduled to expire September 30, 2015.

Debt Service Fund - The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the City, other than debt service payments made by enterprise funds. Ad valorem taxes and interest earned on investments of the Debt Service Fund are used for the payment of principal, interest and commission to fiscal agents on the City's general obligation bonds and judgments.

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

The City reports the following non-major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

Risk Management Internal Service Fund – Established to account for the resources utilized 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.

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. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

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

Assets, Liabilities, and Fund Equity

- a. *Cash and Cash Equivalents* - The City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents.
- b. *Pooled Cash and Investments* - The City Charter requires all cash belonging to the City to be placed in the custody of the Financial Services Department of the City. A "Pooled Cash" concept is used in maintaining the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each fund has 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, 2013, to be the fair value of its investments.

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

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

- d. *Receivables and payables* – In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

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

- e. *Interfund Receivables and Payables* – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / due from other funds" (i.e., the current portion of interfund loans) or "advances to / from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to / from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."
- f. *Restricted Assets* – Restricted assets include cash and investments of both governmental activities and business-type activities that are legally restricted as to their use. The restricted assets are primarily related to debt trustee accounts and guaranty deposits.
- g. *Capital Assets* – Capital assets, which include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,500 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, the majority of which generally consist of donated land and infrastructure which is recorded in the governmental funds and donated water and sewer distribution systems which are recorded in the proprietary funds, are recorded at estimated fair value at the date of donation.

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

Property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

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

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

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

- j. *Liability for Incurred Claims* - The liability for incurred claims represents estimated claims (including future claim adjustment expenses) incurred but unpaid for workers compensation, group medical and dental, and unemployment claims as of the fiscal year end. The estimate includes claims reported as of June 30, 2013, 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 only if they will be paid from current financial resources.
- l. *Compensated Absences* - Under the terms of union contracts and City personnel policies, City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for vacation leave accumulated and vested accumulated sick leave. Vesting of sick leave by employees and maximum number of hours that can be accumulated for vacation and sick leave are dependent upon an employee's years of service. Upon retirement, one-half of accumulated sick leave is converted to vacation time, subject to the above limitation for maximum compensation for unused compensated absences.

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

- m. *Fund Equity* – In the government-wide financial statements, equity is classified as net position and displayed in three components:
1. *Net investment in capital assets* – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any notes or other borrowings attributable to those assets.
 2. *Restricted net position* – Consists of net assets with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation. The most significant restriction as of June 30, 2013 related to three ordinances benefiting the City’s wastewater system which provide funds that are being held to complete capital projects.
 3. *Unrestricted net position* – All other assets that do not meet the definition of “restricted” or “net investment in capital assets.”

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

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- 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* – Includes fund balance amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Intent can be stipulated by the City Council. City Council has not authorized a specific party at this time to assign fund balance. With the exception of the General Fund, this is the residual fund balance of the classification for all governmental funds with positive balances.
- 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.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position and the statement of net position for proprietary funds. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

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, 2013 in both the government-wide and fund financial statements.
- b. *Sales Taxes* - Sales taxes are collected by vendors and required to be remitted to the State of Oklahoma by the 20th of the month following collection. The tax is then paid to the City by the 10th of the next month. A two month lag exists between collection by the vendor and payment to the City by the State. Revenue received in July and August from sales made in May and June, respectively, is available for prior year expenses and is accrued in both the government-wide and fund financial statements.
- c. *Charges for Service* - Charges for services consist primarily of charges made by the General Fund for services such as motor pool usage, printing, accounting, data processing, facilities usage and other benefits provided to the other funds of the City.
- d. *Intergovernmental Revenues/Capital Grants Earned* - Revenues from Federal and State operating grants are recognized when expenditures are made. Similarly, capital grants are considered earned when the expenditures are made. The earned portion of capital grants in Proprietary Funds is treated as a capital contribution within the statement of revenues, expenses and changes in fund net position.
- e. *Investment Earnings* - Investment earnings on pooled cash and investments are allocated on a pro-rata basis to the City's funds based on the percentage of each fund's average month-end pooled cash balance.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets

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

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position – The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$88,444,427 difference are as follows:

General obligation bonds payable	\$ 58,790,318
Notes payable	13,965,481
Compensated absences	7,044,418
Net OPEB obligation	8,059,728
Accrued interest payable	<u>584,482</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 88,444,427</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 \$7,088,017 difference are as follows:

Capital outlay	\$ 18,152,115
Depreciation expense	<u>(11,064,098)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 7,088,017</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 \$5,602,973 difference are as follows:

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	\$ 5,689,165
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In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital asset sold.	(15,740)
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The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.	<u>(70,452)</u>
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Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 5,602,973</u>
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Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in the governmental funds.” The details of this (\$1,697,402) difference are as follows:

Accrued interest payable	\$ (233,749)
Change in net OPEB obligation	(918,451)
Grant reimbursement receivable	(674,458)
Storm reimbursement receivable	<u>129,256</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (1,697,402)</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, 2013 amounted to \$22,987,256. 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, 2013, approximately \$200,000 of the City's bank balance of \$83,854,628 was exposed to custodial credit risk. As of June 30, 2013, the City carrying balance of these deposits was \$80,982,093.

Interest Rate Risk – As of June 30, 2013, the City had the following investments subject to interest rate risk:

Investment Type	Fair Value	Weighted Average Maturity (Years)
U.S. Treasury Notes	\$ 10,073,230	1.00
U.S. Treasury Strips	1,969,620	2.63
Federal Home Loan Bank	24,785,010	1.60
Federal Farm Credit Bank	16,980,110	1.73
Federal National Mortgage Association	21,682,439	2.39
Federal Agricultural Mortgage Corporation	2,017,820	0.69
Mutual bond funds	26,753,516	2.55
Money market funds	18,056,310	0.15
Total fair value	<u>\$ 122,318,055</u>	
Portfolio weighted average maturity		1.74

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

Credit Risk – The City's investment policy does not cover credit risk. The City's investments as of June 30, 2012 were rated by Moody's Investor Service and Standard & Poor's as follows:

	<u>Moody's</u>	<u>S & P</u>
Federal Farm Credit Bank	Unrated	AA+
Federal Agricultural Mortgage Corporation	Unrated	AA+
Federal Home Loan Bank	Unrated	AA+
Federal National Mortgage Association	Unrated	AA+
Fidelity bond mutual funds	Unrated	Unrated
JP Morgan U.S. Treasury Plus Money Market Fund	Unrated	Unrated
Fidelity Retire Money Market Fund	Unrated	Unrated

Concentration of Credit Risk – The City’s investment policy places no limit on the amount the City may invest in any one issuer. More than 5% of the City’s investments are in Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association and United States Treasury Notes. These investments are 22%, 15%, 19% and 9%, respectively, of the City’s total investments.

Custodial Credit Risk – Investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. It is the City’s policy to maintain investment securities that are insured or registered in the City’s name and held by the City or its agent in the City’s name whenever possible. As of June 30, 2013, the City’s investment were not exposed to custodial credit risk as all of the City’s investments were registered in the name of the City and held by a counterparty.

Amount Due From Federal Government - The amount shown in both the government-wide and fund financial statements as due from the Federal government represents \$401,583 of allowable expenditures under various direct and pass through grants for which the City has requested reimbursement.

Transfers - Transfers for the year ended June 30, 2013 consisted of the following:

Transfers In								
Transfers Out	Public							Total Transfers Out
	General Fund	Safety Sales Tax Fund	Nonmajor Governmental Funds	Capital Projects Fund	Debt Service Fund	Enterprise Funds	Internal Service Fund	
General Fund	\$ -	\$ 1,254,340	\$ -	\$ -	\$ -	\$ 49,756	\$ -	\$ 1,304,096
Public Safety								
Sales Tax Fund	1,254,340	-	-	1,127,448	-	-	-	2,381,788
Nonmajor								
Governmental								
Funds	-	-	-	65,569	-	205,459	-	271,028
Debt Svs Fund	-	-	-	170	-	-	820,052	820,222
Capital Projects								
Fund	3,398,834	40,000	604,117	-	-	49,431	-	4,092,382
Internal Service								
Fund	78,262	-	-	-	-	-	-	78,262
Enterprise Funds	1,039,441	-	-	-	-	-	-	1,039,441
Total Transfers In	\$ 5,770,877	\$ 1,294,340	\$ 604,117	\$ 1,193,187	\$ -	\$ 304,646	\$ 820,052	\$ 9,987,219

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 \$3,398,834 to the General Fund to pay for the purchase of vehicles and equipment and fund street maintenance projects.
- The Debt Services Fund transferred \$820,052 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 Public Safety Sales Tax Fund transferred \$1,127,448 to the Capital Fund to pay for the construction of a new fire station.
- The General Fund transferred \$1,254,340 to the Public Safety Sales Tax Fund to cover various public safety projects before completion of the Fire Station 9. The amount was transferred back at year-end.

Capital Assets – Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 53,856,720	\$ 280,981	\$ -	\$ 54,137,701
Construction in progress	35,298,023	13,755,335	(7,225,173)	41,828,185
Capital assets, being depreciated:				
Buildings	29,439,714	1,479,002	(247,679)	30,671,037
Improvements other than buildings	16,595,812	225,260	(3,472)	16,817,600
Machinery and equipment	22,696,634	3,167,909	(364,389)	25,500,154
Vehicles	14,915,593	1,805,218	(174,024)	16,546,787
Infrastructure	<u>426,942,710</u>	<u>10,352,750</u>	<u>-</u>	<u>437,295,460</u>
Totals at historical cost	<u>599,745,206</u>	<u>31,066,455</u>	<u>(8,014,737)</u>	<u>622,796,924</u>
Less accumulated depreciation				
Buildings	(10,990,269)	(860,123)	158,325	(11,692,067)
Improvements other than buildings	(10,224,944)	(453,318)	3,472	(10,674,790)
Machinery and equipment	(16,666,550)	(1,621,692)	364,389	(17,923,853)
Vehicles	(9,841,205)	(1,005,219)	177,184	(10,669,240)
Infrastructure	<u>(297,317,512)</u>	<u>(7,123,746)</u>	<u>-</u>	<u>(304,441,258)</u>
Total accumulated depreciation	<u>(345,040,480)</u>	<u>(11,064,098)</u>	<u>703,370</u>	<u>(355,401,208)</u>
Governmental activities capital assets, net	<u>\$ 254,704,726</u>	<u>\$ 20,002,357</u>	<u>\$ (7,311,367)</u>	<u>\$ 267,395,716</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 9,357,961	\$ 129,673	\$ -	\$ 9,487,634
Construction in progress	29,454,942	7,762,522	(6,334,753)	30,882,711
Capital assets, being depreciated:				
Buildings and improvements	155,307,474	8,767,491	(41,573)	164,033,392
Machinery and equipment	<u>111,106,714</u>	<u>3,450,082</u>	<u>(439,379)</u>	<u>114,117,417</u>
Totals at historical cost	<u>305,227,091</u>	<u>20,109,768</u>	<u>(6,815,705)</u>	<u>318,521,154</u>
Less accumulated depreciation				
Buildings and improvements	(82,643,298)	(3,588,370)	41,573	(86,190,095)
Machinery and equipment	<u>(37,198,160)</u>	<u>(4,846,108)</u>	<u>404,052</u>	<u>(41,640,216)</u>
Total accumulated depreciation	<u>(119,841,458)</u>	<u>(8,434,478)</u>	<u>445,625</u>	<u>(127,830,311)</u>
Business-type activities capital assets, net	<u>\$ 185,385,633</u>	<u>\$ 11,675,290</u>	<u>\$ (6,370,080)</u>	<u>\$ 190,690,843</u>

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

Governmental activities:

General government	\$401,454
Planning	29,699
City controller	312,971
Parks and recreation	571,460
Public works	8,026,437
Public service	200
Public safety	<u>1,721,877</u>
Total depreciation expense – governmental activities	<u>\$11,064,098</u>

Business-type activities:

Westwood park	\$151,695
Utilities authority	7,391,745
Sanitation services	<u>891,038</u>
Total depreciation expense – business-type activities	<u>\$8,434,478</u>

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

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

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

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

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

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

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

As of June 30, 2013, and for the year ended, the ERS held no securities issued by the City or other related parties.

1. *Annuity Pool* - As of January 1, 2013, the date of the last actuarial study, the Annuity Pool participants included only 12 retirees and other beneficiaries who are entitled retirement benefits including a death benefit equal to a lump sum amount equal to the normal retirement as projected for a ten year period of time.

At January 1, 2013 the Actuarial Accrued Liability for the Annuity Pool was \$776,918 and the market value of assets in the Annuity Pool was \$465,975. The City’s actuary has suggested an annual contribution for a period of ten years commencing July 1, 2013. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) no projected salary increases, and (c) no cost of living increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The City did not make a contribution to the plan in 2013. 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, 2013 was \$26,754,929, and total City payroll was \$50,189,708.

Substantially all full-time, non-uniformed employees of the City are required to participate in the 401(a) Plan. At June 30, 2013, there were 514 plan participants. Participants are required to contribute 6.5% of their compensation to the 401(a) Plan each pay period. This contribution is matched by the City at a rate of 8.5% of payroll. Administrative costs are financed through investment earnings. Participants become vested in the City’s contribution as follows:

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

Contributions to the 401(a) Plan for 2013 were \$4,013,239. The contributions expressed in dollars and percent of covered payroll were: City - \$2,274,169, 8.5%, participants - \$1,739,070, 6.5%. The contribution requirements are in accordance with the City ordinance. Plan provisions and contribution requirements are established and may be amended by the City Council.

Trend Information

401(a) Plan		
Fiscal Year	Required Contribution	Percentage Contributed
2011	3,790,644	100%
2012	3,892,936	100%
2013	4,013,239	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, 2013**

	Annuity Pool Fund	401(a) Plan Fund	Total
Assets			
Investments - mutual funds	\$ 424,514	\$ 61,388,123	\$ 61,812,637
Loans to 401(a) Plan participants	-	4,149,605	4,149,605
Total assets	<u>\$ 424,514</u>	<u>\$ 65,537,728</u>	<u>\$ 65,962,242</u>
Liabilities and Net Position			
Net assets - Held in trust for pension benefits	\$ 424,514	\$ -	\$ 424,514
Net assets - Held in trust for retirement benefits	-	65,537,728	65,537,728
Total liabilities and net position	<u>\$ 424,514</u>	<u>\$ 65,537,728</u>	<u>\$ 65,962,242</u>

**Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2013**

	Annuity Pool Fund	401(a) Plan Fund	Total
Additions:			
Contributions - employer	\$ -	\$ 2,274,169	\$ 2,274,169
Contributions - employee	-	1,739,070	1,739,070
Investment income	59,602	6,765,834	6,825,436
Total additions	59,602	10,779,073	10,838,675
Deductions:			
Pension benefits paid	120,746	3,531,957	3,652,703
Administration costs	1,290	68,296	69,586
Total deductions	122,036	3,600,253	3,722,289
Net increase (decrease)	(62,434)	7,178,820	7,116,386
Net assets held in trust for pension and retirement benefits:			
Beginning of year	486,948	58,358,908	58,845,856
End of year	\$ 424,514	\$ 65,537,728	\$ 65,962,242

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

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

The City's covered payroll for the firefighters' retirement system was \$10,300,238 for the year ended June 30, 2013, while the City's total payroll for all employees was \$50,189,708 during the same time period.

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

Contributions Required and Made - Members of the firefighters' retirement system are required to pay 8% of their base pay to the pension plan until they reach 20 years of service, after which no contributions are required. The City is required to pay 13% of base salary. For the year ended June 30, 2013, the total contribution to the system amounted to \$2,163,050 of which \$1,339,031 was made by the City and \$824,019 was made by the employees. These contributions represent 13% (City) and 7.9% (member) of covered payroll. The difference between the required 8% mentioned above and the actual contribution of 7.9% relates to a deferred retirement option plan available to firefighters. The total amount contributed to the system by the State of Oklahoma on behalf of the City was approximately \$2,400,000. This amount has been recorded as both a revenue and an expenditure of the governmental activities and General Fund in the 2013 financial statements.

Trend Information

Oklahoma Firefighters' Pension and Retirement System		
Fiscal Year	Required Contribution	Percentage Contributed
2011	1,921,925	100%
2012	1,969,230	100%
2013	2,163,050	100%

Related Party Investments - During fiscal year 2013 and as of June 30, 2013, the State Firefighters' Retirement System held no securities issued by the City or other related parties.

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

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

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

Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the last 30 months of credited service) multiplied by the years of credited service. The maximum pension allowable for any participant is 75% of the final average salary. All retirement benefits are exempt from state income tax.

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

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

The City's covered payroll for the police retirement system was \$10,336,615 for the year ended June 30, 2013, while the City's total payroll for all employees was \$50,189,708 during the same time period.

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

Contributions Required and Made - Members of the police retirement system are required to pay 8% of their base pay to the pension plan until they reach 20 years of service, after which no contributions are required. The City is required to pay 13% of base salary. For the year ended June 30, 2013, the total contribution to the system amounted to \$2,166,048, of which \$1,343,760 was made by the City and \$822,288 was made by the employees. These contributions represent 13% (City) and 7.9% (member) of covered payroll. The difference between the required 8% mentioned above and the actual contribution of 7.9% relates to a deferred retirement option plan available to police officers. The total amount contributed to the system by the State of Oklahoma on behalf of the City was approximately \$1,100,000. This amount has been recorded as both a revenue and an expenditure of the governmental activities and General Fund in the 2013 financial statements

Funding Status and Progress

Oklahoma Police Pension and Retirement System

Fiscal Year	Required Contribution	Percentage Contributed
2011	1,957,020	100%
2012	2,106,700	100%
2013	2,166,048	100%

Related Party Investments - During fiscal year 2013 and as of June 30, 2013, the Oklahoma Police Pension and Retirement System held no securities issued by the City or other related parties.

Other Postemployment Benefits

Plan Description – The City provides postemployment healthcare benefits (OPEB) for retired employees and their dependents through the City of Norman Postretirement Medical Plan (the Plan), a single-employer defined benefit healthcare plan. The benefits, coverage levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts.

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, 2012, membership consisted of:

Retirees and beneficiaries currently receiving benefits	46
Terminated employees entitled to benefits but not yet receiving them	0
Active employees	<u>723</u>
Total	<u>769</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, 2013, no irrevocable trust had been established for the funding of the Plan's postretirement benefit obligation. The net claims and expenses paid by the City are funded on a pay-as-you-go basis.

Annual OPEB Costs and Net OPEB Obligation – The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 through 2013 were as follows:

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

The net OPEB obligation (NOO) as of June 30, 2013, was calculated as follows:

Annual required contribution	\$ 1,242,633
Interest on net OPEB obligation	285,652
Adjustment to annual required contribution	(397,098)
Annual OPEB cost	1,131,187
Contributions made	212,753
Increase (decrease) in net OPEB obligation	918,434
Net OPEB obligation, beginning of year	<u>7,141,294</u>
Net OPEB obligation, end of year	<u>\$ 8,059,728</u>

Funded Status and Funding Progress – The funded status of the plan as of June 30, 2013, was as follows:

Actuarial accrued liability (AAL)	\$ 13,533,967
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 13,533,967
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 50,189,708
UAAL as a percentage of covered payroll	27%

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

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

In the July 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included 4.0% discount rate, which is based on the expected long-term investment returns of the City's general fund assets, and an initial annual healthcare cost trend of 9.0% reduced by 0.5% each year to arrive at an ultimate healthcare cost trend rate of 4.5%. Both rates included a 3% inflation assumption. The plan's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open 30-year period basis.

The current year decrease in the unfunded actuarial accrued liability and annual required contribution can be attributed to a decrease in actual claims costs more than expected, no change in retiree premiums, new health care cost trend rate assumptions and changes in the underlying census.

Guaranty Deposits - At June 30, 2013, the guaranty deposit accounts of the City included the following deposit liabilities:

Governmental activities:

Oil and gas drilling escrow	\$219,000
Site improvements	4,465,633
Contractor's escrow	113,564
Park improvement	10,529
Court fines and bond deposits	48,163
Others	<u>187,071</u>
Total governmental activities	<u>\$5,043,960</u>

Business-type activities:

Utility deposits	<u>\$1,478,243</u>
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The above liabilities and related cash and cash equivalents have been presented as restricted assets in both the government-wide and fund financial statements.

Long-Term Debt

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

Bonds whose proceeds are dedicated to streets, rights-of-way, and limited access facilities, together with outstanding judgments against the City, are limited in total by State statute to 10 percent of the net assessed valuation of taxable property in the City. At June 30, 2013, the net assessed valuation approximated \$807,370,371. The City had no such bonds outstanding at June 30, 2013. There is no such limit on the issuance of other types of general obligation bonds.

General obligation bonds outstanding as of June 30, 2013 are as follows:

\$8,370,000 2005A Combined Purpose General Obligation bonds, due in annual installments of \$440,000 to \$450,000 beginning June 1, 2007 through June 1, 2025 at interest rates ranging from 3.5% to 4.5% (for various street improvements and new fire station)	\$ 5,290,000
\$7,300,000 2007A Combined Purpose General Obligation bonds, due in annual installments of \$380,000 to \$460,000 beginning June 1, 2009 through June 1, 2027 at interest rates ranging from 3.8% to 4.25% (for various street improvements)	5,400,000
\$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)	3,485,000
\$5,475,000 2008B General Obligation bonds, due in annual installments of \$1,365,000 to \$1,380,000 beginning June 1, 2010 through December 1, 2013 at interest rates ranging from 3.25% to 3.625% (for citywide pavement	1,380,000
\$6,250,000 2010 General Obligation bonds, due in annual installments of \$1,560,000 to \$1,570,000 beginning March 1, 2012 through September 1, 2015 at interest rates ranging from 1.00% to 1.50% (for citywide pavement reconstruction and outdoor warning sirens)	4,690,000
\$290,000 2012A General Obligation bonds, due in an installment of \$290,000 on March 1, 2014 at 2.00% (to carpet the Library)	290,000
\$15,000,000 2012B General Obligation bonds, due in annual installments of \$3,750,000 beginning March 1, 2014 through March 1, 2017 at interest rates ranging from .50% to 2.00% (for citywide pavement reconstruction)	15,000,000
\$3,035,000 2012C General Obligation bonds, due in annual installments of \$750,000 to \$785,000 beginning March 1, 2014 through March 1, 2017 at interest rates ranging from 1.00% to 2.00% (for construction of Animal Shelter)	3,035,000
\$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)	<u>20,050,000</u>
Total general obligation bonds	<u>\$ 58,620,000</u>

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

Fiscal Year	Principal	Interest	Total
2014	\$ 9,125,000	\$ 1,079,289	\$ 10,204,289
2015	8,510,000	1,183,784	9,693,784
2016	8,520,000	1,064,236	9,584,236
2017	6,985,000	890,969	7,875,969
2018	2,450,000	725,226	3,175,226
2019 – 2023	9,985,000	2,629,629	12,614,629
2023 – 2028	7,765,000	1,252,938	9,017,938
2029 – 2033	<u>5,280,000</u>	<u>375,859</u>	<u>5,655,859</u>
Total	<u>\$ 58,620,000</u>	<u>\$ 9,201,930</u>	<u>\$ 67,821,930</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, 2013 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 ranging from 3.5% to 6.125%	\$ 1,385,000
\$7,740,000 Norman Utilities Authority, Utility Revenue Bonds, Refunding Series 2003, due in annual installments of \$150,000 to \$815,000 from November 1, 2004 to November 1, 2016, at interest rates ranging from 2.25% to 4.00%	2,940,000
\$4,780,000 Norman Utilities Authority, Utility Revenue Bonds, Refunding Series 2005, due in annual installments of \$220,000 to \$400,000 from November 1, 2006 to November 1, 2019, at interest rates ranging from 3.25% to 4.00%	2,105,000
\$20,700,000 Norman Utilities Authority, Utility Revenue Bonds Series 2006, due in annual installments of \$680,000 to \$1,485,000 from November 1, 2007 to June 30, 2027, at interest rates ranging from 3.875% to 5.00%	<u>16,165,000</u>
Total revenue bonds	<u>\$ 22,595,000</u>

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

Fiscal Year	Principal	Interest	Total
2014	\$ 2,040,000	\$ 903,053	\$ 2,943,053
2015	2,115,000	821,678	2,936,678
2016	2,250,000	734,823	2,984,823
2017	2,160,000	645,743	2,805,743
2018	1,400,000	567,206	1,967,206
2019 – 2023	7,035,000	1,853,284	8,888,284
2024 – 2027	<u>5,595,000</u>	<u>458,900</u>	<u>6,053,900</u>
Total	<u>\$ 22,595,000</u>	<u>\$ 5,984,687</u>	<u>\$ 28,579,687</u>

The Utility Revenue Bonds Series 2003 (\$7,740,000), Utility Revenue Bonds Series 2005 (\$4,780,000) and Utility Revenue Bonds Series 2006 (20,700,000) are collateralized by the leasehold interest in the water and sanitary sewer systems which are leased by the City to NUA and a pledge of the gross revenues of the systems, as defined in the bond indentures. Proceeds from the Series 2003 were used to advance refund a previous sewer revenue bond. Proceeds from the Series 2005 were used to refund a previous sewer revenue bond issue and advance refund a general obligation bond. Proceeds from the Series 2006 were used to complete construction improvements to the water system. The bonds are payable solely from sewer and water customer net revenues, respectively, and are payable through 2016, 2019 and 2027, respectively. Annual principal and interest payments on the sewer and water bonds are expected to require less than 25 and 38 percent of net revenues, respectively. The total principal and interest remaining to be paid on the bonds is \$2,940,000, \$2,105,000 and \$16,165,000, respectively. Principal and interest paid for the current year was \$759,588, \$475,028 and \$1,516,431, respectively. Total sewer and water customer net revenues were \$4,990,888 and \$4,007,637, respectively, for the current year.

The Municipal Revenue Bonds Series 2002 (\$2,315,000) are collateralized by the revenues from the operation of the Westwood facility and room tax revenue collected by the City as defined in the bond indenture. Proceeds were used to complete capital project improvements to the golf course property. As stated above, the bonds are payable solely from Westwood facility operations and room tax collections and are payable through 2022. Annual principal and interest payments on the bonds are expected to require less than 29 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,385,000. Principal and interest paid for the current year was \$205,459. Total Westwood net revenues and room tax collections were \$706,674 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.

d. *Notes Payable* - Notes payable as of June 30, 2013 are as follows:

Contract payable with the Central Oklahoma Master Conservancy District ("District"), 1974 repayment contract for reimbursement costs of construction of water storage, distribution and pumping facilities to furnish a municipal water supply to cities and towns within the District, secured by a second lien on the net revenues of the authority's water system. Annual principal and interest payments ranging from \$98,086 to \$194,605 with an annual interest rate of 2.74%.	\$ 726,575
\$2,720,000 State Revolving Fund ("SRF") loan payable to the Oklahoma Water Resources Board ("OWRB") due in semi-annual installments ranging from \$24,820 to \$75,980 beginning December 15, 1995 through August 15, 2015. The loan has a 0% interest rate, plus an administrative fee of 0.5% per annum.	345,813
\$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.	1,616,667
\$3,590,000 sanitation system loan payable to various holders due in semi-annual installments ranging from \$95,000 to \$155,000 beginning October 1, 2010 through October 1, 2024. The loan has a 3.45% interest rate.	2,990,000
\$14,560,000 Norman Tax Increment Finance Authority Tax Increment Revenue Note, Taxable Series 2009, due in annual payments ranging from \$400,000 to \$2,820,000 beginning September 1, 2011 through September 1, 2028, at interest rates ranging from 4.25% to 7%.	13,735,000
\$5,640,000 Clean Water SRF loan payable to the OWRB due in annual installments of \$405,264 beginning when construction is complete and ending 20 years after. The loan has a 2.91% interest rate.	4,964,024
\$12,000,000 Drinking Water SRF loan payable to the OWRB due in annual installments ranging from \$440,656 to \$771,882 beginning March 15, 2012 and ending 20 years after. The loan has a 3.28% interest rate.	10,604,680
\$750,000 Norman Municipal Authority loan payable to First American Bank in annual installments of \$600,000 to \$7,064 beginning August 15, 2012 through July 15, 2014 at 2.89%.	90,094

\$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. 1,620,000

\$140,387 Norman Municipal Authority loan payable to Republic Bank in annual installments beginning January 1, 2014 through November 1, 2022. The loan has a 0% interest rate. 140,387

\$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 \$ 36,833,240

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

Fiscal Year	Principal	Interest	Total
2014	\$ 2,560,365	\$ 1,587,060	\$ 4,147,425
2015	2,653,125	1,940,206	4,593,331
2016	2,640,715	1,384,963	4,025,678
2017	2,642,246	1,435,094	4,077,340
2018	2,545,360	1,355,308	3,900,668
2019 – 2023	11,678,956	5,538,232	17,217,188
2024 – 2028	12,442,570	3,150,222	15,592,792
2029 – 2033	7,919,903	390,956	8,310,859
Less unfund note	<u>(8,250,000)</u>	<u>-</u>	<u>(8,250,000)</u>
Total	<u>\$ 36,833,240</u>	<u>\$ 16,782,041</u>	<u>\$ 53,615,281</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.

Changes in Long-term Liabilities – Long-term liability activity for the year ended June 30, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 43,140,000	\$ 20,050,000	\$ (4,570,000)	\$ 58,620,000	\$ 9,125,000
Issuance premium/(discount)	-	178,834	(8,516)	170,318	-
Total bonds payable	43,140,000	20,228,834	(4,578,516)	58,790,318	9,125,000
Notes payable	6,925,153	8,125,234	(1,084,906)	13,965,481	935,837
Liability for incurred claims	5,000,000	16,054,855	(14,854,855)	6,200,000	1,500,000
Net OPEB obligation	7,141,294	1,131,187	(212,753)	8,059,728	-
Compensated absences	6,619,772	5,063,249	(4,603,728)	7,079,293	548,339
Government activity					
long-term liabilities	<u>\$ 68,826,219</u>	<u>\$ 50,603,359</u>	<u>\$ (25,334,758)</u>	<u>\$ 94,094,820</u>	<u>\$ 12,109,176</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 24,570,000	\$ -	\$ (1,975,000)	\$ 22,595,000	\$ 2,040,000
Less deferred amounts:					
For issuance premium					
and (discount)	35,467	1,358	-	36,825	-
Total bonds payable	24,605,467	1,358	(1,975,000)	22,631,825	2,040,000
Notes payable	22,024,677	2,378,070	(1,534,988)	22,867,759	1,624,528
Compensated absences	1,157,975	904,276	(836,944)	1,225,307	45,605
Business-type activity					
long-term liabilities	<u>\$ 47,788,119</u>	<u>\$ 3,283,704</u>	<u>\$ (4,346,932)</u>	<u>\$ 46,724,891</u>	<u>\$ 3,710,133</u>

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

5. FUND BALANCE

Effective July 1, 2010, the City implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The following table shows the fund balance classifications as shown on the governmental funds balance sheet in accordance with GASB No. 54 as of June 30, 2013:

	General	Public Safety Sales Tax	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
FUND BALANCES						
Nonspendable:						
Inventory	\$ 337,642	\$ -	\$ -	\$ -	\$ -	\$ 337,642
Restricted:						
Debt service reserve	-	-	9,120,958	-	-	9,120,958
Public service	-	-	-	-	737,993	737,993
Parks and recreation	-	-	-	-	1,538,801	1,538,801
Bond capital projects	-	-	-	34,750,520	-	34,750,520
Other capital projects	-	-	-	35,883,248	-	35,883,248
Grant activities	-	-	-	-	-	-
Public safety	-	11,011,470	-	-	998,132	12,009,602
Public works	-	-	-	-	1,343,830	1,343,830
Committed:						
Economic stabilization	1,510,323	-	-	-	-	1,510,323
Assigned:						
Other capital projects	-	-	-	990,505	-	990,505
Grant activities	-	-	-	-	359,968	359,968
Orders on purchase	2,169,071	-	-	-	-	2,169,071
Unassigned:	8,405,617	-	-	-	-	8,405,617
Total fund balances	<u>\$12,422,653</u>	<u>\$ 11,011,470</u>	<u>\$9,120,958</u>	<u>\$ 71,624,273</u>	<u>\$ 4,978,724</u>	<u>\$ 109,158,078</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. As of June 30, 2013 the Rainy Day Fund had a balance of \$1,510,323.

6. RISK MANAGEMENT

The City is self-insured against the following risks:

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

Employee health claims in excess of the \$175,000 limit are covered by insurance. The City's unpaid claims liability of \$6,200,000 reported at June 30, 2013 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. However, events could occur that would cause the estimate for unpaid claims liability to differ materially in the near term. The claims liability for health claims incurred but not reported is estimated by management using a three-month claims lag analysis. These amounts are recorded as a current liability within both the government-wide and governmental fund financial statements. The claims liability for workers compensation claims and judgments is estimated using legal counsel's opinion of probable outcome of litigation plus an estimate of claims experience for incurred but unreported claims. These amounts are recorded as long-term liabilities within the government-wide financial statements. No liability is recorded for such amount within the governmental fund financial statements as such amounts will not be paid with current financial resources. There are no allocated or unallocated claim adjustment expenditures/expenses included in the liability for unpaid claims.

At June 30, 2013, 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	Due Within One Year
Fiscal year 2012	\$ 5,000,000	\$ 13,752,029	\$ (13,752,029)	\$ 5,000,000	\$ 1,500,000
Fiscal year 2013	\$ 5,000,000	\$ 16,054,855	\$ (14,854,855)	\$ 6,200,000	\$ 1,500,000

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, 2013 was as follows:

	Norman Municipal Authority		
	Westwood Park	Sanitation Services	Total
Current assets:			
Cash and cash equivalents	\$ 85,487	\$ 1,877,339	\$ 1,962,826
Restricted cash and cash equivalents	6,907	2,011,174	2,018,081
Investments	-	3,898,733	3,898,733
Receivables:			
Accounts, net of allowance	-	867,267	867,267
Interest	6,353	7,805	14,158
Total current assets	<u>98,747</u>	<u>8,662,318</u>	<u>8,761,065</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	118,471	318,843	437,314
Investments	105,359	-	105,359
Capital assets, net	<u>7,562,873</u>	<u>8,947,767</u>	<u>16,510,640</u>
Total noncurrent assets	<u>7,786,703</u>	<u>9,266,610</u>	<u>17,053,313</u>
Total assets	<u>\$ 7,885,450</u>	<u>\$ 17,928,928</u>	<u>\$ 25,814,378</u>
Current liabilities:			
Accounts payable and accrued expenses	\$ 23,247	\$ 270,309	\$ 293,556
Payroll payable	54,919	173,820	228,739
Accrued interest payable	6,907	26,692	33,599
Guaranty deposits	-	343,070	343,070
Revenue bonds payable	120,000	-	120,000
Notes payable	-	395,000	395,000
Compensated absences	<u>3,479</u>	<u>13,119</u>	<u>16,598</u>
Total current liabilities	208,552	1,222,010	1,430,562
Non-current liabilities:			
Long-term debt and other liabilities	<u>1,327,057</u>	<u>4,554,353</u>	<u>5,881,410</u>
Total liabilities	<u>1,535,609</u>	<u>5,776,363</u>	<u>7,311,972</u>
Invested in capital assets, net of related debt	6,205,808	5,927,400	12,133,208
Restricted for debt service	223,830	370,621	594,451
Unrestricted	<u>(79,797)</u>	<u>5,854,544</u>	<u>5,774,747</u>
Total net assets	<u>6,349,841</u>	<u>12,152,565</u>	<u>18,502,406</u>

continued

Norman Municipal Authority			
	Westwood Park	Sanitation Services	Total
Charges for services and goods, net	1,141,661	13,341,296	14,482,957
Other	154	205,045	205,199
Total operating revenues	<u>1,141,815</u>	<u>13,546,341</u>	<u>14,688,156</u>
Operating expenses	1,208,355	11,250,909	12,459,264
Depreciation	151,695	891,038	1,042,733
Total operating expenses	<u>1,360,050</u>	<u>12,141,947</u>	<u>13,501,997</u>
Operating income (loss)	<u>(218,235)</u>	<u>1,404,394</u>	<u>1,186,159</u>
Investment earnings	2,270	24,143	26,413
Interest expense	(93,036)	(139,299)	(232,335)
Miscellaneous income (expense)	(1,127)	44,000	42,873
Net nonoperating revenues (expenses)	<u>(91,893)</u>	<u>(71,156)</u>	<u>(163,049)</u>
Income before capital contributions and transfers	(310,128)	1,333,238	1,023,110
Transfers, net	<u>299,636</u>	<u>-</u>	<u>299,636</u>
Change in net assets	(10,492)	1,333,238	1,322,746
Total net assets - beginning	6,385,816	10,860,856	17,246,672
Cumulative effect of accounting change	<u>(25,483)</u>	<u>(41,529)</u>	<u>(67,012)</u>
Total net assets - beginning revised	<u>6,360,333</u>	<u>10,819,327</u>	<u>17,179,660</u>
Total net assets - ending	<u>6,349,841</u>	<u>12,152,565</u>	<u>18,502,406</u>
Net cash provided (used) by:			
Operating activities	(67,664)	2,484,671	2,417,007
Noncapital financing activities	299,636	-	299,636
Capital and related financing activities	(247,909)	635,915	388,006
Investing activities	6,751	(3,137,636)	(3,130,885)
Beginning cash and cash equivalents	<u>220,051</u>	<u>4,224,406</u>	<u>4,444,457</u>
Ending cash and cash equivalents	<u>\$ 210,865</u>	<u>\$ 4,207,356</u>	<u>\$ 4,418,221</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, 2013, the City maintained a litigation reserve of approximately \$1,066,000.

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, 2013, rent expenditures approximated \$370,000 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, 2013, the City paid the District \$869,896.

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, 2013 is as follows:

	Total Construction In Progress	Total Project	Remaining To Complete
General Government	\$ 41,828,185	\$ 123,780,080	\$ 81,951,895
Norman Municipal Authority:			
Sanitation	10,920	258,750	247,830
Norman Utilities Authority:			
Water Fund	14,460,846	27,360,862	12,900,016
Wastewater Fund	<u>16,410,945</u>	<u>54,527,547</u>	<u>38,116,602</u>
	<u>\$ 72,710,896</u>	<u>\$ 205,927,239</u>	<u>\$ 133,216,343</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, 2013 the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General fund	\$ 2,169,071
Public safety sales tax fund	1,852,264
Capital projects fund	16,190,943
Nonmajor governmental funds	<u>1,047,970</u>
Total	<u>\$ 21,260,248</u>

9. SUBSEQUENT EVENTS

Norman Tax Increment Finance Authority Tax Increment Revenue Note, Taxable Series 2013 – In August 2013, the City secured a \$14,215,000 note. The note is due in varying amounts from 2014 to

2023. The proceeds were used to refinance the Norman Tax Increment Finance Authority Tax Increment Revenue Note, Series 2009.

Sewer Rate Increase – On November 12, 2013, Norman citizens voted to increase sewer rates by an additional \$1.10 per month to the base charge and an additional \$1.10 per thousand gallons of sewage treated to the sewer use charge. These increases raise the total monthly base charge to \$5.00 and the total average monthly sewer use charge to \$2.70 per thousand gallons. The last sewer rate increase was in 1996.

10. 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. 66, *Technical Corrections - 2012*, enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. GASB 66 amends both GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, and GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The provisions of GASB 66 are effective for periods beginning after December 15, 2012, and would be applied on a prospective basis.

GASB Statement No. 67 – *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*. This statement establishes financial reporting standards for state and local government pension plans that are administered through trusts or equivalent arrangements. GASB 67 amends GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*. The provisions of GASB 67 are effective for periods beginning after June 15, 2013, and would be applied on a prospective basis. The City has not yet determined the potential impact, if any; this statement could have on its financial statements.

GASB Statement No. 68 – *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*. This statement establishes standards of accounting and financial reporting for defined pension benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers that are administered through trusts or equivalent arrangements. GASB 68 amends GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. The provisions of GASB 68 are effective for periods beginning after June 15, 2014, and would be applied on a prospective basis. The City has not yet determined the potential impact, if any; this statement could have on its financial statements.

GASB Statement No. 69 – *Government Combinations and Disposals of Government Operations*. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The term, "government combinations," includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This standard is effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis. Earlier application is encouraged. The City has not yet determined the potential impact, if any; this statement could have on its financial statements.

GASB Statement No. 70 – *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This statement will improve accounting and financial reporting of state and local governments that extend and receive nonexchange financial guarantees. Some governments extend financial guarantees

for the obligations of another government, a not-for-profit organization, a private entity, or individual without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). As a part of this nonexchange financial guarantee, a government commits to indemnify the holder of the obligation if the entity or individual that issued the obligation does not fulfill its payment requirements. Also, some governments issue obligations that are guaranteed by other entities in a nonexchange transaction. The provisions of this statement are effective for periods beginning after June 15, 2013 and would be applied retroactively. The City has not yet determined the potential impact, if any; this statement could have on its financial statements.

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REQUIRED SUPPLEMENTARY
INFORMATION

THE CITY OF NORMAN, OKLAHOMA

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

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Unit Credit	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3)/(5)
January 1, 2004	\$ 1,234,975	\$ 1,477,564	\$ 242,589	83.6 %	N/A	N/A
January 1, 2005	1,166,844	1,384,940	218,096	84.3 %	N/A	N/A
January 1, 2006	1,053,011	1,261,249	208,238	83.5 %	N/A	N/A
January 1, 2007	1,048,354	1,208,515	160,161	86.7 %	N/A	N/A
January 1, 2008	973,147	1,173,050	199,903	83.0 %	N/A	N/A
January 1, 2009	601,476	985,173	383,697	61.1 %	N/A	N/A
January 1, 2010	660,973	892,961	231,988	74.0 %	N/A	N/A
January 1, 2011	616,254	861,427	245,173	71.5 %	N/A	N/A
January 1, 2012	498,562	829,462	330,900	60.1 %	N/A	N/A
January 1, 2013	465,975	776,918	310,943	60.0 %	N/A	N/A

The only participants in the Annuity Pool in fiscal years 2004 through 2013 were retired participants receiving benefits. Therefore, expressing the unfunded AAL ("UAAL") as a percentage of covered payroll would not be meaningful.

THE CITY OF NORMAN, OKLAHOMA

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

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF EMPLOYER CONTRIBUTIONS

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
January 1, 2004	35,342	N/A
January 1, 2005	31,774	N/A
January 1, 2006	30,337	N/A
January 1, 2007	23,333	151 %
January 1, 2008	29,123	N/A
January 1, 2009	55,899	52 %
January 1, 2010	33,797	165 %
January 1, 2011	35,718	0 %
January 1, 2012	48,208	74 %
January 1, 2013	45,300	0 %

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

THE CITY OF NORMAN, OKLAHOMA

EMPLOYEE RETIREMENT SYSTEM OF THE CITY OF NORMAN, OKLAHOMA - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Unit Credit	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3)/(5)
July 1, 2008	\$ -	\$ 21,882,455	\$ 21,882,455	0.0 %	\$ 43,228,176	50.6 %
July 1, 2009	-	23,583,965	23,583,965	0.0 %	46,679,049	50.5 %
July 1, 2010	-	23,864,121	23,864,121	0.0 %	45,799,387	52.1 %
July 1, 2011	-	15,646,369	15,646,369	0.0 %	47,612,796	32.9 %
July 1, 2012	-	13,533,967	13,533,967	0.0 %	50,189,708	27.0 %

EMPLOYEE RETIREMENT SYSTEM OF THE CITY OF NORMAN, OKLAHOMA - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30	Employer Contributions	Annual Required Contribution	Percentage Contributed
2009	\$ 135,989	\$ 2,141,656	6.3 %
2010	478,102	2,254,586	21.2 %
2011	81,072	2,352,070	3.4 %
2012	234,405	1,505,447	15.6 %
2013	212,753	1,242,633	17.1 %

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

THE CITY OF NORMAN, OKLAHOMA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
Taxes:							
Sales taxes	\$ 38,017,161	\$ -	\$ 38,017,161			\$ 36,205,757	\$ (1,811,404)
Franchise taxes	7,210,000	-	7,210,000			6,591,145	(618,855)
State use taxes	1,967,970	-	1,967,970			2,055,549	87,579
Total taxes	<u>47,195,131</u>	<u>-</u>	<u>47,195,131</u>			<u>44,852,451</u>	<u>(2,342,680)</u>
Licenses and permits:							
Licenses	311,574	-	311,574			305,148	(6,426)
Permits	<u>917,321</u>	<u>-</u>	<u>917,321</u>			<u>906,434</u>	<u>(10,887)</u>
Total licenses and permits	<u>1,228,895</u>	<u>-</u>	<u>1,228,895</u>			<u>1,211,582</u>	<u>(17,313)</u>
State Shared Revenues:							
State motor fuel	259,856	-	259,856			208,707	(51,149)
Alcoholic beverage	221,210	-	221,210			288,352	67,142
Cigarette	744,410	-	744,410			779,489	35,079
State motor vehicle registration	<u>828,796</u>	<u>-</u>	<u>828,796</u>			<u>801,473</u>	<u>(27,323)</u>
Total intergovern- mental revenues	<u>2,054,272</u>	<u>-</u>	<u>2,054,272</u>			<u>2,078,021</u>	<u>23,749</u>
Charges for services:							
Zoning & subdivision	147,464	-	147,464			201,356	53,892
Public safety	347,225	-	347,225			373,039	25,814
Health	146,726	-	146,726			186,525	39,799
Recreation fees	365,000	-	365,000			409,342	44,342
Credit card convenience fees	85,850	-	85,850			165,969	80,119
911 emergency fees	<u>53,879</u>	<u>-</u>	<u>53,879</u>			<u>34,467</u>	<u>(19,412)</u>
Total charges for services	<u>1,146,144</u>	<u>-</u>	<u>1,146,144</u>			<u>1,370,698</u>	<u>224,554</u>
Fines and forfeits:							
Police court fines	2,191,602	-	2,191,602			2,436,290	244,688
Miscellaneous forfeitures	<u>40,000</u>	<u>-</u>	<u>40,000</u>			<u>(83,830)</u>	<u>(123,830)</u>
Total fines and forfeits	<u>2,231,602</u>	<u>-</u>	<u>2,231,602</u>			<u>2,352,460</u>	<u>120,858</u>
Investment earnings	<u>103,000</u>	<u>-</u>	<u>103,000</u>			<u>14,721</u>	<u>(88,279)</u>
Other revenue:							
Contributions	4,740	1,000	5,740			1,000	(4,740)
Rents and royalties	135,178	-	135,178			175,446	40,268
Cost allocations	9,469,714	-	9,469,714			9,216,704	(253,010)
Sale of fixed assets	40,000	-	40,000			6,406	(33,594)
Miscellaneous revenues	<u>486,736</u>	<u>107,033</u>	<u>593,769</u>			<u>870,255</u>	<u>276,486</u>
Total other revenue	<u>10,136,368</u>	<u>108,033</u>	<u>10,244,401</u>			<u>10,269,811</u>	<u>25,410</u>
Total revenues	<u>64,095,412</u>	<u>108,033</u>	<u>64,203,445</u>			<u>62,149,744</u>	<u>(2,053,701)</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, 2013

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
General government:							
City council	\$ 2,172,217	\$ (95,864)	\$ 2,076,353	\$ 804,311	\$ 25,477	\$ 829,788	\$ 1,246,565
City manager's office	491,770	(15,440)	476,330	376,758	259	377,017	99,313
Community relations	129,701	(7,706)	121,995	120,393	-	120,393	1,602
City clerk's office	532,101	25,475	557,576	540,899	356	541,255	16,321
Municipal court	1,066,550	5,903	1,072,453	984,637	1,819	986,456	85,997
Legal administration	1,137,343	14,644	1,151,987	892,283	3,302	895,585	256,402
Human resource admin	754,649	(49,429)	705,220	691,013	2,155	693,168	12,052
Safety administration	122,428	6,264	128,692	105,341	6,020	111,361	17,331
Building services admin	64,606	(3,887)	60,719	47,842	10,711	58,553	2,166
Custodial services	204,174	7,315	211,489	200,593	9,565	210,158	1,331
Building repair services	417,632	(19,699)	397,933	395,177	21	395,198	2,735
Human rights commission	310	(25)	285	-	-	-	285
Children's rights commission	276	(8)	268	-	-	-	268
Social & voluntary services	150,000	-	150,000	150,559	-	150,559	(559)
Norman public library	394,156	(142,165)	251,991	214,751	-	214,751	37,240
Firehouse art center	100,244	-	100,244	81,437	-	81,437	18,807
Historical museum	41,234	-	41,234	39,318	-	39,318	1,916
Sooner theatre	97,366	-	97,366	93,024	-	93,024	4,342
Employee training	18,176	(2,762)	15,414	14,901	-	14,901	513
Employee assistance program	25,374	(425)	24,949	24,948	-	24,948	1
Special studies & contributions	125,000	(23,860)	101,140	-	101,140	101,140	-
Municipal elections	59,000	10,292	69,292	67,938	-	67,938	1,354
Sister cities program	5,508	(2,929)	2,579	-	-	-	2,579
Holiday decorations	33,698	(472)	33,226	30,744	-	30,744	2,482
Total general government	8,143,513	(294,778)	7,848,735	5,876,867	160,825	6,037,692	1,811,043
Planning:							
Planning commission	357	(11)	346	261	-	261	85
Historic district commission	2,684	(816)	1,868	373	-	373	1,495
Greenbelt commission	500	(15)	485	-	-	-	485
Planning administration	336,263	44,881	381,144	331,697	8,649	340,346	40,798
Geographic information	458,794	51,931	510,725	426,980	22,745	449,725	61,000
Development services	1,495,610	140,348	1,635,958	1,280,488	23,282	1,303,770	332,188
Revitalization	1,010,789	19,289	1,030,078	1,012,821	12,093	1,024,914	5,164
Current planning	370,580	(6,378)	364,202	280,819	-	280,819	83,383
Total planning	3,675,577	249,229	3,924,806	3,333,439	66,769	3,400,208	524,598

(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, 2013

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
City controller:							
Finance administration	\$ 317,952	\$ 91,098	\$ 409,050	\$ 387,487	\$ 124	\$ 387,611	\$ 21,439
Accounting services	678,017	8,550	686,567	661,871	9,869	671,740	14,827
Information services	1,749,560	429,020	2,178,580	1,885,027	172,167	2,057,194	121,386
Printing services	272,661	(9,416)	263,245	254,174	100	254,274	8,971
Budget services	112,667	1,913	114,580	112,002	-	112,002	2,578
Treasury services	640,677	10,279	650,956	644,195	1,762	645,957	4,999
Utility services	1,073,951	52,538	1,126,489	1,122,093	1,413	1,123,506	2,983
Total city controller	4,845,485	583,982	5,429,467	5,066,849	185,435	5,252,284	177,183
Parks and recreation:							
Parks board	792	(24)	768	154	-	154	614
Mosquito control program	10,217	(42)	10,175	7,352	-	7,352	2,823
Santa Fe Depot	8,476	47	8,523	5,803	-	5,803	2,720
Administration	566,450	9,529	575,979	566,850	623	567,473	8,506
Park maintenance	2,667,537	(2,003)	2,665,534	2,357,433	12,196	2,369,629	295,905
Forestry	21,471	2,669	24,140	11,097	2,309	13,406	10,734
Recreation little league	69,150	(5,114)	64,036	56,602	713	57,315	6,721
Recreation programs	1,244,137	27,883	1,272,020	1,121,779	14,849	1,136,628	135,392
Senior citizens center	156,278	(8,791)	147,487	126,662	-	126,662	20,825
Total parks & recreation	4,744,508	24,154	4,768,662	4,253,732	30,690	4,284,422	484,240
Public works:							
Public works administratic	274,769	28,007	302,776	274,660	5,635	280,295	22,481
Engineering department	1,219,956	4,898	1,224,854	1,191,947	4,562	1,196,509	28,345
Street maintenance	3,388,416	116,945	3,505,361	2,882,763	16,147	2,898,910	606,451
Stormwater Drainage	3,472,185	597,083	4,069,268	3,078,952	331,919	3,410,871	658,397
Traffic control	2,919,348	127,967	3,047,315	2,687,237	103,649	2,790,886	256,429
Fleet maintenance admin	283,023	23,613	306,636	290,764	12,093	302,857	3,779
Fleet repair services	1,521,241	81,458	1,602,699	1,444,514	33,980	1,478,494	124,205
Fleet fuel and parts	3,329,758	23,486	3,353,244	3,056,495	128,994	3,185,489	167,755
Total public works	16,408,696	1,003,457	17,412,153	14,907,332	636,979	15,544,311	1,867,842
Public safety:							
Police department admin	1,120,422	21,234	1,141,656	1,117,805	41	1,117,846	23,810
Staff services	1,793,968	80,651	1,874,619	1,799,057	53,847	1,852,904	21,715
Criminal investigations	2,366,087	(128,667)	2,237,420	2,201,482	211	2,201,693	35,727
Patrol	10,697,594	120,792	10,818,386	10,060,232	319,256	10,379,488	438,898
Special Investigations	1,236,328	164,507	1,400,835	1,377,589	9,351	1,386,940	13,895
Animal control	888,667	21,860	910,527	840,074	12,730	852,804	57,723
911 services	1,932,715	147,390	2,080,105	1,974,532	74,056	2,048,588	31,517
Fire department admin	573,324	5,363	578,687	560,622	187	560,809	17,878
Training - fire department	229,516	(708)	228,808	221,502	16	221,518	7,290
Fire prevention	786,751	48,804	835,555	801,114	3,335	804,449	31,106
Fire suppression	12,745,080	92,917	12,837,997	12,339,142	313,149	12,652,291	185,706
Diaster preparedness servi	121,510	1,442	122,952	116,906	616	117,522	5,430
Total public safety	34,491,962	575,585	35,067,547	33,410,057	786,795	34,196,852	870,695
Total expenditures and encumbrances	72,309,741	2,093,762	74,403,503	\$ 66,848,276	\$ 1,867,493	68,715,769	5,687,734

(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, 2013

	Original Budget	Revisions	Revised Budget	Actual	Variance- Positive (Negative)
Excess (deficiency) of revenues over expendi- tures and encumbrances	<u>(8,214,329)</u>	<u>(2,033,596)</u>	<u>(10,247,925)</u>	<u>(6,566,025)</u>	<u>3,681,900</u>
OTHER FINANCING SOURCES (USES):					
Transfers in:					
Norman Utilities					
Authority	1,045,719	-	1,045,719	1,039,441	(6,278)
Capital Projects Fund	3,018,988	440,910	3,459,898	3,398,834	(61,064)
Insurance Fund	-	78,262	78,262	78,262	-
Public Safety Sales Tax Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,254,340</u>	<u>1,254,340</u>
Total transfers in	<u>4,064,707</u>	<u>519,172</u>	<u>4,583,879</u>	<u>5,770,877</u>	<u>1,186,998</u>
Transfers out:					
Westwood Fund	(97,623)	-	(49,756)	(49,756)	-
Public Safety Sales Tax Fund	<u>-</u>	<u>(1,254,340)</u>	<u>(1,254,340)</u>	<u>(1,254,340)</u>	<u>-</u>
Total transfers out	<u>(97,623)</u>	<u>(1,254,340)</u>	<u>(1,304,096)</u>	<u>(1,304,096)</u>	<u>-</u>
Net other financing sources (uses)	<u>3,967,084</u>	<u>(735,168)</u>	<u>3,279,783</u>	<u>4,466,781</u>	<u>1,186,998</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, 2013

	Original Budget	Revisions	Revised Budget	Actual	Variance- Positive (Negative)
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances, and other uses	(4,247,245)	(2,720,897)	(6,968,142)	(2,099,244)	4,868,898
Fund balance, July 1, 2012 (Non-GAAP budgetary basis)	<u>4,881,886</u>	<u>-</u>	<u>4,881,886</u>	<u>4,881,886</u>	<u>-</u>
Fund balance, June 30, 2013 (Non-GAAP budgetary basis)	<u>\$ 634,641</u>	<u>\$ (2,720,897)</u>	<u>\$ (2,086,256)</u>	<u>\$ 2,782,642</u>	<u>\$ 4,868,898</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, 2013

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Sales tax	\$ 8,650,291	\$ -	\$ 8,650,291			\$ 8,566,873	\$ (83,418)
Use tax	<u>324,452</u>	<u>-</u>	<u>324,452</u>			<u>342,591</u>	<u>18,139</u>
Total taxes	8,974,743	-	8,974,743			8,909,464	(65,279)
Investment earnings	<u>-</u>	<u>-</u>	<u>-</u>			<u>54,922</u>	<u>54,922</u>
Total revenues	<u>8,974,743</u>	<u>-</u>	<u>8,974,743</u>			<u>8,964,386</u>	<u>(10,357)</u>
EXPENDITURES AND ENCUMBRANCES:							
Public safety:							
Police staff services	2,343,200	740	2,343,940	\$ 799,452	\$ 1,541,661	2,341,113	2,827
Police criminal investigations	675,893	(209,815)	466,078	458,450	70	458,520	7,558
Police patrol	2,607,157	446,675	3,053,832	2,858,902	12,840	2,871,742	182,090
Police special investigations	238,345	(158,930)	79,415	31,497	-	31,497	47,918
Fire suppression	<u>3,746,435</u>	<u>430,939</u>	<u>4,177,374</u>	<u>3,063,117</u>	<u>243,291</u>	<u>3,306,408</u>	<u>870,966</u>
Total expenditures and encumbrances	<u>9,611,030</u>	<u>509,609</u>	<u>10,120,639</u>	<u>\$ 7,211,418</u>	<u>\$ 1,797,862</u>	<u>9,009,280</u>	<u>1,111,359</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	(636,287)	(509,609)	(1,145,896)			(44,894)	1,101,002
OTHER FINANCING SOURCES (USES):							
Transfers in:							
Capital fund	-	1,254,340	1,254,340			1,254,340	-
General fund	-	40,000	40,000			40,000	-
Transfers out:							
Capital fund	(1,127,450)	-	(1,127,450)			(1,127,450)	-
General fund	-	-	-			(1,254,340)	(1,254,340)
Net other financing sources (uses)	<u>(1,127,450)</u>	<u>1,294,340</u>	<u>166,890</u>			<u>(1,087,450)</u>	<u>(1,254,340)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other sources (uses)	<u>(1,763,737)</u>	<u>784,731</u>	<u>(979,006)</u>			<u>(1,132,344)</u>	<u>(153,338)</u>
Fund balance, July 1, 2012 (Non-GAAP budgetary basis)	<u>8,970,540</u>	<u>-</u>	<u>8,970,540</u>			<u>8,970,540</u>	<u>-</u>
Fund balance, June 30, 2013 (Non-GAAP budgetary basis)	<u>\$ 7,206,803</u>	<u>\$ 784,731</u>	<u>\$ 7,991,534</u>			<u>\$ 7,838,196</u>	<u>\$ (153,338)</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION ON BUDGETARY COMPARISON
SCHEDULE – GENERAL FUND AND PUBLIC SAFETY SALES TAX FUND**

Budget Reconciliations - Items required to adjust actual revenues, expenditures, and fund balances reported on the budgetary basis to those reported within the fund financial statements as of and for the year ended June 30, 2013, are as follows:

	General Fund	Public Safety Sales Tax Fund
Fund balances - budgetary basis, June 30, 2013	\$ 2,782,642	\$ 7,838,196
Current year encumbrances included in expenditures	1,867,493	1,797,862
Prior year encumbrances outstanding	301,577	54,403
Current year revenue accrual	8,119,711	1,561,271
Current year expenditure accrual	(2,159,093)	(240,262)
Rainy Day Fund Balance	<u>1,510,323</u>	<u>-</u>
Fund balances - fund financial statements, June 30, 2013	<u>\$ 12,422,653</u>	<u>\$ 11,011,470</u>
Revenues - budgetary basis	\$ 62,149,744	\$ 8,964,386
Current year revenue accrual	8,119,711	1,561,271
Prior year revenue accrual	(7,719,619)	(1,491,053)
On-behalf payments	3,500,000	-
Interest earned within Rainy Day Fund	<u>6,894</u>	<u>-</u>
Revenues - fund financial statements	<u>\$ 66,056,730</u>	<u>\$ 9,034,604</u>
Expenditures - budgetary basis	\$ 68,715,769	\$ 9,009,280
Current year encumbrances included in expenditures	(1,867,493)	(1,797,862)
Prior year encumbrances paid	1,165,996	403,207
Current year expenditure accrual	2,159,093	240,262
Prior year expenditure accrual	(2,096,986)	(167,074)
On-behalf payments	<u>3,500,000</u>	<u>-</u>
Expenditures - fund financial statements	<u>\$ 71,576,379</u>	<u>\$ 7,687,813</u>



OTHER SUPPLEMENTARY
INFORMATION

THE CITY OF NORMAN, OKLAHOMA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2013

	Norman Room Tax Fund	Community Development Fund	Special Grants Fund	Park Land Fund	Seizures and Restitutions Fund	Cleet Fund	Tax Increment District Fund	Art in Public Places Fund	Total Nonmajor Governmental Total
ASSETS									
Cash and cash equivalents	\$ 228,240	\$ 30,872	\$ 750,227	\$ 244,552	\$ 544,577	\$ 7,388	\$ 31,798	\$ 2,025	\$ 1,839,679
Investments	189,497	-	1,002,403	933,285	414,507	20,032	102,071	-	2,661,795
Receivables:									
Taxes	185,948	-	-	-	-	-	-	-	185,948
Accounts	-	-	-	-	16,271	-	-	513	16,784
Interest	379	-	2,002	1,866	829	40	204	-	5,320
Due from Federal Government	-	391,517	10,066	-	-	-	-	-	401,583
Total assets	<u>\$ 604,064</u>	<u>\$ 422,389</u>	<u>\$ 1,764,698</u>	<u>\$ 1,179,703</u>	<u>\$ 976,184</u>	<u>\$ 27,460</u>	<u>\$ 134,073</u>	<u>\$ 2,538</u>	<u>\$ 5,111,109</u>
LIABILITIES AND FUND BALANCE									
Liabilities:									
Accounts payable and other accrued liabilities	\$ -	\$ 205	\$ 11,269	\$ 3,721	\$ 100,753	\$ 958	\$ -	\$ -	\$ 116,906
Payroll payable	-	15,479	-	-	-	-	-	-	15,479
Total liabilities	-	15,684	11,269	3,721	100,753	958	-	-	132,385
Fund balance:									
Restricted	594,538	406,705	1,414,844	1,175,982	866,213	26,033	131,903	2,538	4,618,756
Assigned	9,526	-	338,585	-	9,218	469	2,170	-	359,968
Total fund balance	<u>604,064</u>	<u>406,705</u>	<u>1,753,429</u>	<u>1,175,982</u>	<u>875,431</u>	<u>26,502</u>	<u>134,073</u>	<u>2,538</u>	<u>4,978,724</u>
Total liabilities and fund balance	<u>\$ 604,064</u>	<u>\$ 422,389</u>	<u>\$ 1,764,698</u>	<u>\$ 1,179,703</u>	<u>\$ 976,184</u>	<u>\$ 27,460</u>	<u>\$ 134,073</u>	<u>\$ 2,538</u>	<u>\$ 5,111,109</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, 2013

	Norman Room Tax Fund	Community Development Fund	Special Grants Fund	Park Land Fund	Seizures and Restitutions Fund	Cleet Fund	Tax Increment District Fund	Art in Public Places Fund	Total Nonmajor Governmental Total
Revenues:									
Taxes	\$ 1,352,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,352,311
Intergovernmental revenues	-	1,432,886	1,320,063	-	-	26,117	-	-	2,779,066
Charges for services	-	-	-	97,016	-	-	-	-	97,016
Investment earnings	820	-	5,036	3,052	2,133	75	371	-	11,487
Other	-	-	-	-	509,511	240	-	10,379	520,130
Total revenues	<u>1,353,131</u>	<u>1,432,886</u>	<u>1,325,099</u>	<u>100,068</u>	<u>511,644</u>	<u>26,432</u>	<u>371</u>	<u>10,379</u>	<u>4,760,010</u>
Expenditures:									
Current:									
Parks and recreation	49	-	-	-	-	-	-	10,047	10,096
Public service	899,994	1,322,832	16,501	-	-	-	-	-	2,239,327
Public safety	-	-	322,854	-	140,799	30,362	-	-	494,015
Capital outlay	37,466	14,867	580,695	326,316	50,131	-	-	-	1,009,475
Total expenditures	<u>937,509</u>	<u>1,337,699</u>	<u>920,050</u>	<u>326,316</u>	<u>190,930</u>	<u>30,362</u>	<u>-</u>	<u>10,047</u>	<u>3,752,913</u>
Excess (deficiency) of revenues over (under) expenditures	<u>415,622</u>	<u>95,187</u>	<u>405,049</u>	<u>(226,248)</u>	<u>320,714</u>	<u>(3,930)</u>	<u>371</u>	<u>332</u>	<u>1,007,097</u>
Other financing sources (uses):									
Transfers in	-	-	600,000	4,117	-	-	-	-	604,117
Transfers out	(205,459)	-	(65,569)	-	-	-	-	-	(271,028)
Net other financing sources (uses)	<u>(205,459)</u>	<u>-</u>	<u>534,431</u>	<u>4,117</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>333,089</u>
Net change in fund balances	210,163	95,187	939,480	(222,131)	320,714	(3,930)	371	332	1,340,186
Fund balance - beginning	393,901	311,518	813,949	1,398,113	554,717	30,432	133,702	2,206	3,638,538
Fund balance - ending	<u>\$ 604,064</u>	<u>\$ 406,705</u>	<u>\$ 1,753,429</u>	<u>\$ 1,175,982</u>	<u>\$ 875,431</u>	<u>\$ 26,502</u>	<u>\$ 134,073</u>	<u>\$ 2,538</u>	<u>\$ 4,978,724</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, 2013

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Hotel/motel tax	\$ 1,133,000	\$ -	\$ 1,133,000			\$ 1,287,188	\$ 154,188
Investment earnings	3,000	-	3,000			1,233	(1,767)
Total revenues	<u>1,136,000</u>	<u>-</u>	<u>1,136,000</u>			<u>1,288,421</u>	<u>152,421</u>
EXPENDITURES AND ENCUMBRANCES:							
Public service:							
Room tax	<u>860,520</u>	<u>225,636</u>	<u>1,086,156</u>	<u>\$ 917,359</u>	<u>\$141,114</u>	<u>1,058,473</u>	<u>27,683</u>
Total expenditures and encumbrances	<u>860,520</u>	<u>225,636</u>	<u>1,086,156</u>	<u>\$ 917,359</u>	<u>\$141,114</u>	<u>1,058,473</u>	<u>27,683</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	<u>275,480</u>	<u>(225,636)</u>	<u>49,844</u>			<u>229,948</u>	<u>180,104</u>
OTHER FINANCING USES:							
Transfers out:							
Westwood	<u>(204,209)</u>	<u>(1,250)</u>	<u>(205,459)</u>			<u>(205,459)</u>	<u>-</u>
Net other financing sources (uses)	<u>(204,209)</u>	<u>(1,250)</u>	<u>(205,459)</u>			<u>(205,459)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other uses	<u>71,271</u>	<u>(226,886)</u>	<u>(155,615)</u>			<u>24,489</u>	<u>180,104</u>
Fund balance, July 1, 2012 (Non-GAAP budgetary basis)	<u>252,481</u>		<u>252,481</u>			<u>252,481</u>	<u>-</u>
Fund balance, June 30, 2013 (Non-GAAP budgetary basis)	<u>\$ 323,752</u>	<u>\$ (226,886)</u>	<u>\$ 96,866</u>			<u>\$ 276,970</u>	<u>\$ 180,104</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, 2013

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Intergovernmental:							
Community development							
block grant ("CDBG")	\$ 738,883	\$ 4,823	\$ 743,706			\$ 799,178	\$ 55,472
Emergency shelter grant	-	534,031	534,031			100,000	(434,031)
Home grant	368,420	13,000	381,420			258,420	(123,000)
SHPRP ARRA grant	-	-	-			64,181	64,181
Total revenues	<u>1,107,303</u>	<u>551,854</u>	<u>1,659,157</u>			<u>1,221,779</u>	<u>(437,378)</u>
EXPENDITURES AND ENCUMBRANCES:							
Public service:							
Community development	357,097	464,209	821,306	\$ 392,519	\$ 8,266	400,785	420,521
CDBG housing	381,787	306,038	687,825	418,710	-	418,710	269,115
Home grants	368,420	460,589	829,009	239,800	55,263	295,063	533,946
Emergency shelter grants	-	551,229	551,229	265,054	268,959	534,013	17,216
Total expenditures and encumbrances	<u>1,107,304</u>	<u>1,782,065</u>	<u>2,889,369</u>	<u>\$ 1,316,083</u>	<u>\$ 332,488</u>	<u>1,648,571</u>	<u>1,240,798</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	(1)	(1,230,211)	(1,230,212)			(426,792)	803,420
Fund balance (deficit), July 1, 2012 (Non-GAAP budgetary basis)	<u>45,833</u>	<u>-</u>	<u>45,833</u>			<u>45,833</u>	<u>-</u>
Fund balance (deficit), June 30, 2013 (Non-GAAP budgetary basis)	<u>\$ 45,832</u>	<u>\$ (1,230,211)</u>	<u>\$ (1,184,379)</u>			<u>\$ (380,959)</u>	<u>\$ 803,420</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, 2013

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Intergovernmental:							
County Court DUI	\$ 63,982	\$ -	\$ 63,982			\$ 68,451	\$ 4,469
Public safety grants	58,332	259,914	318,246			389,215	70,969
Public service grants	-	-	-			15,323	15,323
Recreation grants	544,000	35,000	579,000			50,000	(529,000)
Public works grants	<u>176,800</u>	<u>-</u>	<u>176,800</u>			<u>966,063</u>	<u>789,263</u>
Total intergovernmental	843,114	294,914	1,138,028			1,489,052	351,024
Investment earnings	<u>-</u>	<u>-</u>	<u>-</u>			<u>7,281</u>	<u>7,281</u>
 Total revenues	 <u>843,114</u>	 <u>294,914</u>	 <u>1,138,028</u>			 <u>1,496,333</u>	 <u>358,305</u>
EXPENDITURES AND ENCUMBRANCES:							
DUI enforcement	63,982	-	63,982	\$ 31,462	\$ -	31,462	32,520
Traffic & alcohol enforcement	-	152,278	152,278	120,878	-	120,878	31,400
Bullet proof vest grant	-	1,934	1,934	860	-	860	1,074
Miscellaneous police grant	-	2,628	2,628	2,628	-	2,628	-
JAG grant	-	18,574	18,574	5,515	(1,448)	4,067	14,507
JAG ARRA grant	-	16,884	16,884	16,883	-	16,883	1
Emergency management	-	61,457	61,457	33,497	25,376	58,873	2,584
SHPO / CLG grant	-	15,678	15,678	6,104	-	6,104	9,574
Intelligence Analysis grant	58,332	9,945	68,277	47,878	-	47,878	20,399
Easetridge Park grant	-	15,000	15,000	2,432	12,568	15,000	-
Saxon Park grant	-	35,000	35,000	-	-	-	35,000
Legacy Trail improvement grant	544,000	56,000	600,000	-	-	-	600,000
Legacy Park trail grant	-	256,215	256,215	(8)	253,240	253,232	2,983
Drug evaluation/recognition	-	80,762	80,762	43,966	-	43,966	36,796
911 grant	-	399,982	399,982	(18)	-	(18)	400,000
Traffic grant	-	14,215	14,215	10,000	-	10,000	4,215
CNG fueling station grant - phase II	-	24,996	24,996	3,310	-	3,310	21,686
Homeland security grant - UASI	-	165,510	165,510	165,508	-	165,508	2
Firefighter assistance grant	-	2	2	-	-	-	2
Transportation grant	-	600,000	600,000	-	-	-	600,000
School Zone Imp grant	176,800	13,200	190,000	-	-	-	190,000
City beautification	<u>-</u>	<u>187</u>	<u>187</u>	<u>184</u>	<u>-</u>	<u>184</u>	<u>3</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, 2013

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
Total expenditures and encumbrances	843,114	1,940,447	2,783,561	\$ 491,079	\$289,736	780,815	2,002,746
Excess (deficiency) of revenues over expenditures and encumbrances	<u>-</u>	<u>(1,645,533)</u>	<u>(1,645,533)</u>			<u>715,518</u>	<u>2,361,051</u>
Other financing sources (uses):							
Transfers in							
Capital Project Fund	-	600,000	600,000			600,000	-
Transfers out							
Capital Project Fund	<u>-</u>	<u>(65,569)</u>	<u>(65,569)</u>			<u>(65,569)</u>	<u>-</u>
Net other financing sources (uses)	<u>-</u>	<u>534,431</u>	<u>534,431</u>			<u>534,431</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other uses	-	(1,111,102)	(1,111,102)			1,249,949	2,361,051
Fund balance (deficit), July 1, 2012 (Non-GAAP budgetary basis)	<u>206,672</u>	<u>-</u>	<u>206,672</u>			<u>206,672</u>	<u>-</u>
Fund balance (deficit), June 30, 2013 (Non-GAAP budgetary basis)	<u>\$ 206,672</u>	<u>\$ (1,111,102)</u>	<u>\$ (904,430)</u>			<u>\$ 1,456,621</u>	<u>\$ 2,361,051</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, 2013

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Investment earnings	\$ 15,000	\$ -	\$ 15,000			\$ 6,073	\$ (8,927)
Charges for services	<u>85,000</u>	<u>-</u>	<u>85,000</u>			<u>97,016</u>	<u>12,016</u>
Total revenues	<u>100,000</u>	<u>-</u>	<u>100,000</u>			<u>103,089</u>	<u>3,089</u>
EXPENDITURES AND ENCUMBRANCES:							
Parks and recreation	<u>115,000</u>	<u>533,920</u>	<u>648,920</u>	<u>\$ 172,300</u>	<u>\$ -</u>	<u>172,300</u>	<u>476,620</u>
Total expenditures and encumbrances	<u>115,000</u>	<u>533,920</u>	<u>648,920</u>	<u>\$ 172,300</u>	<u>\$ -</u>	<u>172,300</u>	<u>476,620</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	(15,000)	(533,920)	(548,920)			(69,211)	479,709
Other financing sources (uses):							
Transfers in							
Capital projects fund	-	-	-			4,117	4,117
Fund balance, July 1, 2012 (Non-GAAP budgetary basis)	<u>1,240,923</u>	<u>-</u>	<u>1,240,923</u>			<u>1,240,923</u>	<u>-</u>
Fund balance, June 30, 2013 (Non-GAAP budgetary basis)	<u>\$ 1,225,923</u>	<u>\$ (533,920)</u>	<u>\$ 692,003</u>			<u>\$ 1,175,829</u>	<u>\$ 483,826</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, 2013

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Intergovernmental:							
State Seizure/Restitution	\$ 9,000	\$ -	\$ 9,000			\$ 310,459	\$ 301,459
Federal Seizure/Restitution	6,000	-	6,000			148,207	142,207
Investment earnings	500	-	500			3,125	2,625
Juvenile Program	40,507	-	40,507			52,276	11,769
Miscellaneous income	-	-	-			(1,431)	(1,431)
Total revenues	<u>56,007</u>	<u>-</u>	<u>56,007</u>			<u>512,636</u>	<u>456,629</u>
EXPENDITURES AND ENCUMBRANCES:							
Public Safety:							
State seizures	31,600	193,628	225,228	\$ 85,596	\$ 69,821	155,417	69,811
Federal seizures	-	120	120	120	-	120	-
Juvenile program	<u>81,029</u>	<u>-</u>	<u>81,029</u>	<u>71,222</u>	<u>290</u>	<u>71,512</u>	<u>9,517</u>
Total expenditures and encumbrances	<u>112,629</u>	<u>193,748</u>	<u>306,377</u>	<u>\$ 156,938</u>	<u>\$ 70,111</u>	<u>227,049</u>	<u>79,328</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	(56,622)	(193,748)	(250,370)			285,587	535,957
Fund balance, July 1, 2012 (Non-GAAP budgetary basis)	<u>519,665</u>	<u>-</u>	<u>519,665</u>			<u>519,665</u>	<u>-</u>
Fund balance, June 30, 2013 (Non-GAAP budgetary basis)	<u>\$ 463,043</u>	<u>\$ (193,748)</u>	<u>\$ 269,295</u>			<u>\$ 805,252</u>	<u>\$ 535,957</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, 2013

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Fines and forfeitures:							
Cleet training revenue	\$ 32,000	\$ -	\$ 32,000			\$ 26,117	\$ (5,883)
Investment earnings	-	-	-			130	130
Miscellaneous revenue	-	-	-			240	240
	<u>32,000</u>	<u>-</u>	<u>32,000</u>			<u>26,487</u>	<u>(5,513)</u>
Total revenues							
	<u>32,000</u>	<u>-</u>	<u>32,000</u>			<u>26,487</u>	<u>(5,513)</u>
EXPENDITURES AND ENCUMBRANCES:							
Public Safety:							
Court Cleet Training	1,700	-	1,700	\$ 966	\$ -	966	734
	<u>29,005</u>	<u>1,101</u>	<u>30,106</u>	<u>28,295</u>	<u>550</u>	<u>28,845</u>	<u>1,261</u>
Police Cleet Training							
	<u>29,005</u>	<u>1,101</u>	<u>30,106</u>	<u>28,295</u>	<u>550</u>	<u>28,845</u>	<u>1,261</u>
Total expenditures and encumbrances	<u>30,705</u>	<u>1,101</u>	<u>31,806</u>	<u>\$ 29,261</u>	<u>\$ 550</u>	<u>29,811</u>	<u>1,995</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	1,295	(1,101)	194			(3,324)	(3,518)
Fund balance, July 1, 2012 (Non-GAAP budgetary basis)	<u>29,273</u>	<u>-</u>	<u>29,273</u>			<u>29,273</u>	<u>-</u>
Fund balance, June 30, 2013 (Non-GAAP budgetary basis)	<u>\$ 30,568</u>	<u>\$ (1,101)</u>	<u>\$ 29,467</u>			<u>\$ 25,949</u>	<u>\$ (3,518)</u>

THE CITY OF NORMAN, OKLAHOMA

TAX INCREMENT DISTRICT SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Sales taxes	\$ -	\$ -	\$ -			\$ -	\$ -
Property taxes	-	-	-			-	-
Investment earnings	<u>2,915</u>	<u>-</u>	<u>2,915</u>			<u>664</u>	<u>(2,251)</u>
Total revenues	<u>2,915</u>	<u>-</u>	<u>2,915</u>			<u>664</u>	<u>(2,251)</u>
EXPENDITURES AND ENCUMBRANCES:							
General government:							
Capital projects	<u>19,347</u>	<u>122,350</u>	<u>141,697</u>	<u>\$ -</u>	<u>\$ 131,672</u>	<u>131,672</u>	<u>10,025</u>
Total expenditures and encumbrances	<u>19,347</u>	<u>122,350</u>	<u>141,697</u>	<u>\$ -</u>	<u>\$ 131,672</u>	<u>131,672</u>	<u>10,025</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	(16,432)	(122,350)	(138,782)			(131,008)	7,774
Fund balance, July 1, 2012 (Non-GAAP budgetary basis)	<u>125,421</u>	<u>-</u>	<u>125,421</u>			<u>125,421</u>	<u>-</u>
Fund balance, June 30, 2013 (Non-GAAP budgetary basis)	<u>\$ 108,989</u>	<u>\$ (122,350)</u>	<u>\$ (13,361)</u>			<u>\$ (5,587)</u>	<u>\$ 7,774</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, 2013

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Other revenue	\$ 12,000	\$ -	\$ 12,000			\$ 10,379	\$ (1,621)
Total revenues	12,000	-	12,000			10,379	(1,621)
EXPENDITURES AND ENCUMBRANCES:							
Parks & recreation							
Donation	12,000	-	12,000	\$ 10,047	\$ -	10,047	1,953
Total expenditures and encumbrances	12,000	-	12,000	\$ 10,047	\$ -	10,047	1,953
Excess (deficiency) of revenues over (under) expenditures and encumbrances	-	-	-			332	332
Fund balance, July 1, 2012 (Non-GAAP budgetary basis)	2,206	-	2,206			2,206	-
Fund balance, June 30, 2013 (Non-GAAP budgetary basis)	\$ 2,206	\$ -	\$ 2,206			\$ 2,538	\$ 332

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, 2013

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Property tax	\$ 9,740,794	\$ -	\$ 9,740,794			\$ 10,578,281	\$ 837,487
Sales tax	<u>90,277</u>	<u>-</u>	<u>90,277</u>			<u>90,277</u>	<u>-</u>
Total taxes	9,831,071	-	9,831,071			10,668,558	837,487
Investment earnings	27,000	-	27,000			29,107	2,107
Other revenue:							
Special assessments	<u>-</u>	<u>-</u>	<u>-</u>			<u>-</u>	<u>-</u>
Total revenues	<u>9,858,071</u>	<u>-</u>	<u>9,858,071</u>			<u>10,697,665</u>	<u>839,594</u>
EXPENDITURES AND ENCUMBRANCES:							
Debt service:							
Principal	4,570,000	-	4,570,000	\$ 4,570,000	\$ -	4,570,000	-
Interest and fiscal charges	775,838	188,705	964,543	964,542	-	964,542	1
Special assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and encumbrances	<u>5,345,838</u>	<u>188,705</u>	<u>5,534,543</u>	<u>\$ 5,534,542</u>	<u>\$ -</u>	<u>5,534,542</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	4,512,233	(188,705)	4,323,528			5,163,123	839,595
OTHER FINANCING SOURCES (USES):							
Transfers out:							
Risk management fund	(870,000)	49,948	(820,052)			(820,052)	-
Capital fund	-	-	-			(170)	(170)
Net other financing sources (uses)	<u>(870,000)</u>	<u>49,948</u>	<u>(820,052)</u>			<u>(820,222)</u>	<u>(170)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other sources (uses)	3,642,233	(138,757)	3,503,476			4,342,901	839,425
Fund balance, July 1, 2012 (Non-GAAP budgetary basis)	<u>4,777,160</u>	<u>-</u>	<u>4,777,160</u>			<u>4,777,160</u>	<u>-</u>
Fund balance, June 30, 2013 (Non-GAAP budgetary basis)	<u>\$ 8,419,393</u>	<u>\$ (138,757)</u>	<u>\$ 8,280,636</u>			<u>\$ 9,120,061</u>	<u>\$ 839,425</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, 2013

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Sales tax	\$ 10,931,375	\$ -	\$ 10,931,375			\$ 11,903,357	\$ 971,982
Sales tax - UNP TIF	2,656,279	-	2,656,279			3,201,904	545,625
Property tax - UNP TIF	835,000	-	835,000			953,908	118,908
Investment earnings	167,500	-	167,500			341,936	174,436
Miscellaneous	-	9,127	9,127			63,833	54,706
Total revenues	<u>14,590,154</u>	<u>9,127</u>	<u>14,599,281</u>			<u>16,464,938</u>	<u>1,865,657</u>
EXPENDITURES AND ENCUMBRANCES:							
Personnel costs	902,648	(79,912)	822,736	\$ 812,671	\$ -	812,671	10,065
Capital projects	12,866,361	32,262,159	45,128,520	9,750,689	7,215,009	16,965,698	28,162,822
Capital projects - UNP TIF	2,115,471	9,045,769	11,161,240	1,674,497	5,898,687	7,573,184	3,588,056
Debt service - UNP TIF	1,026,800	(547)	1,026,253	1,020,948	-	1,020,948	5,305
Debt service	<u>600,000</u>	<u>79,912</u>	<u>679,912</u>	<u>679,912</u>	<u>-</u>	<u>679,912</u>	<u>-</u>
Total expenditures and encumbrances	<u>17,511,280</u>	<u>41,307,381</u>	<u>58,818,661</u>	<u>\$ 13,938,717</u>	<u>\$ 13,113,696</u>	<u>27,052,413</u>	<u>31,766,248</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	(2,921,126)	(41,298,254)	(44,219,380)			(10,587,475)	33,631,905
OTHER FINANCING SOURCES (USES):							
Transfers Out:							
General fund	(3,018,988)	(440,910)	(3,459,898)			(3,398,837)	61,061
Special grants fund	-	(600,000)	(600,000)			(600,000)	-
Westwood fund	(78,000)	-	(78,000)			(44,421)	33,579
Public safety sales tax fund	-	(40,000)	(40,000)			(40,000)	-
Sewer fund	-	-	-			(5,010)	(5,010)
Parkland fund	-	-	-			(4,117)	(4,117)
Transfers In:							
PSST fund	1,127,450	-	1,127,450			1,127,450	-
Special grants fund	-	-	-			65,569	65,569
G.O. bond fund	-	-	-			170	170
Loan proceeds - UNP TIF	-	-	-			7,984,847	7,984,847
Debt proceeds	<u>-</u>	<u>-</u>	<u>-</u>			<u>20,190,387</u>	<u>20,190,387</u>
Net other financing sources (uses)	<u>(1,969,538)</u>	<u>(1,080,910)</u>	<u>(3,050,448)</u>			<u>25,276,038</u>	<u>28,326,486</u>
Excess (deficiency) of revenues over expenditures and encumbrances and other sources (uses)	(4,890,664)	(42,379,164)	(47,269,828)			14,688,563	61,958,391
Fund balance, July 1, 2012 (Non-GAAP budgetary basis)	<u>38,058,580</u>	<u>-</u>	<u>38,058,580</u>			<u>38,058,580</u>	<u>-</u>
Fund balance, June 30, 2013 (Non-GAAP budgetary basis)	<u>\$ 33,167,916</u>	<u>\$ (42,379,164)</u>	<u>\$ (9,211,248)</u>			<u>\$ 52,747,143</u>	<u>\$ 61,958,391</u>

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

Budget Reconciliations - Items required to adjust actual revenues, expenditures, and fund balances reported on the budgetary basis to those reported within the fund financial statements as of and for the year ended June 30, 2013, are as follows:

	Special Revenue Funds	Debt Service Fund	Capital Projects Fund
Fund balances, June 30, 2013 (Non-GAAP budgetary basis)	\$ 3,353,455	\$ 9,120,061	\$ 52,747,143
Current year encumbrances included in expenditures	965,671	-	13,113,696
Prior year encumbrances outstanding	87,109	-	3,077,245
Current year revenue accrual	587,968	897	2,701,521
Current year expenditure accrual	(15,479)	0	(15,332)
GAAP basis fund balances, June 30, 2013	<u>\$ 4,978,724</u>	<u>\$ 9,120,958</u>	<u>\$ 71,624,273</u>
Budgetary basis revenues	\$ 4,659,788	\$ 10,697,665	\$ 16,464,938
Current year revenue accrual	587,968	897	2,701,521
Prior year revenue accrual	(487,746)	(39,700)	(2,550,285)
GAAP basis revenues	<u>\$ 4,760,010</u>	<u>\$ 10,658,862</u>	<u>\$ 16,616,174</u>
Budgetary basis expenditures	\$ 4,058,738	\$ 5,534,542	\$ 27,052,413
Current year encumbrances included in expenditures	(965,671)	-	(13,113,696)
Prior year encumbrances paid	662,630	-	6,212,240
Current year expenditure accrual	15,479	-	15,332
Prior year expenditure accrual	(18,263)	-	(5,428)
GAAP basis expenditures	<u>\$ 3,752,913</u>	<u>\$ 5,534,542</u>	<u>\$ 20,160,861</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING SCHEDULE OF NET POSITION

ENTERPRISE FUND - NORMAN MUNICIPAL AUTHORITY

JUNE 30, 2013

ASSETS	Westwood Park	Sanitation Services	Total
Current assets:			
Cash and cash equivalents	\$ 85,487	\$ 1,877,339	\$ 1,962,826
Restricted cash and cash equivalents	6,907	2,011,174	2,018,081
Investments	-	3,898,733	3,898,733
Receivables:			
Accounts, net of allowance for estimated uncollectible accounts	-	867,267	867,267
Interest	<u>6,353</u>	<u>7,805</u>	<u>14,158</u>
Total current assets	<u>98,747</u>	<u>8,662,318</u>	<u>8,761,065</u>
Noncurrent assets:			
Restricted cash and cash equivalents	118,471	318,843	437,314
Restricted investments	105,359	-	105,359
Capital assets, net	<u>7,562,873</u>	<u>8,947,767</u>	<u>16,510,640</u>
Total noncurrent assets	<u>7,786,703</u>	<u>9,266,610</u>	<u>17,053,313</u>
Total assets	<u>7,885,450</u>	<u>17,928,928</u>	<u>25,814,378</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	23,247	270,309	293,556
Payroll payable	54,919	173,820	228,739
Accrued interest payable	6,907	26,692	33,599
Guaranty deposits	-	343,070	343,070
Revenue bonds payable	120,000	-	120,000
Notes payable	-	395,000	395,000
Compensated absences	<u>3,479</u>	<u>13,119</u>	<u>16,598</u>
Total current liabilities	<u>208,552</u>	<u>1,222,010</u>	<u>1,430,562</u>
Noncurrent liabilities:			
Notes payable	-	4,215,000	4,215,000
Compensated absences	89,992	339,353	429,345
Revenue bonds payable, net	<u>1,237,065</u>	<u>-</u>	<u>1,237,065</u>
Total noncurrent liabilities	<u>1,327,057</u>	<u>4,554,353</u>	<u>5,881,410</u>
Total liabilities	<u>1,535,609</u>	<u>5,776,363</u>	<u>7,311,972</u>
NET POSITION			
Invested in capital assets, net	6,205,808	5,927,400	12,133,208
Restricted for debt service	223,830	370,621	594,451
Unrestricted	<u>(79,797)</u>	<u>5,854,544</u>	<u>5,774,747</u>
Total net position	<u>\$ 6,349,841</u>	<u>\$ 12,152,565</u>	<u>\$ 18,502,406</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION ENTERPRISE FUND - NORMAN MUNICIPAL AUTHORITY FOR THE YEAR ENDED JUNE 30, 2013

	Westwood Park	Sanitation Services	Total
Operating revenues:			
Golf and pool fees	\$ 1,141,661	\$ -	\$ 1,141,661
Sanitation services, net	-	13,341,296	13,341,296
Other	154	205,045	205,199
Total operating revenues	1,141,815	13,546,341	14,688,156
Operating expenses:			
Salaries and benefits	839,184	4,160,882	5,000,066
Supplies and materials	109,255	1,308,888	1,418,143
Services and maintenance	259,916	5,781,139	6,041,055
Depreciation and amortization	151,695	891,038	1,042,733
Total operating expenses	1,360,050	12,141,947	13,501,997
Operating income (loss)	(218,235)	1,404,394	1,186,159
Nonoperating revenues (expenses):			
Investment earnings	2,270	24,143	26,413
Interest and fiscal charges	(93,036)	(139,299)	(232,335)
Miscellaneous income (expense)	(1,127)	44,000	42,873
Net nonoperating revenues (expenses)	(91,893)	(71,156)	(163,049)
Income (loss) before transfers	(310,128)	1,333,238	1,023,110
Transfers in (out):			
Transfers in	299,636	-	299,636
Net transfers	299,636	-	299,636
Net income	(10,492)	1,333,238	1,322,746
Net position - beginning	6,385,816	10,860,856	17,246,672
Cumulative effect of change in accounting principle	(25,483)	(41,529)	(67,012)
Net position - beginning (as restated)	6,360,333	10,819,327	17,179,660
Net position - ending	\$ 6,349,841	\$ 12,152,565	\$ 18,502,406

THE CITY OF NORMAN, OKLAHOMA

COMBINING SCHEDULE OF CASH FLOWS

ENTERPRISE FUND - NORMAN MUNICIPAL AUTHORITY FOR THE YEAR ENDED JUNE 30, 2013

	Westwood Park	Sanitation Services	Total
Cash flows from operating activities:			
Cash received from customers	\$ 1,141,815	\$ 13,668,236	\$ 14,810,051
Cash paid to employees for services	(830,232)	(4,139,352)	(4,969,584)
Cash paid to suppliers	(379,247)	(7,056,698)	(7,435,945)
Other receipts (payments)	-	12,485	12,485
Net cash provided by (used for) operating activities	(67,664)	2,484,671	2,417,007
Cash flows from noncapital financing activities:			
Transfers in	299,636	-	299,636
Net cash provided by (used for) noncapital financing activities	299,636	-	299,636
Cash flows from capital and related financing activities:			
Proceeds from disposal of capital assets	34,200	44,000	78,200
Payments for the acquisition of capital assets	(76,650)	(677,878)	(754,528)
Principal payments on revenue bonds payable	(115,000)	-	(115,000)
Proceeds from notes payable	-	1,620,000	1,620,000
Principal payments on notes payable	-	(210,000)	(210,000)
Interest and fiscal charges paid	(90,459)	(140,207)	(230,666)
Net cash used for capital and related financing activities	(247,909)	635,915	388,006
Cash flows from investing activities:			
Payments for purchases of investments	-	(3,185,242)	(3,185,242)
Investment earnings received	6,751	47,606	54,357
Net cash provided by investing activities	6,751	(3,137,636)	(3,130,885)
Net change in cash and cash equivalents	(9,186)	(17,050)	(26,236)
Cash and cash equivalents - beginning	220,051	4,224,406	4,444,457
Cash and cash equivalents - ending	\$ 210,865	\$ 4,207,356	\$ 4,418,221
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (218,235)	\$ 1,404,394	\$ 1,186,159
Adjustments to reconcile operating income to net cash provided by operating activities:			
Miscellaneous income (expense)	(1,127)	44,000	42,873
Bad debt expense	-	90,215	90,215
Depreciation	151,695	891,038	1,042,733
(Gain) loss on disposal of property, plant and equipment	1,127	(44,000)	(42,873)
Decrease in accounts receivable, net	-	15,808	15,808
Decrease in due from other funds	-	12,485	12,485
Increase (decrease) in accounts payable and accrued liabilities	(10,076)	33,329	23,253
Increase in payroll payable	2,417	14,769	17,186
Increase in guaranty deposits	-	15,872	15,872
Increase in compensated absences	6,535	6,761	13,296
Net cash provided by (used for) operating activities	\$ (67,664)	\$ 2,484,671	\$ 2,417,007
NONCASH ACTIVITIES:			
Change in unrealized (gain) loss on investments	\$ 9,540	\$ 1,167	\$ 10,707

THE CITY OF NORMAN, OKLAHOMA

COMBINING SCHEDULE OF NET POSITION

ENTERPRISE FUND - NORMAN UTILITIES AUTHORITY

JUNE 30, 2013

ASSETS	Water	Wastewater	Total
Current assets:			
Cash and cash equivalents	\$ 2,464,814	\$ -	\$ 2,464,814
Restricted cash and cash equivalents	8,082,623	1,075,585	9,158,208
Investments	15,188,278	8,881,616	24,069,894
Receivables:			
Accounts, net of allowance for estimated uncollectible accounts	1,087,678	758,405	1,846,083
Interest	30,398	48,760	79,158
Total current assets	26,853,791	10,764,366	37,618,157
Noncurrent assets:			
Restricted cash and cash equivalents	204,204	6,334,670	6,538,874
Restricted investments	-	15,509,433	15,509,433
Capital assets, net	73,975,896	100,204,307	174,180,203
Total noncurrent assets	74,180,100	122,048,410	196,228,510
Total assets	101,033,891	132,812,776	233,846,667
DEFERRED OUTFLOW OF RESOURCES			
Deferred charge on refunding	-	275,767	275,767
Total deferred outflows of resources	-	275,767	275,767
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	779,155	507,516	1,286,671
Payroll payable	168,334	125,699	294,033
Accrued interest payable	232,955	79,422	312,377
Guaranty deposits	803,087	332,086	1,135,173
Revenue bonds payable	870,000	1,050,000	1,920,000
Notes payable	629,890	599,638	1,229,528
Compensated absences	16,748	12,259	29,007
Total current liabilities	3,500,169	2,706,620	6,206,789
Noncurrent liabilities:			
Notes payable	10,701,366	6,326,866	17,028,232
Compensated absences	433,241	317,115	750,356
Revenue bonds payable, net	15,381,876	3,972,884	19,354,760
Total noncurrent liabilities	26,516,483	10,616,865	37,133,348
Total liabilities	30,016,652	13,323,485	43,340,137
NET POSITION			
Invested in capital assets, net	52,981,409	88,530,686	141,512,095
Restricted for debt service	662,140	3,824,390	4,486,530
Restricted for capital improvements	-	18,683,790	18,683,790
Unrestricted	17,373,690	8,726,192	26,099,882
Total net position	\$ 71,017,239	\$ 119,765,058	\$ 190,782,297

THE CITY OF NORMAN, OKLAHOMA

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

ENTERPRISE FUND - NORMAN UTILITIES AUTHORITY

FOR THE YEAR ENDED JUNE 30, 2013

	Water	Wastewater	Total
Operating revenues:			
Water service, net	\$ 15,865,933	\$ -	\$ 15,865,933
Wastewater service, net	-	11,383,549	11,383,549
Other	249,511	-	249,511
Total operating revenues	16,115,444	11,383,549	27,498,993
Operating expenses:			
Salaries and benefits	3,741,173	3,085,324	6,826,497
Supplies and materials	1,500,612	503,380	2,003,992
Services and maintenance	5,970,382	3,615,230	9,585,612
Depreciation and amortization	2,808,134	4,583,611	7,391,745
Total operating expenses	14,020,301	11,787,545	25,807,846
Operating income (loss)	2,095,143	(403,996)	1,691,147
Nonoperating revenues (expenses):			
Tax revenue	-	1,432,321	1,432,321
Investment earnings	64,688	96,736	161,424
Interest and fiscal charges	(1,050,226)	(442,222)	(1,492,448)
Miscellaneous income (expense)	46,386	105,392	151,778
Net nonoperating revenues (expenses)	(939,152)	1,192,227	253,075
Income before capital contributions and operating transfers	1,155,991	788,231	1,944,222
Capital contributions - donated water and sewer distribution systems	3,471,037	1,535,655	5,006,692
Transfers in	-	5,010	5,010
Transfers out	(694,318)	(345,123)	(1,039,441)
Net capital contributions and transfers	2,776,719	1,195,542	3,972,261
Net income	3,932,710	1,983,773	5,916,483
Net position - beginning	67,401,488	117,934,539	185,336,027
Cumulative effect of change in accounting principle	(316,959)	(153,254)	(470,213)
Net position - beginning (as restated)	67,084,529	117,781,285	184,865,814
Net position - ending	\$ 71,017,239	\$ 119,765,058	\$ 190,782,297

THE CITY OF NORMAN, OKLAHOMA

COMBINING SCHEDULE OF CASH FLOWS

**ENTERPRISE FUND - NORMAN UTILITIES AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2013**

	Water	Wastewater	Total
Cash flows from operating activities:			
Cash received from customers	\$ 16,215,627	\$ 11,317,722	\$ 27,533,349
Cash paid to employees for services	(3,684,624)	(3,064,557)	(6,749,181)
Cash paid to suppliers	(7,175,029)	(3,829,241)	(11,004,270)
Other receipts (payments)	146,093	239,505	385,598
Net cash provided by operating activities	<u>5,502,067</u>	<u>4,663,429</u>	<u>10,165,496</u>
Cash flows from noncapital financing activities:			
Transfers in	-	5,010	5,010
Transfers out	(694,318)	(345,123)	(1,039,441)
Net cash used for noncapital financing activities	<u>(694,318)</u>	<u>(340,113)</u>	<u>(1,034,431)</u>
Cash flows from capital and related financing activities:			
Proceeds from disposal of capital assets	4,300	-	4,300
Payments for the acquisition of capital assets	(3,520,658)	(4,493,137)	(8,013,795)
Proceeds from taxes	-	1,432,321	1,432,321
Principal payments on revenue bonds	(835,000)	(1,025,000)	(1,860,000)
Proceeds from notes payable	-	758,070	758,070
Principal payments on notes payable	(610,240)	(714,747)	(1,324,987)
Interest and fiscal charges paid	(1,070,303)	(359,958)	(1,430,261)
Net cash used for capital and related financing activities	<u>(6,031,901)</u>	<u>(4,402,451)</u>	<u>(10,434,352)</u>
Cash flows from investing activities:			
Proceeds from maturity of investments	4,153,824	9,087,351	13,241,175
Payments for purchases of investments	(5,682,468)	(9,125,547)	(14,808,015)
Investment earnings received	235,398	388,507	623,905
Net cash provided by (used for) investing activities	<u>(1,293,246)</u>	<u>350,311</u>	<u>(942,935)</u>
Net change in cash and cash equivalents	(2,517,398)	271,176	(2,246,222)
Cash and cash equivalents - beginning	<u>13,269,039</u>	<u>7,139,079</u>	<u>20,408,118</u>
Cash and cash equivalents - ending	<u>\$ 10,751,641</u>	<u>\$ 7,410,255</u>	<u>\$ 18,161,896</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 2,095,143	\$ (403,996)	\$ 1,691,147
Adjustments to reconcile operating income to net cash provided by operating activities:			
Miscellaneous income	46,386	105,392	151,778
Bad debt expense	96,970	84,532	181,502
Depreciation	2,808,134	4,583,611	7,391,745
Gain on disposal of property, plant and equipment	(4,300)	0	(4,300)
Increase in accounts receivable, net	(10,415)	(165,976)	(176,391)
Decrease in due from other funds	104,007	134,113	238,120
Increase in accounts payable and accrued liabilities	295,965	289,369	585,334
Increase in payroll payable	17,979	5,302	23,281
Increase in guaranty deposits	13,628	15,617	29,245
Increase in compensated absences	38,570	15,465	54,035
Net cash provided by operating activities	<u>\$ 5,502,067</u>	<u>\$ 4,663,429</u>	<u>\$ 10,165,496</u>
NONCASH ACTIVITIES:			
Donated water and sewer distribution systems	<u>\$ 3,471,037</u>	<u>\$ 1,535,655</u>	<u>\$ 5,006,692</u>
Change in unrealized (gain) loss on investments	<u>\$ (33,885)</u>	<u>\$ (60,933)</u>	<u>\$ (94,818)</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2013

	Annuity Pool Fund	401(a) Plan Fund	Total
ASSETS			
Investments - mutual funds	\$ 424,514	\$ 61,388,123	\$ 61,812,637
Loans to 401(a) Plan participants	<u>-</u>	<u>4,149,605</u>	<u>4,149,605</u>
Total assets	<u>\$ 424,514</u>	<u>\$ 65,537,728</u>	<u>\$ 65,962,242</u>
LIABILITIES AND NET ASSETS			
Net position:			
Held in trust for pension benefits	\$ 424,514	\$ -	\$ 424,514
Held in trust for retirement benefits	<u>-</u>	<u>65,537,728</u>	<u>65,537,728</u>
Total liabilities and net position	<u>\$ 424,514</u>	<u>\$ 65,537,728</u>	<u>\$ 65,962,242</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED JUNE 30, 2013

	Annuity Pool Fund	401(a) Fund	Total
ADDITIONS:			
Contributions:			
Employer	\$ -	\$ 2,274,169	\$ 2,274,169
Employee	-	1,739,070	1,739,070
Total contributions	-	4,013,239	4,013,239
Investment income	59,602	6,765,834	6,825,436
Total additions	59,602	10,779,073	10,838,675
DEDUCTIONS:			
Pension benefits paid	120,746	3,531,957	3,652,703
Administration costs	1,290	68,296	69,586
Total deductions	122,036	3,600,253	3,722,289
NET INCREASE	(62,434)	7,178,820	7,116,386
Net position held in trust for pension and retirement benefits, Beginning of year	486,948	58,358,908	58,845,856
End of year	\$ 424,514	\$ 65,537,728	\$ 65,962,242

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2013

	Balance			Balance
	July 1, 2012	Additions	Deletions	June 30, 2013
CENTENNIAL AGENCY FUND:				
ASSETS				
Cash	\$ 767	\$ 627	\$ -	\$ 1,394
Investments	5,020	-	(580)	4,440
Interest receivable	23	-	(14)	9
Due from other funds	<u>16</u>	<u>-</u>	<u>(16)</u>	<u>-</u>
Total assets	<u>\$ 5,826</u>	<u>\$ 627</u>	<u>\$ (610)</u>	<u>\$ 5,843</u>
LIABILITIES				
Funds held for others	<u>\$ 5,826</u>	<u>\$ 627</u>	<u>\$ (610)</u>	<u>\$ 5,843</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	97-102
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	103-105
These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.	
Debt Capacity	106-110
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	111-112
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	113-115
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

THE CITY OF NORMAN, OKLAHOMA

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities										
Net investment in capital assets	\$ 230,316,125	\$ 226,301,248	\$ 206,982,527	\$ 175,482,607	\$ 168,461,960	\$ 161,077,889	\$ 151,721,378	\$ 144,638,125	\$ 134,376,760	\$ 129,071,326
Restricted	59,450,003	46,103,535	42,431,883	33,165,081	26,111,498	21,745,305	19,049,233	15,964,056	15,341,531	12,566,447
Unrestricted	(6,704,318)	(2,190,465)	(1,500,859)	(259,210)	8,974,819	9,974,408	8,645,895	7,822,176	2,899,892	549,670
Total governmental activities net position	\$ 283,061,810	\$ 270,214,318	\$ 247,913,551	\$ 208,388,478	\$ 203,548,277	\$ 192,797,602	\$ 179,416,506	\$ 168,424,357	\$ 152,618,183	\$ 142,187,443
Business-type activities										
Net investment in capital assets	\$ 153,645,303	\$ 149,661,248	\$ 149,829,383	\$ 146,472,150	\$ 135,025,019	\$ 123,751,512	\$ 109,987,262	\$ 89,473,826	\$ 73,768,669	\$ 67,215,520
Restricted	23,764,771	23,888,626	22,568,084	23,202,532	22,411,356	24,610,916	27,853,537	33,173,855	32,154,744	22,836,310
Unrestricted	31,874,629	29,032,825	22,177,807	17,147,722	17,475,856	20,844,722	20,794,262	18,658,835	15,485,921	15,567,935
Total business-type activities net position	\$ 209,284,703	\$ 202,582,699	\$ 194,575,274	\$ 186,822,404	\$ 174,912,231	\$ 169,207,150	\$ 158,635,061	\$ 141,306,516	\$ 121,409,334	\$ 105,619,765
Primary government										
Net investment in capital assets	\$ 383,961,428	\$ 375,962,496	\$ 356,811,910	\$ 321,954,757	\$ 303,486,979	\$ 284,829,401	\$ 261,708,640	\$ 234,111,951	\$ 208,145,429	\$ 196,286,846
Restricted	83,214,774	69,992,161	64,999,967	56,367,613	48,522,854	46,356,221	46,902,770	49,137,911	47,496,275	35,402,757
Unrestricted	25,170,311	26,842,360	20,676,948	16,888,512	26,450,675	30,819,130	29,440,157	26,481,011	18,385,813	16,117,605
Total primary government net position	\$ 492,346,513	\$ 472,797,017	\$ 442,488,825	\$ 395,210,882	\$ 378,460,508	\$ 362,004,752	\$ 338,051,567	\$ 309,730,873	\$ 274,027,517	\$ 247,807,208

THE CITY OF NORMAN, OKLAHOMA

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
EXPENSES										
Governmental activities:										
General government	\$ 10,067,554	\$ 10,443,931	\$ 6,904,076	\$ 5,830,137	\$ 3,751,170	\$ 3,829,737	\$ 4,832,140	\$ 4,320,751	\$ 4,003,837	\$ 4,972,208
Planning	3,334,674	3,063,260	2,944,363	3,345,225	3,139,732	2,892,976	2,659,676	2,541,205	2,481,637	2,583,757
City controller	3,256,464	2,404,401	2,299,619	3,487,837	3,317,241	3,128,315	1,768,656	1,674,137	1,639,898	1,930,423
Parks and recreation	5,251,598	5,076,388	4,951,495	5,909,298	5,441,885	4,975,386	4,922,448	4,533,259	4,377,816	4,432,087
Public works	21,126,808	19,810,834	17,384,501	17,665,244	18,412,370	21,420,245	15,465,589	15,406,784	14,756,411	20,422,492
Public service	2,242,861	2,368,850	2,777,749	2,964,057	3,871,811	2,655,470	1,961,034	2,003,240	2,581,878	1,998,243
Public safety	46,133,723	44,528,493	41,050,651	41,750,244	38,223,543	34,176,717	33,641,406	29,942,277	29,553,860	26,573,522
Interest on long-term debt	1,812,032	1,715,040	1,306,589	1,175,941	1,022,021	844,342	554,082	569,374	274,343	289,681
Total governmental activities expenses	93,225,714	89,411,197	79,619,043	82,127,983	77,179,773	73,923,188	65,805,031	60,991,027	59,669,680	63,202,413
Business-type activities:										
Westwood Park	1,451,959	1,477,312	1,475,445	1,458,522	1,498,891	1,343,650	1,221,446	1,238,681	1,206,417	1,172,430
Water	13,776,395	13,630,489	10,479,592	10,307,362	10,650,815	9,582,054	8,895,911	8,435,930	7,122,255	7,244,078
Wastewater	12,229,767	11,846,247	12,736,928	10,794,791	11,534,123	11,417,808	9,433,989	8,781,441	10,563,694	10,963,173
Sanitation	12,325,246	11,679,875	11,055,474	10,802,282	10,395,098	9,765,306	8,499,407	7,982,112	7,538,650	7,303,229
Total business-type activities expenses	39,783,367	38,633,923	35,747,439	33,362,957	34,078,927	32,108,818	28,050,753	26,438,164	26,431,016	26,682,910
Total primary government expenses	\$ 133,009,081	\$ 128,045,120	\$ 115,366,482	\$ 115,490,940	\$ 111,258,700	\$ 106,032,006	\$ 93,855,784	\$ 87,429,191	\$ 86,100,696	\$ 89,885,323

THE CITY OF NORMAN, OKLAHOMA

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 2,431,538	\$ 2,297,341	\$ 186,094	\$ 244,495	\$ 253,409	\$ 775,038	\$ 223,889	\$ 321,790	\$ 212,778	\$ 201,011
Planning	1,213,106	1,123,524	1,009,561	1,080,835	893,633	1,140,867	1,253,092	1,024,964	1,106,865	857,780
City controller	165,969	155,226	66,093	-	-	-	-	-	-	-
Parks and recreation	506,358	568,817	592,238	586,611	426,476	398,639	376,318	495,742	536,999	517,353
Public safety	3,040,640	3,208,642	3,066,665	2,815,951	2,877,921	3,112,702	3,219,228	3,052,862	2,717,420	2,688,111
Operating grants and contributions	6,893,726	8,241,861	6,771,145	8,143,742	6,427,085	10,611,762	5,808,782	6,023,313	6,481,206	2,621,504
Capital grants and contributions	5,754,538	13,944,754	30,934,491	2,513,839	8,102,826	8,507,544	8,913,773	9,867,700	8,963,036	6,251,883
Total governmental activities	20,005,875	29,540,165	42,626,287	15,385,473	18,981,350	24,546,552	19,795,082	20,786,371	20,018,304	13,137,442
Business-type activities:										
Charges for services										
Westwood Park	1,141,661	1,167,227	1,143,973	1,067,800	1,089,329	1,103,631	917,367	970,765	918,127	813,963
Water	14,817,012	15,460,504	14,185,492	13,267,513	12,881,381	12,500,439	13,270,582	9,692,489	7,512,752	7,901,537
Wastewater	11,383,549	11,451,634	11,075,566	11,012,593	11,000,250	10,818,981	11,184,361	10,875,535	11,392,295	11,140,980
Sanitation	13,546,341	13,501,474	11,820,912	11,028,021	11,035,050	10,144,328	9,514,899	9,321,590	9,185,805	7,165,896
Capital grants and contributions	5,006,692	4,291,238	4,474,408	7,215,720	2,055,411	4,631,310	4,538,829	6,590,459	4,454,070	3,722,153
Total business-type activities	45,895,255	45,872,077	42,700,351	43,591,647	38,061,421	39,198,689	39,426,038	37,450,838	33,463,049	30,744,529
program revenues	\$ 65,901,130	\$ 75,412,242	\$ 85,326,638	\$ 58,977,120	\$ 57,042,771	\$ 63,745,241	\$ 59,221,120	\$ 58,237,209	\$ 53,481,353	\$ 43,881,971
Total primary government revenues										
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (73,219,839)	\$ (59,871,032)	\$ (36,992,756)	\$ (66,742,510)	\$ (58,198,423)	\$ (49,376,636)	\$ (46,009,949)	\$ (40,204,656)	\$ (39,651,376)	\$ (50,064,971)
Business-type activities	6,111,888	7,238,154	6,952,912	10,201,690	3,982,494	7,089,871	11,375,285	11,012,674	7,032,033	4,061,619
Total primary government net expense	<u>\$ (67,107,951)</u>	<u>\$ (52,632,878)</u>	<u>\$ (30,039,844)</u>	<u>\$ (56,540,820)</u>	<u>\$ (54,215,929)</u>	<u>\$ (42,286,765)</u>	<u>\$ (34,634,664)</u>	<u>\$ (29,191,982)</u>	<u>\$ (32,619,343)</u>	<u>\$ (46,003,352)</u>

THE CITY OF NORMAN, OKLAHOMA

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
GENERAL REVENUE AND OTHER CHANGES IN NET ASSETS										
Governmental activities:										
Sales taxes	\$ 60,558,342	\$ 58,777,068	\$ 56,146,152	\$ 53,601,698	\$ 52,261,757	\$ 45,565,002	\$ 42,254,425	\$ 40,475,824	\$ 38,468,473	\$ 36,718,650
Franchise taxes	6,572,686	6,584,853	6,228,264	6,262,225	6,215,692	5,797,844	5,646,417	5,670,247	4,752,757	4,701,024
Property taxes	11,532,189	7,931,992	7,684,537	6,111,415	3,373,306	3,485,026	2,219,753	1,989,565	529,570	1,290,799
State use taxes	2,428,484	2,393,708	2,187,289	2,179,503	2,401,933	2,025,502	1,793,426	1,382,344	1,354,892	1,120,771
Hotel/Motel taxes	1,352,311	1,130,488	1,068,000	1,033,060	991,435	905,341	766,801	669,023	633,319	618,176
Alcoholic beverage taxes	285,339	271,359	247,014	232,016	231,077	222,079	205,822	196,415	188,975	179,792
Cigarette taxes	764,653	845,149	816,503	744,416	705,377	641,678	646,688	700,998	298,191	-
Investment earnings	208,763	701,524	396,095	490,604	1,074,489	1,718,553	1,959,682	1,203,712	544,085	148,828
Miscellaneous	2,319,411	2,761,766	962,203	838,558	1,003,269	1,632,050	674,084	1,087,155	2,766,996	811,591
Transfers	734,795	773,892	781,772	89,216	690,763	764,657	835,000	2,635,547	544,858	166,394
Total governmental activities	<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>	<u>62,757,732</u>	<u>57,002,098</u>	<u>56,010,830</u>	<u>50,082,116</u>	<u>45,756,025</u>
Business-type activities:										
Sales taxes	-	-	-	-	-	-	1,737,585	6,860,051	6,526,840	6,246,464
Excise taxes	1,432,321	1,597,960	1,038,715	1,562,722	1,251,242	1,608,254	1,802,750	2,433,537	1,938,152	1,216,873
State use taxes	-	-	-	-	-	-	77,528	363,329	160,186	127,293
Investment earnings	187,837	278,751	355,657	440,118	1,109,011	2,561,016	3,416,220	1,633,778	893,835	311,878
Miscellaneous	241,978	(333,548)	187,358	(205,141)	53,097	77,605	(245,823)	229,660	(216,619)	393,182
Transfers	(734,795)	(773,892)	(781,772)	(89,216)	(690,763)	(764,657)	(835,000)	(2,635,547)	(544,858)	(166,394)
Total business-type activities	<u>1,127,341</u>	<u>769,271</u>	<u>799,958</u>	<u>1,708,483</u>	<u>1,722,587</u>	<u>3,482,218</u>	<u>5,953,260</u>	<u>8,884,808</u>	<u>8,757,536</u>	<u>8,129,296</u>
Total primary government	<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>	<u>\$ 66,239,950</u>	<u>\$ 62,955,358</u>	<u>\$ 64,895,638</u>	<u>\$ 58,839,652</u>	<u>\$ 53,885,321</u>
CHANGE IN NET POSITION										
Governmental activities	\$ 13,537,134	\$ 22,300,767	\$ 39,525,073	\$ 4,840,201	\$ 10,750,675	\$ 13,381,096	\$ 10,992,149	\$ 15,806,174	\$ 10,430,740	\$ (4,308,946)
Business-type activities	7,239,229	8,007,425	7,752,870	11,910,173	5,705,081	10,572,089	17,328,545	19,897,182	15,789,569	12,190,915
Total primary government	<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>	<u>\$ 23,953,185</u>	<u>\$ 28,320,694</u>	<u>\$ 35,703,356</u>	<u>\$ 26,220,309</u>	<u>\$ 7,881,969</u>

THE CITY OF NORMAN, OKLAHOMA

FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General fund										
Reserved	\$ -	\$ -	\$ 1,055,126	\$ 1,826,810	\$ 1,819,264	\$ 1,825,186	\$ 1,012,154	\$ 421,204	\$ 626,408	\$ 440,402
Unreserved	-	-	12,614,678	19,530,033	17,472,575	16,611,606	15,589,593	14,031,688	11,396,491	10,020,748
Nonspendable	337,642	320,512	334,339							
Restricted	-	-	14,307							
Committed	1,510,323	1,503,429								
Assigned	2,169,071	1,467,574	1,037,294							
Unassigned	8,405,617	10,184,006	12,283,864							
Total general fund	\$ 12,422,653	\$ 13,475,521	\$ 13,669,804	\$ 21,356,843	\$ 19,291,839	\$ 18,436,792	\$ 16,601,747	\$ 14,452,892	\$ 12,022,899	\$ 10,461,150
All other governmental funds										
Reserved										
Encumbrances	\$ -	\$ -	-	\$ 7,865,963	\$ 5,682,896	\$ 8,769,381	\$ 7,400,109	\$ 8,083,495	\$ 3,967,941	\$ 4,238,974
Debt service	-	-	-	2,512,584	1,590,705	2,218,703	1,359,284	1,613,892	789,936	1,528,939
Unreserved, reported in:										
Public safety sales tax fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	21,127,319	30,098,079	17,761,773	20,178,393	11,709,351	18,381,249	6,268,468
Special revenue funds	-	-	-	2,647,787	2,800,254	3,863,008	4,217,793	3,452,739	3,202,233	727,788
Restricted	95,384,952	68,041,077	48,791,046							
Assigned	1,350,473	1,059,369	587,163							
Total all other governmental funds	\$ 96,735,425	\$ 69,100,446	\$ 49,378,209	\$ 34,153,653	\$ 40,171,934	\$ 32,612,865	\$ 33,155,579	\$ 24,859,477	\$ 26,341,359	\$ 12,764,169

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)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
REVENUES										
Taxes	\$ 82,444	\$ 76,818	\$ 73,314	\$ 69,188	\$ 65,244	\$ 57,779	\$ 52,681	\$ 50,187	\$ 45,739	\$ 44,449
Licenses & permits	1,212	1,190	1,086	1,156	968	1,165	1,126	933	1,018	927
Intergovernmental revenues	8,637	9,370	9,608	8,354	7,456	12,946	7,174	7,106	7,059	5,143
Charges for services	10,684	10,268	11,775	11,836	10,874	10,070	9,326	8,988	8,448	8,218
Fines and forfeits	2,352	2,554	2,490	2,176	2,204	2,477	2,548	2,465	2,243	2,206
Investment earnings	194	517	389	491	1,075	1,718	1,959	1,204	544	149
Special assessment revenue	-	26	38	50	57	60	74	155	196	924
Other	1,424	2,381	1,006	969	1,196	1,399	846	1,392	2,939	870
Total revenues	<u>106,947</u>	<u>103,124</u>	<u>99,706</u>	<u>94,220</u>	<u>89,074</u>	<u>87,614</u>	<u>75,734</u>	<u>72,430</u>	<u>68,186</u>	<u>62,886</u>
EXPENDITURES										
General government	7,963	8,571	8,036	8,960	6,399	6,136	6,862	6,262	5,843	6,851
Planning	3,387	3,261	3,112	3,394	3,237	2,962	2,763	2,666	2,508	2,561
City controller	4,957	4,405	6,009	5,645	5,360	4,962	3,582	3,416	3,369	3,570
Parks & recreation	4,520	4,598	4,760	5,372	5,034	4,449	4,237	4,189	3,936	3,961
Public works	17,481	17,240	15,863	16,151	16,519	19,923	13,666	13,353	12,332	15,349
Public service	2,239	2,401	2,772	2,961	3,749	2,535	1,839	1,873	2,450	1,861
Public safety	42,780	40,310	37,997	37,312	34,643	32,593	30,808	29,688	27,818	24,431
Capital Outlay	18,152	16,449	16,150	15,654	18,043	11,212	10,293	9,688	4,940	5,765
Debt Service:										
Principal	5,655	4,319	3,750	2,647	2,510	1,470	1,470	2,414	1,317	1,210
Interest	1,578	1,315	1,223	1,004	1,022	844	554	568	274	290
Total expenditures	<u>108,712</u>	<u>102,869</u>	<u>99,672</u>	<u>99,100</u>	<u>96,516</u>	<u>87,086</u>	<u>76,074</u>	<u>74,117</u>	<u>64,787</u>	<u>65,849</u>
Excess of revenues over (under) expenditures	<u>(1,765)</u>	<u>255</u>	<u>34</u>	<u>(4,880)</u>	<u>(7,442)</u>	<u>528</u>	<u>(340)</u>	<u>(1,687)</u>	<u>3,399</u>	<u>(2,963)</u>
OTHER FINANCING SOURCES (USES)										
Bonds issued	28,175	19,861	7,559	-	15,166	-	9,950	-	11,195	798
Premium on issuance of debt	179	19,861	7,559	-	15,166	-	9,950	-	11,195	798
Transfers in	8,863	7,404	9,564	6,900	8,867	5,639	5,612	7,904	4,613	5,023
Transfers out	(8,870)	(7,992)	(8,782)	(6,811)	(8,177)	(4,875)	(4,777)	(5,269)	(4,068)	(4,857)
Total other financing sources (uses)	<u>28,347</u>	<u>39,134</u>	<u>15,900</u>	<u>89</u>	<u>31,022</u>	<u>764</u>	<u>20,735</u>	<u>2,635</u>	<u>22,935</u>	<u>1,762</u>
Net change in fund balances	\$ 26,582	\$ 39,389	\$ 15,934	\$ (4,791)	\$ 23,580	\$ 1,292	\$ 20,395	\$ 948	\$ 26,334	\$ (1,201)
Debt service as a percentage of noncapital expenditures	7.99%	6.52%	5.95%	4.38%	4.50%	3.05%	3.08%	4.63%	2.66%	2.50%

THE CITY OF NORMAN, OKLAHOMA

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General merchandise	\$ 10,174	\$ 14,697	\$ 14,515	\$ 14,138	\$ 13,656	\$ 11,759	\$ 11,323	\$ 12,055	\$ 10,783	\$ 10,242
Eating and drinking establishments	10,372	9,350	8,973	8,498	8,015	7,134	6,714	6,917	6,475	6,186
Miscellaneous retail	17,001	6,177	5,696	5,017	4,444	3,926	3,982	3,933	3,972	3,806
Building materials and farm tools	2,708	3,985	3,421	3,535	3,630	3,216	3,278	3,737	3,577	3,462
Electric, gas & sanitary services	3,393	3,538	3,304	3,377	3,170	2,584	2,795	3,136	2,612	2,518
Home furnishings and appliances	1,963	3,156	3,246	3,045	3,306	2,897	3,038	2,983	2,850	2,209
Food stores	2,430	3,470	3,136	2,933	2,756	2,428	2,493	2,820	3,159	3,227
Apparel and accessory stores	2,423	3,050	2,983	2,765	2,613	2,297	2,162	2,306	2,279	2,191
Communications	1,494	2,480	2,463	2,576	2,398	2,076	1,995	2,116	2,195	2,193
Wholesale trade-durable goods	2,487	2,018	1,687	1,561	1,623	1,472	1,411	1,483	1,520	1,396
All other outlets	5,477	7,267	7,043	6,366	6,498	5,863	5,755	6,037	5,838	5,660
Total	\$ 59,922	\$ 59,188	\$ 56,467	\$ 53,811	\$ 52,109	\$ 45,652	\$ 44,946	\$ 47,523	\$ 45,260	\$ 43,090
City direct sales tax rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.00%	3.00%	3.50%	3.50%	3.50%

Sources: Oklahoma Tax Commission

THE CITY OF NORMAN, OKLAHOMA

DIRECT AND OVERLAPPING SALES TAX RATES LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rate	State of Oklahoma	Cleveland County
2013	3.5 %	4.5 %	0.25 %
2012	3.5 %	4.5 %	0.25 %
2011	3.5 %	4.5 %	0.25 %
2010	3.5 %	4.5 %	0.25 %
2009	3.5 %	4.5 %	0.25 %
2008	3.0 %	4.5 %	0.00 %
2007	3.0 %	4.5 %	0.00 %
2006	3.5 %	4.5 %	0.00 %
2005	3.5 %	4.5 %	0.00 %
2004	3.5 %	4.5 %	0.00 %

Source: Oklahoma Tax Commission

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

THE CITY OF NORMAN, OKLAHOMA

SALES TAX REVENUE PAYERS BY INDUSTRY

FISCAL YEARS 2013 AND 2012

(Dollars in Thousands)

	Fiscal Year 2013				Fiscal Year 2012			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail trade	1,210	42.0 %	\$ 36,699	61.2 %	1,417	48.9 %	\$ 45,474	76.8 %
Accommodation and food service	270	9.4 %	11,309	18.9 %	-	0.0 %	-	0.0 %
Real estate and rental and leasing	192	6.7 %	506	0.8 %	-	0.0 %	-	0.0 %
Transportation and utilities	-	0.0 %	-	0.0 %	151	5.2 %	6,045	10.2 %
Services	-	0.0 %	-	0.0 %	480	16.6 %	3,663	6.2 %
Wholesale trade	461	16.0 %	2,487	4.2 %	492	17.0 %	2,385	4.0 %
Manufacturing	182	6.3 %	1,510	2.5 %	169	5.8 %	1,071	1.8 %
Information	136	4.7 %	1,494	2.5 %	-	0.0 %	-	0.0 %
Other services (except public administration)	101	3.5 %	698	1.2 %	-	0.0 %	-	0.0 %
Professional, scientific, and technical services	73	2.5 %	565	0.9 %	-	0.0 %	-	0.0 %
Arts, entertainment, and recreation	30	1.0 %	467	0.8 %	-	0.0 %	-	0.0 %
Admin, support, waste mgmt and remediation services	30	1.0 %	28	0.0 %	-	0.0 %	-	0.0 %
Agricultural	-	0.0 %	-	0.0 %	14	0.5 %	99	0.2 %
Construction	19	0.7 %	52	0.1 %	16	0.6 %	66	0.1 %
Transportation and warehousing	17	0.6 %	948	1.6 %	-	0.0 %	-	0.0 %
Finance and insurance	15	0.5 %	69	0.1 %	-	0.0 %	-	0.0 %
Utilities	7	0.2 %	3,393	5.7 %	-	0.0 %	-	0.0 %
Agricultural, forestry, fishing and hunting	4	0.1 %	36	0.1 %	-	0.0 %	-	0.0 %
Educational services	4	0.1 %	10	0.0 %	-	0.0 %	-	0.0 %
Health care and social assistance	4	0.1 %	13	0.0 %	-	0.0 %	-	0.0 %
Mining, quarrying, and oil and gas extraction	4	0.1 %	7	0.0 %	-	0.0 %	-	0.0 %
Public administration	4	0.1 %	1	0.0 %	-	0.0 %	-	0.0 %
Mining	-	0.0 %	-	0.0 %	6	0.2 %	8	0.0 %
Finance, insurance and real estate	-	0.0 %	-	0.0 %	13	0.4 %	10	0.0 %
Government	-	0.0 %	-	0.0 %	1	0.0 %	111	0.2 %
Nonclassifiable	121	4.2 %	(368)	(0.6)%	141	4.9 %	256	0.4 %
Total	2,884	100.0 %	\$ 59,924	100.0 %	2,900	100.0 %	\$ 59,188	100.0 %

Sources: Oklahoma Tax Commission

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

THE CITY OF NORMAN, OKLAHOMA

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

Fiscal Year	Governmental Activities				Business-Type Activities							Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹		
	General		Special		Revenue	Term		Capital	Leases							
	Obligation	Bonds	Assessment	Debt		Loans	Loans									
2004	\$	5,270	\$	847	\$	-	\$	15,205	\$	9,131	\$	103	\$	30,556	0.5 %	293.28
2005		15,275		721		-		14,055		8,141		75		38,267	0.6 %	358.86
2006		12,945		638		-		13,905		7,122		41		34,651	0.5 %	318.64
2007		21,505		558		-		33,595		6,478		8		62,144	0.9 %	565.78
2008		20,115		479		-		31,885		5,825		-		58,304	0.7 %	526.20
2009		28,370		399		4,481		30,135		5,162		-		68,547	0.8 %	622.72
2010		25,915		319		4,481		28,335		10,816		-		69,866	0.8 %	614.30
2011		28,495		239		5,789		26,480		20,088		-		81,091	0.9 %	733.26
2012		43,140		-		6,925		24,570		22,025		-		96,660	1.1 %	853.34
2013		58,620		-		13,965		22,595		22,868		-		118,048	1.2 %	1,021.51

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

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

THE CITY OF NORMAN, OKLAHOMA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

(dollars in thousands, except per capita)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value ¹ of Property	Per Capita ²
2004	\$ 5,270	\$ 1,529	\$ 3,741	0.76%	35.91
2005	15,275	790	14,485	2.77%	135.84
2006	12,945	1,614	11,331	1.99%	104.20
2007	21,505	1,359	20,146	3.27%	183.42
2008	20,115	2,219	17,896	2.69%	161.51
2009	28,370	1,591	26,779	3.74%	239.49
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	58,620	9,121	49,499	6.13%	428.33

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

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

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

THE CITY OF NORMAN, OKLAHOMA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2013

(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	72,150	96.84%	69,870
Debt repaid with property taxes: McLoud Public Schools	-	0.03%	-
Debt repaid with property taxes: Robin Hill Public Schools	368	0.11%	0
Debt repaid with property taxes: Noble Public Schools	4,325	0.71%	31
Debt repaid with property taxes: Mid Del Public Schools	36,910	0.02%	7
Debt repaid with property taxes: Little Axe Public Schools	715	0.19%	1
Debt repaid with property taxes: Moore Public Schools	<u>57,155</u>	1.99%	<u>1,137</u>
Subtotal, overlapping debt	171,623		71,047
City of Norman direct debt			<u>72,585</u>
Total direct and overlapping debt			<u>\$ 143,632</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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Assessed value of property	\$ 807,370	\$ 790,324	\$ 773,094	\$ 719,235	\$ 715,777	\$ 665,056	\$ 616,042	\$ 568,867	\$ 523,590	\$ 495,332
Debt limit ¹ , 10% of assessed value	80,737	79,032	77,309	71,924	71,578	66,506	61,604	56,887	52,359	49,533
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	\$ 80,737	\$ 79,032	\$ 77,309	\$ 71,924	\$ 71,578	\$ 66,506	\$ 61,604	\$ 56,887	\$ 52,359	\$ 49,533
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	\$ 242,211	\$ 237,097	\$ 231,928	\$ 215,771	\$ 214,733	\$ 199,517	\$ 184,813	\$ 170,660	\$ 157,077	\$ 148,600
Amount of debt applicable to limit:										
General Obligation Bonds	58,620	43,140	28,495	25,915	28,370	20,115	21,505	12,945	15,275	5,270
Less: Resources restricted to paying principal	(9,121)	(4,817)	(3,669)	(2,513)	(1,591)	(2,219)	(1,359)	(1,614)	(790)	(1,529)
Total net debt applicable to limit	49,499	38,323	24,826	23,402	26,779	17,896	20,146	11,331	14,485	3,741
Legal debt margin	\$ 192,712	\$ 198,774	\$ 207,102	\$ 192,369	\$ 187,954	\$ 181,621	\$ 164,667	\$ 159,329	\$ 142,592	\$ 144,859
Total net debt applicable to the limit as a percentage of debt limit	20.44%	16.16%	10.70%	10.85%	12.47%	8.97%	10.90%	6.64%	9.22%	2.52%

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		Gross Revenue ¹	Less: Operating Expenses ²	Net Available Revenue	Debt Service		Special Assessment Collections	Debt Service		Coverage	
				Principal	Interest				Principal	Interest		Principal	Interest		
2004	\$ 19,550	\$ 13,337	\$ 6,213	\$ 2,614	\$ 813	\$ 8,512	\$ 7,724	\$ 788	\$ 525	\$ 242	\$ 947	\$ 60	\$ 8	13.93	
2005	24,282	10,130	14,152	1,595	690	10,409	7,803	2,606	545	214	215	127	38	1.30	
2006	28,405	9,828	18,577	1,300	365	10,568	8,341	2,227	575	169	169	83	31	1.48	
2007	33,524	5,663	27,861	1,454	1,063	10,872	8,681	2,191	200	160	74	80	27	0.69	
2008	31,428	7,888	23,540	2,153	1,401	11,715	9,931	1,784	210	147	60	80	24	0.58	
2009	27,662	13,513	14,149	2,193	1,358	12,384	10,630	1,754	220	136	57	80	20	0.57	
2010	33,559	10,873	22,686	2,242	1,251	12,659	10,947	1,712	375	194	50	80	17	0.52	
2011	30,345	11,793	18,552	1,807	1,354	13,382	11,243	2,139	295	204	38	80	14	0.40	
2012	31,347	14,361	16,986	3,153	1,667	15,124	11,800	3,324	310	291	32	239	37	0.12	
2013	31,037	17,001	14,036	3,163	1,430	15,057	12,459	2,598	325	231	-	-	-	-	

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

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

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

THE CITY OF NORMAN, OKLAHOMA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal year	Population ¹	Personal Income (billions of dollars) ⁵	Per Capita Income ²	Median Age ²	School Enrollment ³	Unemployment Rate ⁴
2004	104,188	\$6.1	23,874	29.3	12,433	3.50%
2005	106,636	6.5	26,240	32.9	12,672	4.70%
2006	108,748	6.9	27,440	33.3	12,767	4.10%
2007	109,837	7	23,089	30	12,736	4.70%
2008	110,803	7.9	24,532	29.6	13,296	3.70%
2009	111,817	8.1	26,371	29.4	13,563	4.80%
2010	113,733	8.7	26,371	29.4	14,025	5.30%
2011	111,398	8.7	24,586	30.4	14,644	5.00%
2012	113,273	9.1	26,058	29.6	15,022	4.40%
2013	115,562	9.6	27,343	29.7	15,510	5.00%

Data Sources

¹ Years 2003-10 estimated by the City of Norman Planning Department. Years 2011- 13 obtained from census data

² Norman Chamber of Commerce, NEDC, Oklahoma Department of Commerce 2004-2005 estimated, U.S. Census Bureau, American Community Survey 2006-2013 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	2013			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
The University of Oklahoma	11,879	1	21.39%	8,430	1	16.19%
Norman Regional Hospital	2,800	2	5.04%	1,987	2	3.82%
Norman Public Schools	1,821	3	3.28%	1,533	3	2.94%
York International/Johnson Controls	1,118	4	2.01%	900	4	1.73%
City of Norman	829	5	1.49%	767	5	1.47%
Department of Mental Health & Substance Abuse	578	6	1.04%	750	6	1.44%
NOAA National Severe Storm Laboratory	550	7	0.99%	400	10	0.77%
USPS National Center for Employee Development	420	8	0.76%	550	7	1.06%
ClientLogic / Sitel	401	9	0.72%	-		
Oklahoma Veteran's Center - Norman	399	10	0.72%	361	9	0.69%
Griffin Memorial Hospital			-	414	8	0.80%
Sysco	-		-	400	10	0.77%
Total	<u>20,795</u>		<u>37.44%</u>	<u>16,492</u>		<u>31.68%</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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government	38	36	36	49	48	44	45	45	45	50
Planning	36	36	37	39	39	39	38	39	38	38
City controller	37	38	38	38	38	38	37	38	36	40
Parks & recreation	52	54	53	60	63	85	80	83	76	77
Public works	108	106	104	107	107	102	92	95	95	97
Public safety										
Police	240	229	237	216	192	186	177	184	161	181
Fire	157	142	137	134	133	131	127	124	125	128
Westwood	18	19	18	18	20	35	33	35	33	31
Water	49	49	48	47	50	50	51	47	47	50
Wastewater	42	40	41	42	42	42	40	42	40	41
Sanitation	57	55	56	52	53	52	52	49	48	48
Total	834	804	805	802	785	804	772	781	744	781

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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Planning										
Building permits issued	1,997	1,661	1,212	1,243	1,252	1,271	1,249	1,557	1,401	1,580
Building inspections conducted	26,410	21,572	24,001	24,489	25,925	26,061	28,194	32,681	31,236	32,604
Police										
Physical arrests	5,922	5,740	6,005	8,596	8,227	5,628	5,938	4,570	5,983	4,374
Parking violations	10,053	5,883	4,848	6,791	14,332	13,883	14,917	21,075	18,164	19,928
Traffic violations	16,295	17,531	19,102	19,215	17,349	21,868	22,298	22,111	34,221	20,334
Non-traffic violations	4,423	4,996	4,260	4,531	4,745	4,881	5,281	6,089	5,699	5,184
Fire										
Calls answered	11,560	11,129	11,198	10,530	10,376	11,050	9,601	9,137	8,224	7,571
Inspections	2,700	2,814	2,623	3,050	2,815	3,083	3,879	3,589	3,947	4,367
Sanitation										
Refuse collected (tons per day)	298	279	292	289	276	228	252	252	249	248
Recyclables collected (tons per day)	28	22	11	13	12	9	7	6	6	6
Highways and streets										
Street resurfacing (miles)	19	26	19	9	11	6	10	18	17	21
Street patching (tons of asphalt used)	1,178	792	2,651	2,621	3,521	2,451	4,092	5,018	3,358	3,652
Parks and recreation										
Athletic field permits issued	159,817	170,291	174,268	168,648	154,757	169,933	166,167	168,182	154,405	159,397
Community center admissions	138,109	142,738	145,828	155,380	152,071	149,581	125,983	124,586	151,220	139,405
Water										
New connections	919	364	649	632	562	537	604	794	882	1,380
Water main breaks	268	308	177	163	143	112	206	216	130	202
Average daily consumption (thousands of gallons)	12,390	13,220	13,060	15,800	12,420	12,320	13,270	14,430	12,370	12,140
Peak daily consumption (thousands of gallons)	24,820	23,940	22,290	22,240	23,380	22,330	24,260	22,520	21,320	23,700
Wastewater										
Average daily sewage treatment (thousands of gallons)	10,300	9,500	10,500	10,800	10,800	10,300	10,700	9,800	10,200	9,770

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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	120	118	108	105	100	85	85	85	85	85
Fire stations	8	8	8	7	7	7	7	7	7	7
Sanitation										
Collection trucks	41	41	41	42	42	39	39	36	36	36
Highways and streets										
Streets (miles)	752	749	745	740	738	735	835	804	793	787
Streetlights	6,191	6,115	5,585	5,577	5,497	5,381	5,323	5,221	5,090	4,835
Traffic signals	189	185	176	170	170	165	159	155	155	148
Parks and recreation										
Acreage	1,150	1,150	1,142	1,142	1,133	1,131	1,125	1,004	1,004	999
Playgrounds	52	52	51	50	50	50	50	50	50	48
Swimming pools	5	5	5	5	5	5	5	5	5	6
Tennis courts	22	22	22	22	22	22	22	22	22	26
Community centers	5	5	5	5	5	5	5	5	5	10
Golf courses	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	566	562	547	536	531	520	510	498	490	481
Fire hydrants	5,498	5,392	5,337	5,158	5,038	4,904	4,779	4,566	4,401	4,170
Water towers	4	4	4	4	4	5	5	5	5	5
Maximum daily capacity (thousands of gallons)	22,600	22,600	20,300	20,300	19,577	20,100	14,000	14,000	14,000	14,000
Wastewater										
Sanitary sewers (miles)	485	479	476	466	462	455	451	438	431	423
Manholes	11,387	11,228	11,154	10,885	10,665	10,585	10,490	10,176	9,960	9,707
Maximum daily treatment capacity (thousands of gallons)	30,000	24,000	24,000	24,000	24,000	24,000	24,000	30,000	30,000	24,000

Sources: Various city departments.

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



INSIDE BACK COVER – Westheimer Airport hosts an annual “Aviation Festival” in Norman, “The City of Festivals,” each fall. Dozens of vintage aircraft of hundreds of remote-controlled model aircraft are featured at the Aviation Festival, along with tours of the terminal facility and demonstrations of state-of-the-art avionics and aviation technology.

BACK COVER - On home football game weekends for the Oklahoma Sooners, Westheimer is one of the busiest airports in the state of Oklahoma, with a total of over 65,000 takeoffs and landings per year.

