



COMPREHENSIVE ANNUAL FINANCIAL REPORT



THE CITY OF NORMAN, OKLAHOMA

FISCAL YEAR ENDING JUNE 30, 2015



On the Cover—Norman's Lake Thunderbird

Authorized by an act of the U.S. Congress on June 27, 1960 and fully operational in 1966, the Lake Thunderbird reservoir serves as Norman's major source of drinking water. Jointly owned by the cities of Norman, Del City and Midwest City and operated by the Central Oklahoma Master Conservancy District, Lake Thunderbird is also a major recreational facility and wildlife preserve.

In August, 2016, the Norman Utilities Authority will retire its debt on the construction of Lake Thunderbird's dam, spillway, water intake and pumping facilities, after 42 years. The City's adopted 2060 Strategic Water Supply Plan calls for continued use of Lake Thunderbird as a source of potable water and adding to the water supply through a reuse (wastewater reclamation) program, recycling highly treated wastewater to Lake Thunderbird tributaries to supplement the water available to be drawn from the reservoir.

The cover and divider page artwork was prepared by the City of Norman's Office Services Division staff, with photographs provided by the Norman Utilities Department and the Oklahoma Department of Tourism and Recreation.

**The City
of
Norman, Oklahoma**



**Comprehensive
Annual Financial Report
Fiscal Year Ended
June 30, 2015**

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

THE CITY OF NORMAN, OKLAHOMA

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	i - x
FINANCIAL SECTION:	
INDEPENDENT AUDITOR'S REPORT	1 – 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 17
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	18
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet – Governmental Funds	20
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Net Position – Proprietary Funds	23
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	24
Statement of Cash Flows – Proprietary Funds	25
Statement of Fiduciary Net Position – Fiduciary Funds	26
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	27
Notes to the Financial Statements	28 - 71

REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)	72
Schedule of the City's Contributions	73
Schedule of Funding Progress – Employee Retirement System of the City of Norman, Oklahoma – Other Postemployment Benefits (OPEB)	74
Budgetary Comparison Schedule – General Fund	75 – 79
Budgetary Comparison Schedule – Public Safety Sales Tax Fund	80
Notes to Required Supplementary Information on Budgetary Comparison Schedule – General Fund	81

OTHER SUPPLEMENTARY INFORMATION:

Combining Balance Sheet – Nonmajor Governmental Funds	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	83
Budgetary Comparison Schedule - Special Revenue Funds:	
Norman Room Tax Fund	84
Community Development Fund	85
Special Grants Fund	86 - 87
Park Land Fund	88
Seizures and Restitutions Fund	89
Cleet Fund	90
Tax Increment District Fund	91
Art in Public Places Fund	92
Budgetary Comparison Schedule - Debt Service Fund	93
Budgetary Comparison Schedule - Capital Projects Fund	94
Notes to Other Supplementary Information on Budgetary Comparison Schedules – Special Revenue Funds, Debt Service Fund and Capital Projects Fund	95
Combining Financial Schedules and Statements – Enterprise Funds and Fiduciary Funds:	
Norman Municipal Authority:	
Combining Schedule of Net Position	96
Combining Schedule of Revenues, Expenses and Changes in Fund Equity	97
Combining Schedule of Cash Flows	98
Norman Utilities Authority:	
Combining Schedule of Net Position	99

	Page
Combining Schedule of Revenues, Expenses and Changes in Fund Equity	100
Combining Schedule of Cash Flows	101
Fiduciary Funds:	
Combining Statement of Net Position	102
Combining Statement of Changes in Fiduciary Net Position	103
Statement of Changes in Assets and Liabilities – Agency Funds	104
STATISTICAL SECTION (UNAUDITED):	
Statistical Section Table of Contents	105
Net Position by Component	106
Changes in Net Position	107 - 109
Fund Balances of Governmental Funds	110
Changes in Fund Balances of Governmental Funds	111
Taxable Sales by Category	112
Direct and Overlapping Sales Tax Rates	113
Sales Tax Revenue Payers by Industry	114
Ratios of Outstanding Debt by Type	115
Ratios of General Bonded Debt Outstanding	116
Direct and Overlapping Governmental Activities Debt	117
Legal Debt Margin Information	118
Pledged-Revenue Coverage	119
Demographic and Economic Statistics	120
Principal Employers	121
Full-Time Equivalent City Employees by Function	122
Operating Indicators by Function	123
Capital Asset Statistics by Function	124

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INTRODUCTORY SECTION



The City of **NORMAN**

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

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

December 7, 2015

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, 2015.

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, 2015. The independent auditors’ report is located at the front of the financial section of this report.

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

Profile of the Government

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

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

The City provides a full range of municipal government services to over 118,000 residents and numerous visitors annually. Municipal services provided include: traffic control; water production and distribution; stormwater management and flood control; wastewater collection and treatment (water reclamation); solid waste collection and disposal; emergency response services; city code enforcement; crime prevention, enforcement and adjudication; construction and maintenance of streets and bridges; maintenance of park land; and public recreational facilities.

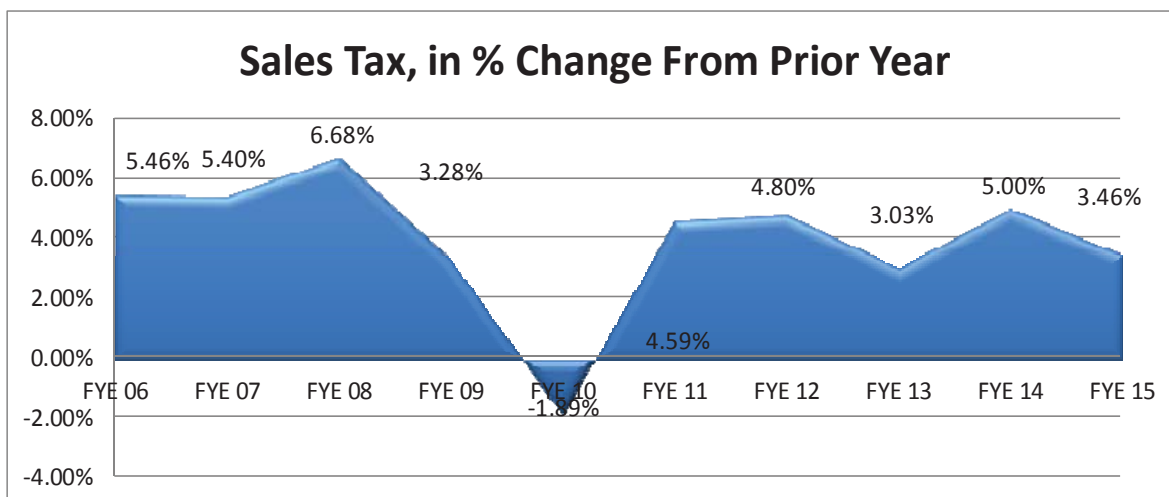
The City does not operate hospitals, schools, or public transportation systems. Special districts and governmental entities with independent authority administer the public hospital, public schools and the university within the City. The City contributes to a public transportation system operated by the University of Oklahoma, which operates throughout Norman. The City will begin providing School Resource Officers in Norman public schools in fiscal year 2016-2017.

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

Local Economy; Relevant Financial Policies

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

One of the best indicators of the economic condition of the City is the evaluation of trends in some key factors. Sales and use taxes and franchise fees collectively represent 57% of the City's total General Fund revenue. Overall, sales tax collections increased 3.46% from FYE 2014 levels. Collections from the City's franchise fees (charges to private electric, natural gas and cable companies to operate within the City's rights-of-way) increased 5.5% from FYE 2014 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:



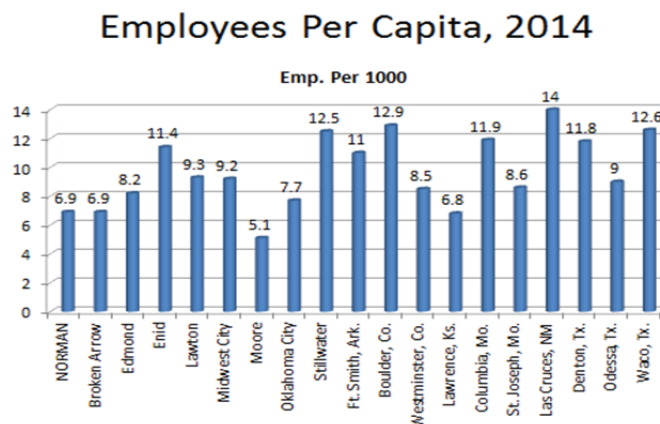
Since sales and use taxes and building permit revenues are a primary source of the City's general governmental revenue, are by nature volatile, and because Norman is subject to extreme weather conditions which can necessitate significant unexpected expenditures during the course of the budget year, the City must budget conservatively and maintain sufficient fund balances to absorb any shortfalls that may occur. As a result of this factor, prudent reserve policies have been codified in a Net Revenue Stabilization ("Rainy Day") Fund Ordinance. The Ordinance requires a budgetary fund balance of at least three percent (3%) of budgeted expenditures in the General Fund, a General Fund "Emergency Reserve" appropriation of 2%, and a minimum of 3 percent of General Fund expenditures to be maintained in a separate "Rainy Day" Fund (a minimum total of 8 percent of General Fund expenditures are mandated to be held in reserve fund balances or appropriations). The Ordinance sets a Targeted Rainy Day Fund balance of 4.5% of General Fund expenditures (the cumulative Targeted Reserve Fund Balance is 9.5% of General Fund expenditures).

Fund balance in the Net Revenue Stabilization Fund can only be appropriated for expenditure in case of federally-declared disasters or extraordinary capital expense requirements in the General Fund, or if the General Fund balance falls below one percent. The Ordinance requires that the Net Revenue Stabilization Fund balance be built or rebuilt to its minimum level within three years of the establishment of the Fund, or within three years of any expenditure of Rainy Day Fund balances. The City of Norman's Rainy Day Fund is being maintained at its Targeted level as of June 30, 2015, and all required General Fund reserve levels are met.

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. As illustrated below, the City of Norman has an extremely small general governmental workforce compared to similar cities.



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

The financial status of the City's utility enterprise funds is driven by major capital expenditures. Major capital improvement programs are under way in the Water and Wastewater Utility operations, financed by ratepayer revenues 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 (Water Reclamation) Treatment Plants.

Voters approved a sewer rate increase in 2013 to finance \$63,000,000 in improvements to and expansion of the City's Water Reclamation Facility. These improvements are now underway.

Major Initiatives

As noted above, the Norman Utilities Authority will retire its debt on Lake Thunderbird in August, 2016. Norman's Strategic Water Supply Plan 2060, adopted on June 24, 2014 is the next comprehensive plan to provide for the City's drinking water needs for the next 40-50 years. The crux of this plan is to add additional groundwater supply (wells) and to "augment" the water that can be drawn from Lake Thunderbird by adding highly treated wastewater to the Lake through tributaries near the Norman Water Reclamation Facility. Analyses of future rate and fee structures to pay for the major capital facilities to implement this long-range plan are underway.

On October 13, 2015, the voters of Norman approved a temporary 15-year, one-half percent (1/2%) sales tax to fund quality of life improvements to various city library, park, athletic and recreational facilities. The NORMAN FORWARD initiative envisions over \$143,000,000 in capital improvements to be made, including the following:

✓ New Central and Eastside Branch Libraries	\$44,000,000
✓ James Garner Avenue Extension	\$ 6,000,000
✓ New Indoor Aquatic Facility	\$14,000,000
✓ Westwood (Outdoor) Pool Reconstruction	\$12,000,000
✓ Westwood Tennis Center Renovation	\$ 1,000,000
✓ Reaves Park Baseball Complex Renovation	\$10,000,000
✓ Griffin Park Land Purchase	\$10,000,000
✓ Griffin Park Soccer Complex Reconstruction	\$11,000,000
✓ New Football and Softball Complex	\$ 2,500,000
✓ New Indoor Multi-Sport Facility	\$ 8,500,000
✓ Neighborhood Park/Trail Development	\$14,500,000
✓ Community Park Development	\$ 9,500,000
✓ Canadian River Trails Park Development	\$ 2,000,000
✓ Road and Infrastructure Improvements	\$ 3,000,000

Other authorized NORMAN FORWARD improvements could include public art installations, senior center construction or renovation, and support personnel.

Norman adopted its first Comprehensive Transportation Plan on May 13, 2014. The CTP establishes a framework for decisions and improvements planned, designed and maintained to integrate vehicular, pedestrian, bicycling and public transit uses. Components of the CTP include:

- Thoroughfare Plan
- Bicycle/Pedestrian Plan
- Multi-Modal Regional Transit Plan
- Design Criteria
- Traffic Impact Analysis Guidelines

The City is also in preliminary phases of a major update to its Comprehensive Land Use Plan. The new Comprehensive Plan is projected to be adopted in 2016.

Under U.S. Department of Housing and Urban Development's Community Development Block Grant guidelines, the City was awarded over \$21,000,000 in one-time Disaster Recovery grants to repair roads, bridges and storm drainage structures damaged in wildfires and severe storms in 2013 and 2014. Grant expenditures will be reported in the City's Statement of Federal Awards in the Single Audit Report.

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, 2014. 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, CPFO, and Municipal Accountant Debbie Whitaker deserve particular recognition for their efforts in preparing representative financial statements. We would also like to thank BKD, LLP, independent auditors of the City, for their guidance and technical assistance.

Finally, we would like to express our gratitude and appreciation to the members of the Norman City Council and the Council's Finance and Audit Committee for your policy guidance which is contained in this document. As the governing body, your commitment to ensure accurate and reliable financial accounting and reporting systems, and to provide adequate staffing levels to ensure them, establishes an environment influencing all other decisions that are made. We are proud to convey the City Council's commitment to excellence to our citizens and all readers of the FYE 2015 CAFR.

Respectfully submitted,



Steven Lewis
City Manager



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



Government Finance Officers Association

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

Presented to

**City of Norman
Oklahoma**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

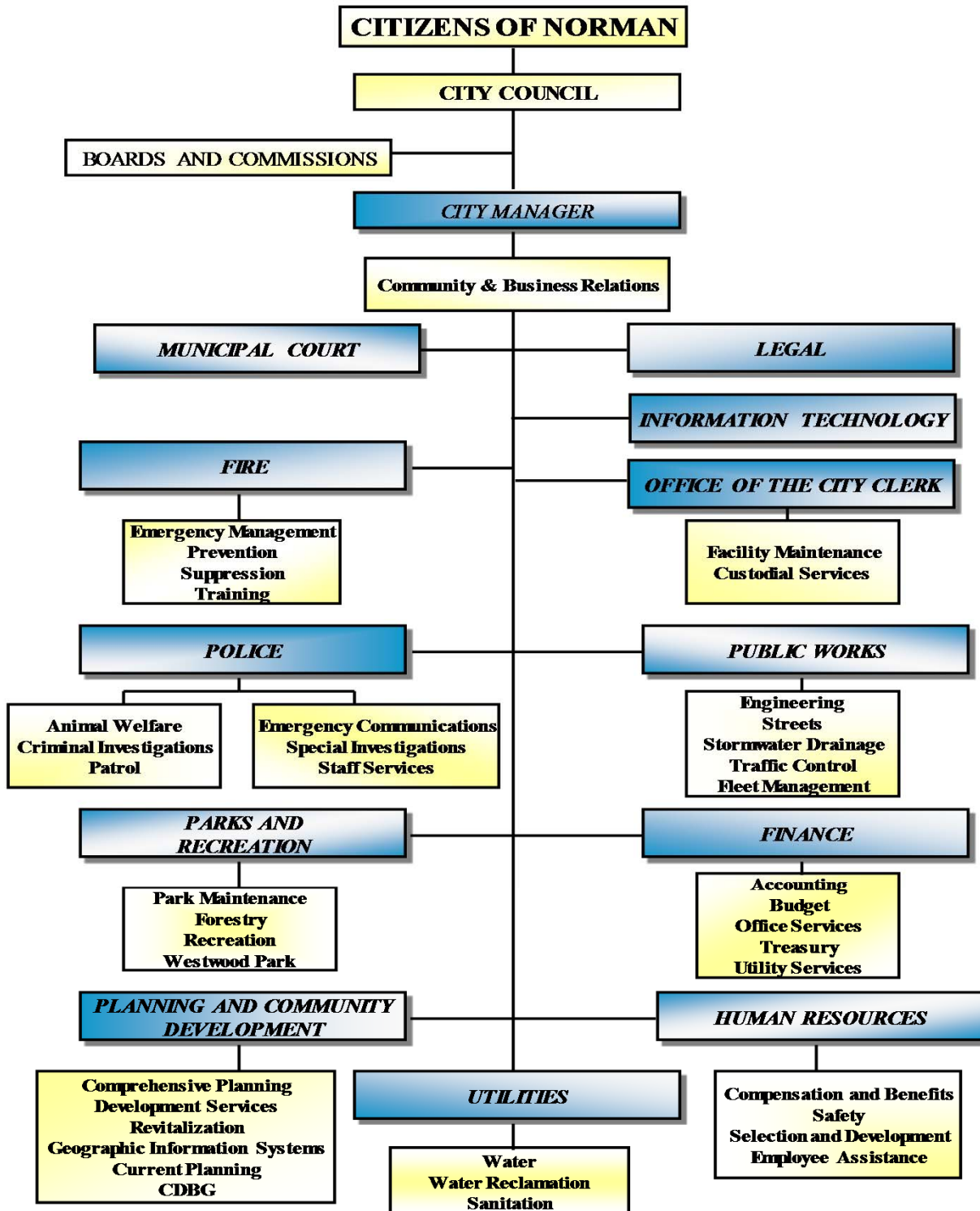
June 30, 2014

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive, flowing style with a prominent 'J' and 'E'.

Executive Director/CEO



City Of Norman Organization Chart



CITY OFFICIALS

MAYOR
Cindy Rosenthal

Ward 1	Greg Heiple	Ward 5	Lynne Miller
Ward 2	Clint Williams	Ward 6	Jerry Lang
Ward 3	Robert Castleberry	Ward 7	Stephen Holman
Ward 4	Gregory Jungman	Ward 8	Kyle Allison

City Manager Steve Lewis

ACCOUNTING & RESEARCH STAFF

Anthony Francisco, CPFO, CTP, CPFA
Finance Director

Clint Mercer, CPA, CPFO
Chief Accountant

Debbie Whitaker
Municipal Accountant III

Mindy Aynes
Municipal Accountant I

Mary Anne Kirkland
Administrative Technician IV

Lisa Woods
Municipal Accountant I

Suzanne Krohmer, CPFO
Budget Manager

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FINANCIAL SECTION

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, 2015. 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-vi of this report. In addition, the 2014 balances included in this management's discussion and analysis have not been restated to reflect the adoption of the new pension accounting standards that were required to be adopted in the fiscal year ended June 30, 2015.

Financial Highlights

- The assets and deferred outflow of resources of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$524,409,304 (net position).
- The City's total net position increased by \$12,603,274.
- The City also booked a beginning balance adjustment of \$(49,550,152) associated with the City's implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 – *Financial Reporting for Pension Plans*. This amount represents the City's portion of the net pension liability of the Oklahoma Police Pension and Retirement System and the Oklahoma Firefighters Pension and Retirement System.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$140,022,820, a increase of \$38,720,124 in comparison with the prior year. Approximately 94% or \$131,732,265 was nonspendable, restricted, committed or assigned for specific purposes. Approximately 6% or \$8,290,555 was unassigned at fiscal year end.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,290,555 or 12 % of total general fund expenditures.
- The City's total debt increased by \$34,416,149 during the current fiscal year. Key factors of this change were issuance of the General Obligation Bonds, Series 2015 (\$22,525,000), issuance of the Norman Municipal Authority, Sales Tax Revenue Note, Series 2015 (\$22,825,000) and refinance of the Norman Utility Authority, Utility Revenue Bonds Series 2003 (\$7,590,000), the Norman Utility Authority, Utility Revenue Bonds Series 2005 (\$4,780,000) and the Norman Utility Authority, Utility Revenue Bonds Series 2006 (\$20,700,000) with the Norman Utility Authority, Utility Revenue Bonds Series 2015 (\$17,505,000). Also, the City made its normally scheduled payments.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, planning, city controller, parks and recreation, public works, public service and public safety. The business-type activities of the City include the Norman Municipal Authority (the "NMA"), the Norman Utilities Authority (the "NUA") and the Norman Economic Development Authority (the "NEDA"). The NMA operates Westwood Park and the City's sanitation services. Westwood Park includes golf, tennis and swimming facilities. The NUA operates the City's water and wastewater services. The NEDA includes financing and operating economic development activities for the City.

The government-wide financial statements can be found on pages 18-19 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 20-22 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 23-25 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 26-27 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-70 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 82-104 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 \$524,409,304 at the close of the most recent fiscal year.

**Net Position
As of June 30**

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 156,238,568	\$ 112,851,259	\$ 58,245,194	\$ 65,881,419	\$ 214,483,762	\$ 178,732,678
Capital assets	321,908,723	282,046,362	222,229,879	196,648,007	544,138,602	478,694,369
Total assets	478,147,291	394,897,621	280,475,073	262,529,426	758,622,364	657,427,047
Deferred outflows	7,527,022	-	1,114,794	210,173	8,641,816	210,173
Long-term liabilities	149,786,295	74,029,632	35,973,924	39,043,846	185,760,219	113,073,478
Other liabilities	25,109,755	22,901,719	17,257,551	9,855,993	42,367,306	32,757,712
Total liabilities	174,896,050	96,931,351	53,231,475	48,899,839	228,127,525	145,831,190
Deferred inflows	14,727,351	-	-	-	14,727,351	-
Net position:						
Net investment in capital assets	282,047,232	244,461,034	183,385,272	159,760,362	465,432,504	404,221,396
Restricted	62,156,755	59,573,841	10,023,153	23,214,855	72,179,908	82,788,696
Unrestricted	(48,153,075)	(6,068,605)	34,949,967	30,864,543	(13,203,108)	24,795,938
Total net position	\$ 296,050,912	\$ 297,966,270	\$ 228,358,392	\$ 213,839,760	\$ 524,409,304	\$ 511,806,030

By far the largest portion of the City's net position (89 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 (14 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a negative \$13,203,108.

There was an increase of \$14.5 million in the net position reported in connection with the City's business-type activities. This increase was due to several factors. See below for more information.

Before consideration of the change in accounting principle, the governmental net position increased by \$47.6 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	
	2015	2014	2015	2014	2015	2014
Program Revenues:						
Charges for services	\$ 8,544,476	\$ 7,858,623	\$ 46,821,734	\$ 43,069,205	\$ 55,366,210	\$ 50,927,828
Operating grants & contributions	7,758,836	7,533,947	-	-	7,758,836	7,533,947
Capital grants & contributions	29,958,311	5,501,318	7,703,017	3,721,838	37,661,328	9,223,156
General revenues:					-	-
Sales and excise taxes	65,778,553	63,580,323	2,149,079	1,769,195	67,927,632	65,349,518
Franchise taxes	7,155,689	6,782,746	-	-	7,155,689	6,782,746
Property taxes	11,620,098	12,481,940	-	-	11,620,098	12,481,940
State use taxes	2,864,048	2,504,136	-	-	2,864,048	2,504,136
Other taxes	2,859,352	2,668,049	-	-	2,859,352	2,668,049
Investment earnings	323,863	379,805	250,382	342,984	574,245	722,789
Miscellaneous	2,196,990	2,458,091	1,066,246	312,984	3,263,236	2,771,075
Total revenues	139,060,216	111,748,978	57,990,458	49,216,206	197,050,674	160,965,184
Expenses:						
General government	8,500,923	11,353,764	-	-	8,500,923	11,353,764
Planning	3,297,788	3,208,350	-	-	3,297,788	3,208,350
City controller	706,793	3,337,932	-	-	706,793	3,337,932
Parks and recreation	5,194,010	5,555,796	-	-	5,194,010	5,555,796
Public works	22,130,634	21,530,165	-	-	22,130,634	21,530,165
Public service	2,875,451	2,841,186	-	-	2,875,451	2,841,186
Public safety	47,480,003	47,819,597	-	-	47,480,003	47,819,597
Interest on long-term debt	2,325,103	1,901,483	-	-	2,325,103	1,901,483
Westwood park	-	-	1,352,050	1,456,266	1,352,050	1,456,266
Water	-	-	13,258,111	13,261,728	13,258,111	13,261,728
Wastewater	-	-	15,477,741	15,658,935	15,477,741	15,658,935
Sanitation	-	-	12,298,641	13,580,465	12,298,641	13,580,465
Total expenses	92,510,705	97,548,273	42,386,543	43,957,394	134,897,248	141,505,667
Change in net assets before transfers	46,549,511	14,200,705	15,603,915	5,258,812	62,153,426	19,459,517
Transfers	1,085,283	703,755	(1,085,283)	(703,755)	-	-
Change in net assets	47,634,794	14,904,460	14,518,632	4,555,057	62,153,426	19,459,517
Net assets, beginning	297,966,270	283,061,810	213,839,760	209,284,703	511,806,030	492,346,513
Cumulative effect of accounting change	(49,550,152)	-	-	-	(49,550,152)	-
Net assets, beginning revised	248,416,118	283,061,810	213,839,760	209,284,703	462,255,878	492,346,513
Net assets, ending	\$ 296,050,912	\$ 297,966,270	\$ 228,358,392	\$ 213,839,760	\$ 524,409,304	\$ 511,806,030

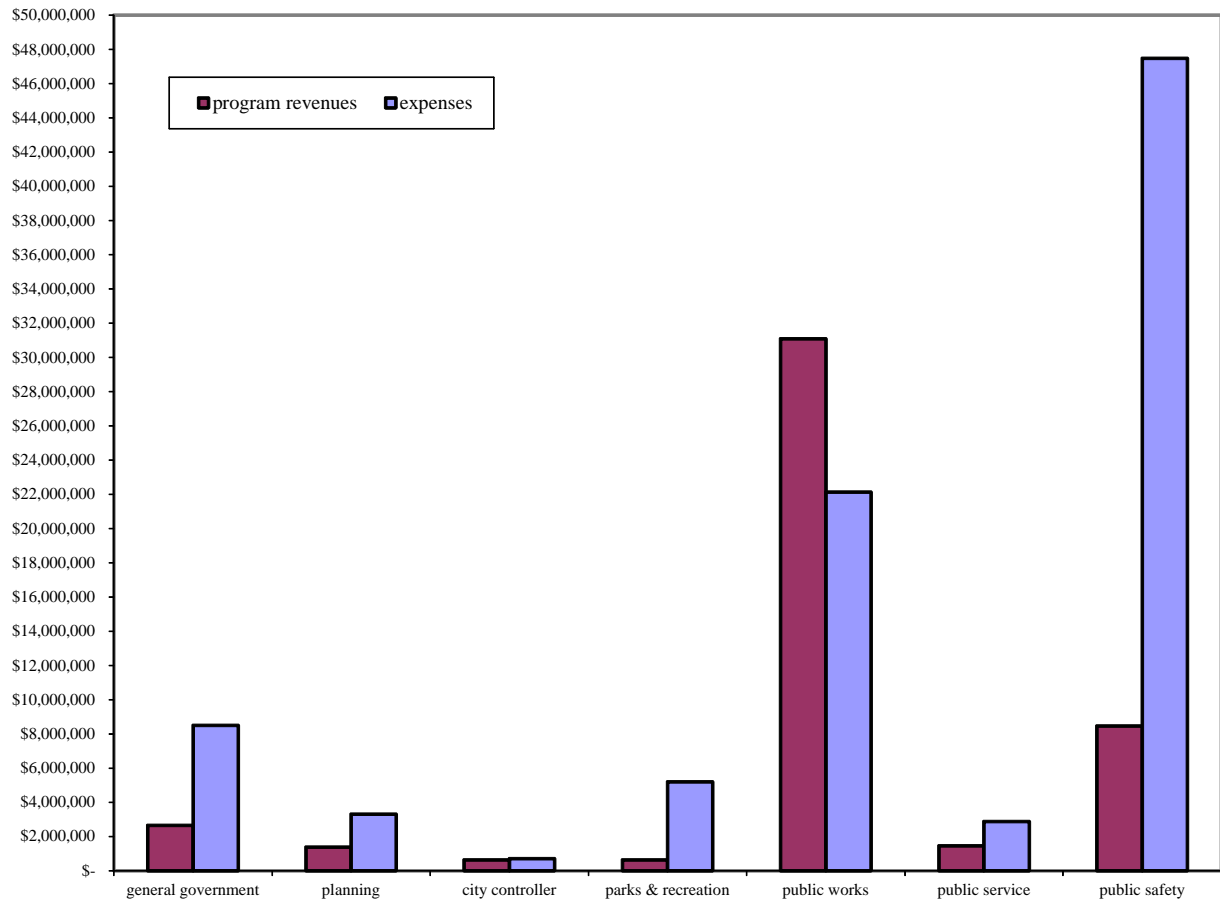
Governmental activities – Before consideration of the change in accounting principle, governmental activities increased the City’s net position by \$47.6 million. In the prior year, governmental activities increased the City’s net position by \$14.9 million. Key elements of this change are as follows:

- Sales tax revenue within the governmental activities (the City’s primary fund source) increased by \$2,198,230 or 3.45% over the prior fiscal year. This increase was due to continued stability within the economy as a whole.
- Use taxes increased by \$359,912 or 14.4% over the prior fiscal year. This increase was also due to the continued stability within the economy as a whole.
- Franchise taxes increased \$372,943 or 5.5% over the prior fiscal year. Most of this increase was within the gas and electric franchises.
- General government expenses decreased \$2,852,841 or 25.1% over the prior fiscal year. This decrease is the net effect of several items, the most significant being: various maintenance projects were completed in the prior year creating decrease of \$2,259,289; internal service fund expenditures decreased \$1,890,607 during the current year; and the Information Technology cost center (\$1,670,318)

was moved from the City Controller category to the General Government category. The most significant maintenance project completed in the prior year was renovation of the Norman Investigation Center. The decrease in internal service fund expenditures related to a decrease in the liability for incurred claims that includes health insurance, legal and workers' compensation self-insurance costs. The movement of Information Technology costs were the result of management creation of a new department separate from the Finance function.

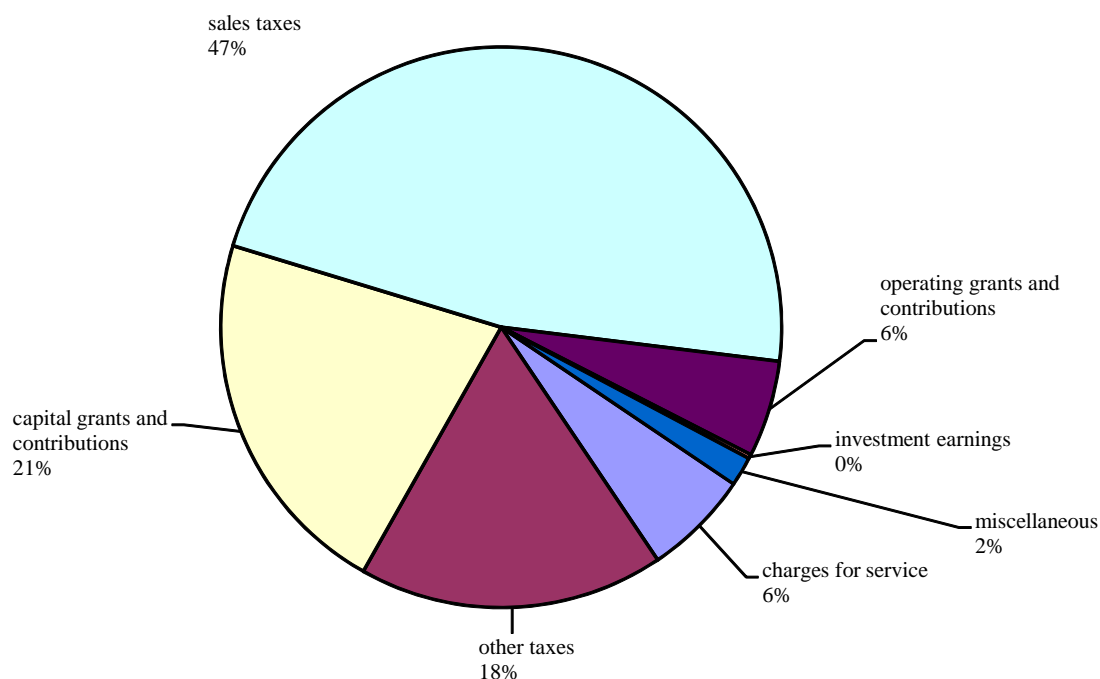
- City controller expenses decreased \$2,631,139 or 78.8% from the prior fiscal year. As stated above, this was due to the movement of the Information Technology function.

Expenses and Program Revenues – Governmental Activities



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

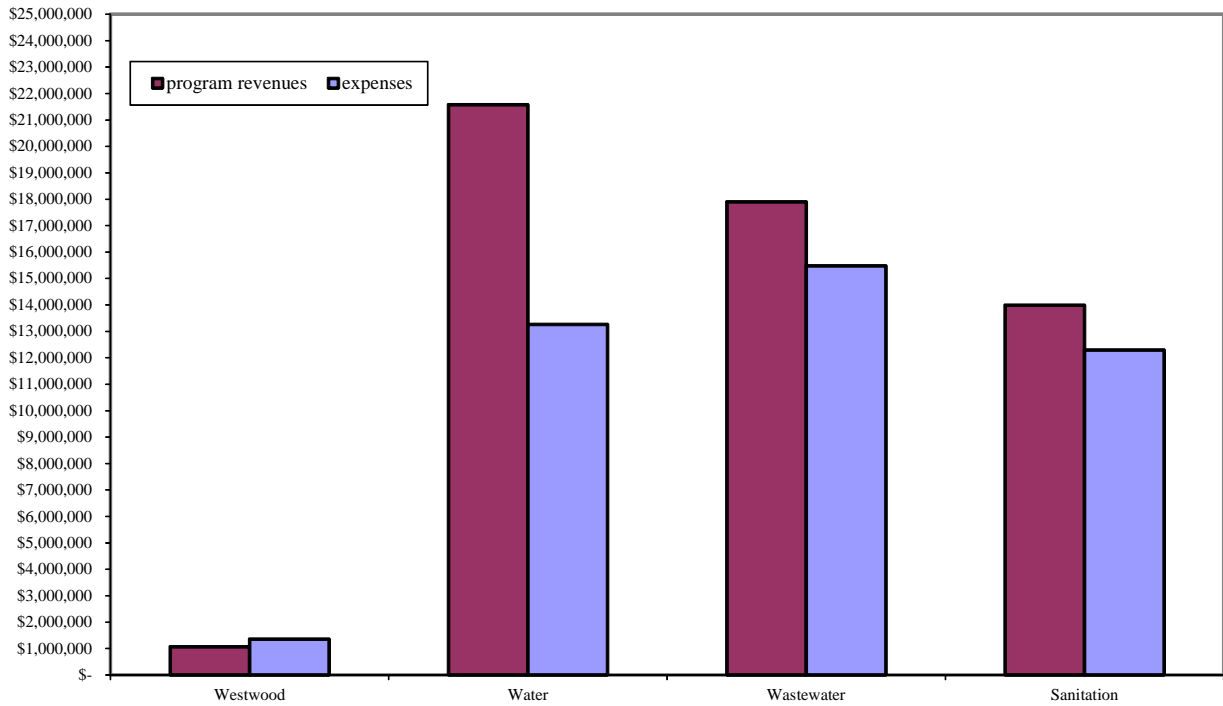
Revenues by Source - Governmental Activities



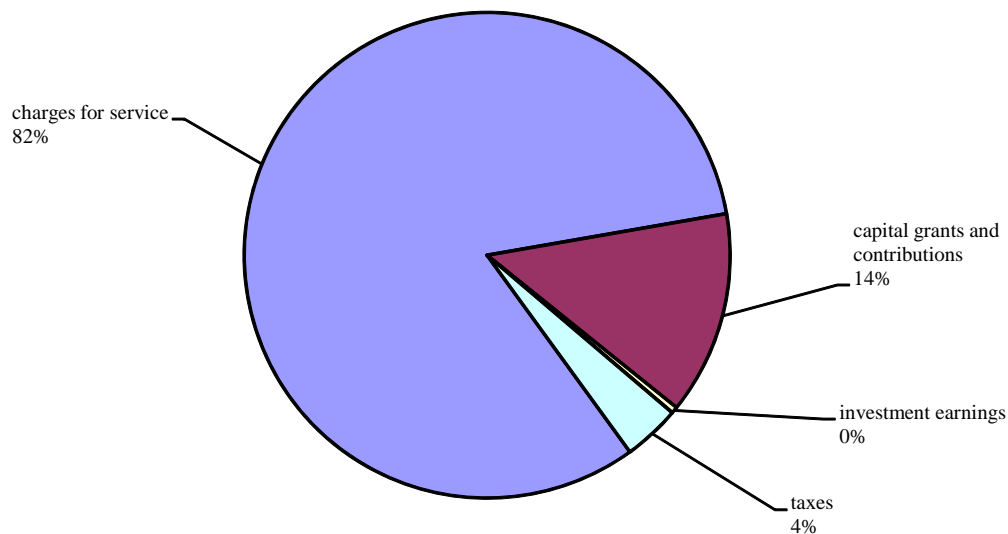
Business-type activities – Business-type activities increased the City’s net position by \$14.5 million. In the prior year, business-type activities increased the City’s net position by \$4.6 million. Key elements of this change are as follows:

- Charges for service revenue increased \$3,752,529 or 8.7% from the prior fiscal year. The majority of this increase was due to a water rate increase that went into effect January 1, 2015.
- Tax revenue increased \$379,884 or 21.5% from the prior fiscal year. This tax represents an excise tax on development to fund wastewater improvements. The increase is directly attributable to development activity.
- Sanitation expenses decreased \$1,281,824 or 9.4% over the prior fiscal year. Most of this increase was due to the purchase of replacement refuse receptacles (i.e., polycarts) (\$1,584,748) in the prior year.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the Government's Funds

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

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

As of end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$140,022,820, a increase of \$38,720,124 from the prior year. Approximately 5.9 percent of this total amount (\$8,290,555) 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 \$8,290,555 while total fund balance reached \$14,399,358. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 12 percent of total General Fund expenditures, while total fund balance represents 20 percent of that same amount.

The fund balance of the City's General Fund increased by \$1,260,129 during the current fiscal year compared to an increase of \$716,576 in the previous year. Key factors in the current year change are as follows:

- Sales tax revenues within the General Fund increased \$886,423 or 2.4% over the prior fiscal year. This increase was due to the continued stability within the overall local economy.
- Franchise tax revenues within the General Fund increased by \$372,943 or 5.5% over the prior fiscal year. Most of this increase was within the electric and gas franchises.
- Intergovernmental revenues decreased by \$4,022,707 or 63.3% from the prior fiscal year. Public safety expenditures also decreased by \$2,420,187 or 6.5% from the prior fiscal year. These decreases were primarily due to State of Oklahoma public safety pension payments recorded as both revenue and expenditures in the prior year of \$4,100,000.
- General government activities increased \$1,472,095 or 21.5% over the prior fiscal year. City controller activities decreased by \$1,550,002. As noted above, most of this change is due to the movement of the Information Technology function.

The Public Safety Sales Tax Fund has a total fund balance of \$31,502,216 all of which is restricted for public safety activities. The net increase in fund balance during the current year was \$21,706,781. This increase was due to the issuance of Norman Municipal Authority, Sales Tax Revenue Bonds, Series 2015 in the amount of \$22,585,000.

The Debt Service Fund has a total fund balance of \$8,847,202 all of which is restricted for the payment of debt service. The net decrease in the fund balance during the current year was \$119,817 due to normally scheduled payments.

The Capital Projects Fund has a total fund balance of \$78,633,453. The net increase in fund balance during the current year was \$14,275,782. This net increase was due to issuance of the General Obligation Bonds, Series 2015 in the amount of \$22,525,000 and the spending down of general obligation bond monies received in previous years.

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 \$7,305,915 and \$26,252,945, respectively. The total growth in net position for these funds was \$1,755,462 and \$12,763,170, 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 \$2,254,050 increase in appropriations between the original and final amended budget. Following are the main components of the increase:

- \$565,610 in increases to the general government budget. The Information Technology division received \$442,799 in increases with the most significant portion representing rollover encumbrances for the purchase of computer equipment for various on-going projects.
- \$683,237 in increases to the public works budget. The Traffic Control division received \$236,396 in increases with the most significant portion representing rollover encumbrances to purchase equipment. The Stormwater Drainage division received \$407,816 in increases with the most significant portion representing a \$250,000 transfer from the Fleet Fuel and Parts division to cover storm debris removal.
- \$765,281 in increases to the public safety budget. The Patrol division received \$285,765 in increases with the most significant portion representing carryover encumbrances for 7 new vehicles and 42 new computers. The Fire Suppression division received \$193,951 in increases with the most significant portion representing carryover encumbrances for the purchase of protective gear.

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, 2015 the Rainy Day Fund had a balance of \$3,191,393.

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

- General Fund revenues were below expectations by \$1,452,239.
 - Taxes were below expectations by \$1,520,125. The City expected a 4.2% increase but as noted above, General Fund sales taxes increased 2.4%.
 - Franchise taxes were below expectations by \$500,470. This can be attributed to the continued milder weather conditions during Fiscal Year 2015 as was the case in the prior two fiscal years.
 - Police court fines exceeded expectations by \$379,375. This revenue also exceeded expectations in the prior three fiscal years. The City continues to aggressively collect these revenues.
- General Fund expenditures and encumbrances were below expectations by \$6,498,700.
 - City Council expenditures were \$1,444,439 below expectation due to lack of expense of all the 2% reserve.
 - Information Technology expenditures were \$445,180 below expectation due to several unfinished on-going projects including a malware and security breach project, network connection project and a document imaging project.
 - Traffic Control expenditures were \$561,564 below expectations. A significant portion of this was due to consultant services that were not used and rollover encumbrances expensed in prior years.
 - Police Patrol expenditures were \$693,252 below expectations. A significant portion of this was due to savings within salary and benefits and rollover encumbrances expensed in prior years.
- Net General Fund transfers were \$930,617 less than expected. The Capital Fund transferred \$2,763,323 to the General Fund to cover purchases of capital outlay; this was less than expected.

The City closed the year with a fund balance that was higher than what was budgeted by \$4,115,844.

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, 2015, amounted to \$544,138,602 (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 13% (14% increase for governmental activities and a 13% increase for business-type activities).

Capital Assets
As of June 30

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 60,545,047	\$ 54,721,884	\$ 10,198,409	\$ 9,564,008	\$ 70,743,456	\$ 64,285,892
Buildings and improvements	49,343,572	47,729,768	175,176,768	167,738,999	224,520,340	215,468,767
Machinery and equipment	46,750,405	45,221,812	139,298,055	122,290,803	186,048,460	167,512,615
Infrastructure	490,904,948	445,994,462	-	-	490,904,948	445,994,462
Construction in progress	49,182,411	53,258,104	41,914,246	33,055,186	91,096,657	86,313,290
Less: Accumulated depreciation	(374,817,660)	(364,879,668)	(144,357,599)	(136,000,989)	(519,175,259)	(500,880,657)
Total	\$ 321,908,723	\$ 282,046,362	\$ 222,229,879	\$ 196,648,007	\$ 544,138,602	\$ 478,694,369

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

- Various water line replacement projects were completed at a cost of \$10,518,222.
- Various roadway projects were completed in conjunction with ODOT at a cost of \$19,101,631. The donated portion funded by ODOT amounted to \$22,620,551.
- Certain road bond projects were completed at a cost of \$1,210,184 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 \$49,182,411.
- A variety of water and sewer projects were underway; NUA construction in progress as of the end of the current fiscal year was \$41,914,246.

Additional information on the City's capital assets can be found in note 4 on page 42 of this report.

Long-term debt – At the end of the current fiscal year, the City had total bonded debt outstanding of \$104,975,000. Of this amount, \$63,510,000 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 \$41,465,000. The City also had notes payable outstanding of \$37,090,458 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	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 63,510,000	\$ 49,495,000	\$ -	\$ -	\$ 63,510,000	\$ 49,495,000
Revenue bonds	22,825,000	-	18,640,000	22,555,000	41,465,000	22,555,000
Notes payable	13,586,306	14,356,077	23,504,152	21,243,232	37,090,458	35,599,309
Total	\$ 99,921,306	\$ 63,851,077	\$ 42,144,152	\$ 43,798,232	\$ 142,065,458	\$ 107,649,309

The City's total debt increased by \$34,416,149 (32 percent) during the current fiscal year. Key factors of this change were issuance of the General Obligation Bonds, Series 2015 (\$22,525,000), issuance of the Norman Municipal Authority, Sales Tax Revenue Note, Series 2015 (\$22,825,000) and refinance of the Norman Utility Authority, Utility Revenue Bonds Series 2003 (\$7,590,000), the Norman Utility Authority, Utility Revenue Bonds Series 2005 (\$4,780,000) and the Norman Utility Authority, Utility Revenue Bonds Series 2006 (\$20,700,000) with the Norman Utility Authority, Utility Revenue Bonds Series 2015 (\$17,505,000). Also, the City made its normally scheduled payments.

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

Additional information on the City's long-term debt can be found in note 4 on pages 57-64 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Oklahoma City metropolitan area which includes Norman is currently 3.8 percent, which is a decrease of .4 percent from a year ago. This compares favorably to the state's average unemployment rate of 4.5 percent and favorably to the national average rate of 5.3 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 3.45% over the prior year total.

All of these factors were considered in preparing the City's budget for the 2016 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, 2015

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 14,570,393	\$ 6,438,293	\$ 21,008,686
Restricted cash and cash equivalents	82,206,323	7,379,585	89,585,908
Investments	33,296,981	31,066,351	64,363,332
Restricted investments	8,535,389	-	8,535,389
Receivables:			
Taxes	12,637,644	-	12,637,644
Accounts, net of allowance for estimated uncollectible Business-Type accounts of \$585,474	1,017,336	3,923,264	4,940,600
Interest	93,738	88,606	182,344
Due from Federal Government	345,908	-	345,908
Internal balances	(23,391)	23,391	-
Inventory	26,642	-	26,642
Total current assets	152,706,963	48,919,490	201,626,453
Non-current assets:			
Restricted cash and cash equivalents	2,250,420	3,219,299	5,469,719
Restricted investments	-	6,106,405	6,106,405
Net pension asset	1,281,185	-	1,281,185
Capital assets not subject to depreciation	109,727,458	52,112,655	161,840,113
Capital assets, net	212,181,265	170,117,224	382,298,489
Total non-current assets	325,440,328	231,555,583	556,995,911
Total assets	478,147,291	280,475,073	758,622,364
DEFERRED OUTFLOW OF RESOURCES			
Deferred resources related to pensions	4,002,621	-	4,002,621
Deferred charge on refunding	-	1,114,794	1,114,794
Total deferred outflows of resources	4,002,621	1,114,794	5,117,415
LIABILITIES			
Current liabilities:			
Accounts payable and other accrued liabilities	3,055,323	6,068,445	9,123,768
Payroll payable	3,016,689	604,843	3,621,532
Accrued interest payable	498,523	239,913	738,436
Retainage payable	717,009	1,495,431	2,212,440
Guaranty deposits	5,756,831	1,537,651	7,294,482
Current portion of long-term debt	12,065,380	7,311,268	19,376,648
Total current liabilities	25,109,755	17,257,551	42,367,306
Non-current liabilities:			
Long-term debt and other liabilities	149,786,295	35,973,924	185,760,219
Total non-current liabilities	149,786,295	35,973,924	185,760,219
Total liabilities	174,896,050	53,231,475	228,127,525
DEFERRED INFLOW OF RESOURCES			
Deferred resources related to pensions	11,202,950	-	11,202,950
Total deferred inflows of resources	11,202,950	-	11,202,950
NET POSITION			
Net investment in capital assets	282,047,232	183,385,272	465,432,504
Restricted for:			
Debt service	8,847,202	7,550,618	16,397,820
Capital improvements	15,552,024	2,472,535	18,024,559
Public safety	33,511,086	-	33,511,086
Public parks and recreation	1,500,794	-	1,500,794
Public service	1,430,067	-	1,430,067
Public works	1,315,582	-	1,315,582
Unrestricted (deficit)	(48,153,075)	34,949,967	(13,203,108)
Total net position	\$ 296,050,912	\$ 228,358,392	\$ 524,409,304

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Function/Programs	Program Revenues			Net (Expense) Revenue and		
	Expenses	Charges for Services	Operating Grants and Contributions	Changes in Net Assets		
				Governmental Activities	Primary Government Business-Type Activities	Total
Primary government						
Governmental activities:						
General government	\$ 8,500,923	\$ 2,644,776	\$ -	\$ (5,856,147)	\$ -	\$ (5,856,147)
Planning	3,297,788	1,369,582	-	(1,928,206)	-	(1,928,206)
City controller	706,793	624,135	-	(82,658)	-	(82,658)
Parks and recreation	5,194,010	609,175	11,258	(4,573,577)	-	(4,573,577)
Public works	22,130,634	-	1,123,281	8,950,958	-	8,950,958
Public service	2,875,451	-	1,452,234	(1,423,217)	-	(1,423,217)
Public safety	47,480,003	3,296,808	5,172,063	(39,011,132)	-	(39,011,132)
Interest on long-term debt	2,325,103	-	-	(2,325,103)	-	(2,325,103)
Total governmental activities	92,510,705	8,544,476	7,758,836	(46,249,082)	-	(46,249,082)
Business-type activities:						
Westwood Park	1,352,050	1,065,318	-	-	(286,732)	(286,732)
Water	13,258,111	16,050,007	-	-	8,315,422	8,315,422
Wastewater	15,477,741	15,715,128	-	-	2,416,878	2,416,878
Sanitation	12,298,641	13,991,281	-	-	1,692,640	1,692,640
Total business-type activities	42,386,543	46,821,734	-	-	12,138,208	12,138,208
Total primary government	\$ 134,897,248	\$ 55,366,210	\$ 7,758,836	(46,249,082)	12,138,208	(34,110,874)
General revenues:						
Taxes (unrestricted unless otherwise noted):						
Sales taxes				38,448,236	-	38,448,236
Sales taxes - restricted				27,330,317	-	27,330,317
Excise taxes - restricted				-	2,149,079	2,149,079
Franchise taxes				7,155,689	-	7,155,689
Property taxes - restricted				11,620,098	-	11,620,098
State use taxes				2,454,899	-	2,454,899
State use taxes - restricted				409,149	-	409,149
Hotel/Motel taxes				1,785,788	-	1,785,788
Alcoholic beverage taxes				301,618	-	301,618
Cigarette taxes				771,946	-	771,946
Investment earnings				323,863	250,382	574,245
Miscellaneous				2,196,990	1,066,246	3,263,236
Transfers				1,085,283	(1,085,283)	-
Total general revenues and transfers				93,883,876	2,380,424	96,264,300
Change in net position				47,634,794	14,518,632	62,153,426
Net position - beginning				297,966,270	213,839,760	511,806,030
Prior period adjustment				(49,550,152)	-	(49,550,152)
Revised net position - beginning				248,416,118	213,839,760	462,255,878
Net position - ending				\$ 296,050,912	\$ 228,358,392	\$ 524,409,304

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2015

	General	Public Safety Sales Tax	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 3,559,922	\$ -	\$ -	\$ 5,393,681	\$ 3,157,179	\$ 12,110,782
Investments	5,740,961	-	6,392,403	17,934,522	3,229,095	33,296,981
Receivables:						
Taxes	8,007,736	1,628,392	-	2,823,884	177,632	12,637,644
Accounts	987,053	-	-	9,655	20,628	1,017,336
Interest	13,678	14,413	15,229	42,726	7,692	93,738
Due from Federal Government	-	-	-	326	345,590	345,916
Due from other funds	24,790	3,685	6,134	17,862	6,695	59,166
Inventory	26,642	-	-	-	-	26,642
Restricted Assets:						
Cash and cash equivalents	1,710,220	24,285,611	2,433,436	56,027,476	-	84,456,743
Investments	2,563,760	5,971,629	-	-	-	8,535,389
Total assets	<u>\$ 22,634,762</u>	<u>\$ 31,903,730</u>	<u>\$ 8,847,202</u>	<u>\$ 82,250,132</u>	<u>\$ 6,944,511</u>	<u>\$ 152,580,337</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable and other accrued liabilities	\$ 1,370,719	\$ 63,956	\$ -	\$ 1,368,318	\$ 189,878	\$ 2,992,871
Payroll payable	2,590,706	337,558	-	48,500	24,974	3,001,738
Due to other funds	-	-	-	-	89,068	89,068
Retainage payable	-	-	-	717,009	-	717,009
Guaranty deposits	4,273,979	-	-	1,482,852	-	5,756,831
Total liabilities	<u>8,235,404</u>	<u>401,514</u>	<u>-</u>	<u>3,616,679</u>	<u>303,920</u>	<u>12,557,517</u>
FUND BALANCES						
Nonspendable	26,642	-	-	-	-	26,642
Restricted	-	31,502,216	8,847,202	76,870,653	6,255,313	123,475,384
Committed	3,191,393	-	-	-	-	3,191,393
Assigned	2,890,768	-	-	1,762,800	385,278	5,038,846
Unassigned	8,290,555	-	-	-	-	8,290,555
Total fund balances	<u>14,399,358</u>	<u>31,502,216</u>	<u>8,847,202</u>	<u>78,633,453</u>	<u>6,640,591</u>	<u>140,022,820</u>
Total liabilities and fund balance	<u>\$ 22,634,762</u>	<u>\$ 31,903,730</u>	<u>\$ 8,847,202</u>	<u>\$ 82,250,132</u>	<u>\$ 6,944,511</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.

321,908,723

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.

(2,357,826)

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

(163,522,805)

Net assets of governmental activities

\$ 296,050,912

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, 2015

	General	Public Safety Sales Tax	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 48,058,824	\$ 9,806,076	\$ 10,439,340	\$ 19,114,148	\$ 1,785,788	\$ 89,204,176
Licenses and permits	1,392,890	-	-	-	-	1,392,890
Intergovernmental revenues	2,335,678	-	-	-	2,217,460	4,553,138
Charges for services	11,334,090	-	-	-	149,916	11,484,006
Fines and forfeitures	2,643,963	-	-	-	-	2,643,963
Investment earnings	40,634	36,248	39,526	139,559	21,960	277,927
Other	1,377,491	242	-	727,669	297,054	2,402,456
Total revenues	<u>67,183,570</u>	<u>9,842,566</u>	<u>10,478,866</u>	<u>19,981,376</u>	<u>4,472,178</u>	<u>111,958,556</u>
Expenditures:						
Current:						
General government	8,303,332	-	-	1,127,343	-	9,430,675
Planning	3,416,439	-	-	-	-	3,416,439
City controller	2,933,446	-	-	6,485	-	2,939,931
Parks and recreation	4,206,877	-	-	414,699	43,447	4,665,023
Public works	14,765,311	-	-	3,360,512	10,707	18,136,530
Public service	-	-	-	-	2,919,887	2,919,887
Public safety	35,047,687	7,693,775	-	94,247	944,879	43,780,588
Capital outlay	1,888,358	1,590,873	-	18,332,146	546,425	22,357,802
Debt service:						
Principal retirement	17,070	-	8,510,000	1,014,963	-	9,542,033
Interest and fiscal charges	12	226,073	1,188,284	765,924	-	2,180,293
Total expenditures	<u>70,578,532</u>	<u>9,510,721</u>	<u>9,698,284</u>	<u>25,116,319</u>	<u>4,465,345</u>	<u>119,369,201</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,394,962)</u>	<u>331,845</u>	<u>780,582</u>	<u>(5,134,943)</u>	<u>6,833</u>	<u>(7,410,645)</u>
Other financing sources (uses):						
Transfers in	4,764,744	-	-	846,871	1,844,701	7,456,316
Transfers out	(109,653)	(1,450,064)	(900,399)	(4,520,290)	(254,285)	(7,234,691)
Issuance of debt and capital lease	-	22,825,000	-	23,084,144	-	45,909,144
Net other financing sources (uses)	<u>4,655,091</u>	<u>21,374,936</u>	<u>(900,399)</u>	<u>19,410,725</u>	<u>1,590,416</u>	<u>46,130,769</u>
Net change in fund balances	<u>1,260,129</u>	<u>21,706,781</u>	<u>(119,817)</u>	<u>14,275,782</u>	<u>1,597,249</u>	<u>38,720,124</u>
Fund balances, July 1, 2014	13,139,229	9,795,435	8,967,019	64,357,671	5,043,342	101,302,696
Fund balances, June 30, 2015	<u>\$ 14,399,358</u>	<u>\$ 31,502,216</u>	<u>\$ 8,847,202</u>	<u>\$ 78,633,453</u>	<u>\$ 6,640,591</u>	<u>\$ 140,022,820</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, 2015

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

Net change in fund balances - total governmental funds	\$ 38,720,124
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	9,984,407
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	29,881,035
Debt service principal retirement expensed in fund level financial statements but treated as reduction in outstanding debt in government-wide financial statements	9,542,033
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	(811,006)
The issuance of long-term debt provides current financial resources to governmental funds	(45,350,000)
Decrease in liability for incurred claims and compensated absences and miscellaneous expensed in government-wide financial statements	(232,533)
Employer retirement contributions made to pension plans are expensed in fund-level financial statements but treated as increases to deferred outflows of resources in government-wide financial statements	3,038,657
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>2,862,077</u>
Change in net assets of governmental activities	<u>\$ 47,634,794</u>

See notes to financial statements

THE CITY OF NORMAN, OKLAHOMA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2015

	Business-type Activities			Governmental Activities
	Norman Municipal Authority	Norman Utilities Authority	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,756,821	\$ 4,681,472	\$ 6,438,293	\$ 2,459,611
Restricted cash and cash equivalents	541,566	6,838,019	7,379,585	-
Investments	5,661,200	25,405,151	31,066,351	-
Receivables:				
Accounts, net of allowance				
estimated uncollectible accounts	909,186	3,014,078	3,923,264	-
Interest	13,492	75,114	88,606	-
Due from other funds	5,077	18,314	23,391	6,503
Total current assets	8,887,342	40,032,148	48,919,490	2,466,114
Noncurrent assets:				
Restricted cash and cash equivalents	537,180	2,682,119	3,219,299	-
Restricted investments	-	6,106,405	6,106,405	-
Capital assets, net	17,680,916	204,548,963	222,229,879	-
Total noncurrent assets	18,218,096	213,337,487	231,555,583	-
Total assets	27,105,438	253,369,635	280,475,073	2,466,114
DEFERRED OUTFLOW OF RESOURCES				
Deferred charge on refunding	-	1,114,794	1,114,794	-
Total deferred outflows of resources	-	1,114,794	1,114,794	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	378,670	5,689,775	6,068,445	62,574
Payroll payable	253,167	351,676	604,843	14,951
Accrued interest payable	30,959	208,954	239,913	-
Retainage payable	-	1,495,431	1,495,431	-
Guaranty deposits	366,210	1,171,441	1,537,651	-
Revenue bonds payable	135,000	2,430,000	2,565,000	-
Notes payable	545,000	4,151,733	4,696,733	-
Compensated absences	17,977	31,558	49,535	3,825
Total current liabilities	1,726,983	15,530,568	17,257,551	81,350
Noncurrent liabilities:				
Notes payable	3,135,000	15,672,419	18,807,419	-
Compensated absences	411,774	722,851	1,134,625	42,590
Liability for incurred claims	-	-	-	4,700,000
Revenue bonds payable, net	978,273	15,053,607	16,031,880	-
Total noncurrent liabilities	4,525,047	31,448,877	35,973,924	4,742,590
Total liabilities	6,252,030	46,979,445	53,231,475	4,823,940
NET POSITION				
Net investment in capital assets	12,887,643	170,497,629	183,385,272	-
Restricted for debt service	681,577	6,869,041	7,550,618	-
Restricted for capital improvements	-	2,472,535	2,472,535	-
Unrestricted	7,284,188	27,665,779	34,949,967	(2,357,826)
Total net position	\$ 20,853,408	\$ 207,504,984	\$ 228,358,392	\$ (2,357,826)
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, 2015

	Business-type Activities			Governmental Activities
	Norman Municipal Authority	Norman Utilities Authority	Total	Internal Service Fund
Operating revenues:				
Golf and pool fees	\$ 1,065,318	\$ -	\$ 1,065,318	\$ -
Water service, net	-	17,161,191	17,161,191	-
Wastewater service, net	-	15,715,128	15,715,128	-
Sanitation services, net	13,828,132	-	13,828,132	-
Self-insurance charges:				
Charges for services	-	-	-	12,118,308
Risk management administration	-	-	-	310,395
Workers' compensation	-	-	-	2,350,903
Other	236,029	1,113,566	1,349,595	44,868
Total operating revenues	15,129,479	33,989,885	49,119,364	14,824,474
Operating expenses:				
Salaries and benefits	4,871,393	7,032,963	11,904,356	1,117,271
Supplies and materials	1,454,731	1,871,908	3,326,639	-
Services, maintenance and claims	5,749,047	11,307,532	17,056,579	11,719,578
Depreciation and amortization	1,456,448	8,689,388	10,145,836	-
Total operating expenses	13,531,619	28,901,791	42,433,410	12,836,849
Operating income (loss)	1,597,860	5,088,094	6,685,954	1,987,625
Nonoperating revenues (expenses):				
Excise tax revenue	-	2,149,079	2,149,079	-
Investment earnings	38,211	212,171	250,382	10,794
Interest and fiscal charges	(189,020)	(1,285,895)	(1,474,915)	-
Miscellaneous income	79,078	211,320	290,398	-
Net nonoperating revenues (expenses)	(71,731)	1,286,675	1,214,944	10,794
Income before capital contributions and transfers	1,526,129	6,374,769	7,900,898	1,998,419
Capital contributions - donated water and sewer distribution systems	-	7,703,017	7,703,017	-
Transfers in	229,333	-	229,333	900,399
Transfers out	-	(1,314,616)	(1,314,616)	(36,741)
Net capital contributions and transfers	229,333	6,388,401	6,617,734	863,658
Net income (loss)	1,755,462	12,763,170	14,518,632	2,862,077
Net position - beginning	19,097,946	194,741,814	213,839,760	(5,219,903)
Net position - ending	\$ 20,853,408	\$ 207,504,984	\$ 228,358,392	\$ (2,357,826)
See notes to financial statements				

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities			Governmental Activities
	Norman Municipal Authority	Norman Utilities Authority	Total	Interal Service Fund
Cash flows from operating activities:				
Cash received from customers	\$ 15,024,569	\$ 33,407,494	\$ 48,432,063	\$ -
Cash received from interfund charges for health insurance	-	-	-	12,118,308
Cash received from interfund charges for risk management services	-	-	-	2,706,166
Cash paid to employees for services	(4,830,505)	(6,976,778)	(11,807,283)	(1,112,931)
Cash paid to suppliers	(7,063,870)	(9,314,904)	(16,378,774)	(13,296,154)
Other receipts (payments)	5,771	106,598	112,369	101,660
Net cash provided by (used for) operating activities	3,135,965	17,222,410	20,358,375	517,049
Cash flows from noncapital financing activities:				
Transfers in	229,333	-	229,333	900,399
Transfers out	-	(1,314,616)	(1,314,616)	(36,741)
Net cash provided by (used for) noncapital financing activities	229,333	(1,314,616)	(1,085,283)	863,658
Cash flows from capital and related financing activities:				
Proceeds from disposal of capital assets	74,837	128,015	202,852	-
Payments for the acquisition of capital assets	(1,952,430)	(26,109,549)	(28,061,979)	-
Proceeds from taxes	-	2,149,079	2,149,079	-
Proceeds from revenue bonds	-	17,505,000	17,505,000	-
Principal payments on revenue bonds	(130,000)	(19,290,000)	(19,420,000)	-
Proceeds from notes payable	-	5,457,432	5,457,432	-
Principal payments on notes payable	(535,000)	(2,661,512)	(3,196,512)	-
Interest and fiscal charges paid	(189,361)	(2,354,743)	(2,544,104)	-
Net cash provided by (used for) capital and related financing activities	(2,731,954)	(25,176,278)	(27,908,232)	-
Cash flows from investing activities:				
Proceeds from maturity of investments	1,451,875	17,689,544	19,141,419	-
Payments for purchases of investments	(2,530,531)	(14,085,524)	(16,616,055)	-
Investment earnings received	76,033	466,516	542,549	10,794
Net cash used for investing activities	(1,002,623)	4,070,536	3,067,913	10,794
Net change in cash and cash equivalents	(369,279)	(5,197,948)	(5,567,227)	1,391,501
Cash and cash equivalents - beginning	3,204,846	19,399,558	22,604,404	1,068,110
Cash and cash equivalents - ending	\$ 2,835,567	\$ 14,201,610	\$ 17,037,177	\$ 2,459,611
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 1,597,860	\$ 5,088,094	\$ 6,685,954	\$ 1,987,625
Adjustments to reconcile operating income to net cash provided by operating activities:				
Miscellaneous revenue	79,078	211,320	290,398	-
Bad debt expense	81,572	211,008	292,580	-
Depreciation	1,456,448	8,689,388	10,145,836	-
Gain on disposal of property, plant and equipment	(69,946)	(95,617)	(165,563)	-
Increase in accounts receivable, net	(201,576)	(827,072)	(1,028,648)	-
Decrease in due from Federal Government	-	-	-	107,503
Increase in due from other funds	(3,361)	(9,105)	(12,466)	(5,843)
Increase (decrease) in accounts payable and accrued liabilities	142,649	2,824,256	2,966,905	(76,576)
Increase (decrease) in payroll payable	19,563	40,476	60,039	(13,318)
Decrease in liability for incurred claims	-	-	-	(1,500,000)
Increase (decrease) in retainage payable	(2,741)	1,040,280	1,037,539	-
Increase in guaranty deposits	15,094	33,673	48,767	-
Increase in compensated absences	21,325	15,709	37,034	17,658
Net cash provided by operating activities	\$ 3,135,965	\$ 17,222,410	\$ 20,358,375	\$ 517,049
NONCASH ACTIVITIES:				
Donated water and sewer distribution systems	\$ -	\$ 7,703,017	\$ 7,703,017	\$ -
Change in unrealized loss on investments	\$ 41,174	\$ 251,904	\$ 293,078	\$ -

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS JUNE 30, 2015

	Pension Trust Fund	Centennial Agency Fund
ASSETS		
Cash and cash equivalents	\$ -	\$ 2,939
Investments		
Mutual funds	72,992,039	-
U.S. Agencies	-	4,608
Interest receivable	-	11
Due from other funds	-	8
Loans to 401(a) Plan participants	<u>3,806,717</u>	<u>-</u>
Total assets	<u>\$ 76,798,756</u>	<u>\$ 7,566</u>
LIABILITIES AND NET POSITION		
Funds held for others	\$ -	\$ 7,566
Net position:		
Held in trust for pension benefits	353,347	-
Held in trust for retirement benefits	<u>76,445,409</u>	<u>-</u>
Total liabilities and net position	<u>\$ 76,798,756</u>	<u>\$ 7,566</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, 2015

	Pension Trust Fund
ADDITIONS:	
Contributions:	
Employer	\$ 2,369,931
Employee	<u>1,791,910</u>
Total contributions	4,161,841
Investment income	<u>3,954,432</u>
Total additions	<u>8,116,273</u>
DEDUCTIONS:	
Pension benefits paid	6,973,638
Administration costs	<u>103,854</u>
Total deductions	<u>7,077,492</u>
NET INCREASE	1,038,781
Net position held in trust for pension and retirement benefits, Beginning of year	<u>75,759,975</u>
End of year	<u>\$ 76,798,756</u>

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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.

Change in Accounting Principle – During the year ended June 30, 2015, the City adopted GASB Statement Nos. 68 and 71 and recognized its proportionate share of the Oklahoma Firefighter Pension Retirement System (OFPRS) net pension liability and its proportionate share of the Oklahoma Police Pension and Retirement System (OPPRS) net pension asset (collectively the Plans). The provisions of these statements were retroactively applied and, accordingly, the City’s net position as of June 30, 2014, was reduced by \$49,550,152. Of this amount, \$46,534,247 was attributable to the actual OFPRS net pension liability and \$5,872,840 to the OPPRS net pension liability. These amounts were offset by the deferrals of the City’s 2014 contributions totaling \$1,473,018 and \$1,383,917 for OFPRS and OPPRS, respectively. See Notes 4(b) and 4(c) for additional information.

Reporting Entity - The City is a municipal corporation governed by an elected mayor and eight-member council. The accompanying financial statements present the government and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City’s operations and therefore data from these units are combined with data of the City. Each blended component unit has a June 30 year end.

Blended Component Units - The Norman Municipal Authority (“NMA”) was established in April 1965. Activities of the NMA include financing and operating the Westwood Park recreational facilities and sanitation services for the City. The governing body of the NMA is the same as the City’s governing body. The City is the sole beneficiary of the NMA and receives all trust properties and resulting revenues upon retirement of all trust indebtedness. The City maintains all accounting records. The NMA is reported as an enterprise fund and does not issue separate financial statements.

The Norman Utilities Authority (“NUA”) was established February 2, 1970. Activities of the NUA include financing and operating certain utility systems for the City. The governing body of the NUA is the same as the City’s governing body. The City is the sole beneficiary of the NUA and receives all trust properties upon termination. The City maintains all accounting records. The NUA is presented as an enterprise fund and does not issue separate financial statements.

The Norman Tax Increment Finance Authority (“NTIF”) was established July 11, 2006. Activities of the NTIF include financing Tax Increment Financing District #2 – University North Park. The governing body of the NTIF is the same as the City’s governing body. The City is the sole beneficiary of the NTIF and receives all trust properties upon termination. The City maintains all accounting records. The NTIF is presented within the Capital Project Fund in the governmental funds balance sheet and does not issue separate financial statements.

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

Basis of presentation –The City follows Governmental Accounting Standards Board (“GASB”) statements in the preparation of its financial statements. Additional information regarding the basis of accounting and the differences in presentation are contained in the Management’s Discussion and Analysis, which preceded the financial statements.

Government-wide and fund financial statements – The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

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

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

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

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

Sales taxes, excise taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal

period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

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

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

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

The City reports the following non-major governmental funds:

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

- *Norman Room Tax Fund* - Established by City ordinance to receive revenues from the City hotel/motel occupancy tax. Tax receipts are required to be used for promoting and fostering convention and tourism development in the City.
- *Community Development Fund* - Established to account for the City's Community Development Block Grants, Home Ownership Made Easy ("HOME") Grants, Rental Rehabilitation and Emergency Shelter Grants received from the US Department of Housing and Urban Development ("HUD").
- *Special Grants Fund* - Established to account for revenues and expenditures of other miscellaneous grants received from various sources.
- *Park Land Fund* - Established by City ordinance to receive revenues from developer fees dedicated to the acquisition of park land around the City.
- *Seizures and Restitutions Fund* - Established to account for the revenue available as a result of property seizures resulting from criminal investigations.
- *Cleet Fund* - Established to account for revenue derived by provision of State law to be utilized for law enforcement education and training.

- *Tax Increment District Fund* - Established to account for property tax revenue received above a preset threshold generated by capital improvements within a specific section of the community.
- *Art in Public Places Fund* - Established to account for donations made to provide public art displays throughout the City.

The City reports the following major proprietary funds:

Norman Municipal Authority – A blended component unit established to account for the construction and operation of Westwood Park recreational facilities and the City’s sanitation services.

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

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

The City reports the following fiduciary funds:

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

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

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the City’s enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds and the internal service fund include the cost of sales and services, administrative

expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Assets, Liabilities, and Fund Equity

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

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

- c. *Investments* – Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The City considers quoted market price at June 30, 2015, to be the fair value of its investments.

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

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

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

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

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

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

Land and construction in progress are not depreciated. The other property, plant, equipment and infrastructure are depreciated using the straight line method over the following estimated useful lives:

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

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

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

- j. *Liability for Incurred Claims* - The liability for incurred claims represents estimated claims (including future claim adjustment expenses) incurred but unpaid for workers compensation, group medical and dental, and unemployment claims as of the fiscal year end. The estimate includes claims reported as of June 30, 2015, as well as an estimated amount representing claims incurred but not reported. The City utilizes the services of an actuary in computation of the incurred but unpaid workers compensation portion of the liability.
- k. *Claims and Judgments Payable* - Under state law, judgments against the City can be paid over three years or can be paid immediately. The General Fund pays all claims and judgments. A liability has been recorded within the government-wide statements for claims and judgments payable. A liability for these amounts is reported in governmental funds when they become due and payable.
- 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, 2014 related to three ordinances benefiting the City's wastewater system which provide funds that are being held to complete capital projects.
 - 3. *Unrestricted net position* – All other assets that do not meet the definition of "restricted" or "net investment in capital assets."

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

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

- a) *Nonspendable* – Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

- b) *Restricted* – Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- c) *Committed* – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the City through formal action of the highest level of decision making authority. The City Council is the highest level of decision making authority that can, by adoption of an Ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action by City Council is taken (the adoption of another ordinance) to remove or revise the limitation.
- d) *Assigned* – Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- e) *Unassigned* – Includes the residual balance of the General Fund that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes with the General Fund.

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

Cost Sharing Defined Benefit Pension Plans

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

Deferred outflows/inflows of resources

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

shorter of the life of the refunded or refunding debt. The second item is related to certain contributions and assumptions made to the Plans by the City and State of Oklahoma that were received by the Plan subsequent to the measurement date and will be recognized as a reduction of the net pension liability (or an increase in the cases of a net pension asset) in future years. See note 4(b) and 4(c) for additional information.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has one item that qualified for reporting in this line item. The net difference between estimated and actual assumptions used in the calculation of net pension liabilities and assets occur subsequent to measurement date and will be recognized as an increase in the net pension liability (or a reduction in the case of a net pension asset).

Revenues, Expenditures and Expenses

- a. *Property Tax Revenue* - Property taxes attach an enforceable lien on property as of January 1. Taxes are levied annually on November 1 and are due one-half by December 31 and one-half by March 31. The Tax Assessor's office bills and collects the property taxes and remits to the City its portion. Property taxes not paid prior to April are considered delinquent. Such delinquent tax payments have not historically been material. Delinquent tax payments are received throughout the year and are recognized as revenue in the year received, except for those received within 60 days of year end, which are recognized as revenues as of June 30, 2015 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 \$163,522,805 difference are as follows:

General obligation bonds payable	\$ 64,195,804
Revenue bonds payable	22,825,000
Notes payable	13,586,306
Capital leases payable	226,473
Compensated absences	7,356,621
Net OPEB obligation	8,457,200
Net pension asset	(1,281,185)
Net pension liability	40,457,734
Deferred outflow of resources	(4,002,621)
Deferred inflow of resources	11,202,950
Accrued interest payable	<u>498,523</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 163,522,805</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 \$9,981,326 difference are as follows:

Capital outlay	\$ 22,357,802
Depreciation expense	<u>(12,373,395)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 9,984,407</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 \$29,881,035 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.	\$ 29,958,311
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.	(141,892)
The statement of activities reports gains arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.	<u>64,616</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 29,881,035</u>

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in the governmental funds." The details of this \$945,243 difference are as follows:

Accrued interest payable	\$ 147,511
Change in net OPEB obligation	273,730
Other	<u>389,765</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 811,006</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, 2015 amounted to \$8,738,406. 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, 2015, \$1,234,317 of the City's bank balance of \$83,275,876 was exposed to custodial credit risk. As of June 30, 2015, the City carrying balance of these deposits was \$86,582,293.

Interest Rate Risk – As of June 30, 2015, the City had the following investments subject to interest rate risk:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Money Market Mutual Funds	\$ 32,791,172	0.02
U.S. Treasury Notes	6,984,390	2.17
U.S. Treasury Strips	1,998,020	0.63
Federal Home Loan Bank	18,818,330	1.39
Federal Farm Credit Bank	12,195,817	2.05
Federal National Mortgage Association	24,469,169	0.85
Federal Home Loan Mortgage Corporation	11,230,248	2.62
Total fair value	<u>\$ 108,487,146</u>	
Portfolio weighted average maturity		0.83

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

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

Primary Government:

Carrying value of deposits -	
Pooled and nonpooled funds	\$ 86,582,293
Money market mutual funds	32,791,172
Less: Certificates or deposits classified as investments	<u>(3,309,152)</u>
	<u>\$ 116,064,313</u>

Cash as reported on the government-wide statement of net position -	
Cash and cash equivalents	\$ 21,008,686
Restricted cash and cash equivalents - current	89,585,908
Restricted cash and cash equivalents - long-term	<u>5,469,719</u>
	<u>\$ 116,064,313</u>

Carrying value of investments -	
Pooled and nonpooled funds	\$ 108,487,146
Site development certificate of deposits	3,309,152
Less: Money market mutual funds classified as cash equivalent	<u>(32,791,172)</u>
	<u>\$ 79,005,126</u>

As reported on the government-wide statement of net position -	
Investments	\$ 64,363,332
Restricted investments - current	8,535,389
Restricted investments - long-term	<u>6,106,405</u>
	<u>\$ 79,005,126</u>

Credit Risk –The City’s investment policy does not cover credit risk. The City’s investments as of June 30, 2015 were rated by Moody’s Investor Service and Standard & Poor’s as follows:

	<u>Moody's</u>	<u>S & P</u>
Federal Farm Credit Bank	Aaa	AA+
Federal Home Loan Mortgage Corporation	Aaa	AA+
Federal Home Loan Bank	Aaa	AA+
Federal National Mortgage Association	Aaa	AA+
Money Market Mutual Funds	Unrated	Unrated

Concentration of Credit Risk – The City’s investment policy places no limit on the amount the City may invest in any one issuer. More than 5% of the City’s investments are in Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association, United States Treasury Notes and Federal Home Loan Mortgage Corporation. These investments are 21%, 15%, 34%, 9% and 14%, respectively, of the City’s total investments.

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

Custodial Credit Risk—Investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. It is the City’s policy to maintain investment securities that are insured or registered in the City’s name and held by the City or its agent in the City’s name whenever possible. As of June 30, 2015, 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 \$345,908 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, 2015 consisted of the following:

Transfers In						
Transfers Out	General Fund	Nonmajor Governmental Funds	Capital Projects Fund	Enterprise Funds	Internal Service Fund	Total Transfers Out
General Fund	\$ -	\$ 91,154	\$ -	\$ 18,499	\$ -	\$ 109,653
Public Safety Sales Tax Fund	650,064	-	800,000	-	-	1,450,064
Nonmajor Governmental Funds	-	-	46,871	207,414	-	254,285
Debt Sys Fund	-	-	-	-	900,399	900,399
Capital Projects Fund	2,763,323	1,753,547	-	3,420	-	4,520,290
Internal Service Fund	36,741	-	-	-	-	36,741
Enterprise Funds	1,314,616	-	-	-	-	1,314,616
Total Transfers In	<u>\$ 4,764,744</u>	<u>\$ 1,844,701</u>	<u>\$ 846,871</u>	<u>\$ 229,333</u>	<u>\$ 900,399</u>	<u>\$ 8,586,048</u>

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

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

- The Capital Projects Fund transferred \$2,727,323 to the General Fund to pay for the purchase of vehicles and equipment and fund street maintenance projects.
- The Debt Services Fund transferred \$900,399 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 \$292,884 to the General Fund to further build a reserve in case of a revenue shortfall (i.e., Rainey Day Fund).

Capital Assets – Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 54,721,884	\$ 5,823,163	\$ -	\$ 60,545,047
Construction in progress	53,258,104	18,837,925	(22,913,618)	49,182,411
Capital assets, being depreciated:				
Buildings	30,959,345	56,639	(11,431)	31,004,553
Improvements other than buildings	16,770,423	1,568,596	-	18,339,019
Machinery and equipment	27,550,999	2,348,668	(958,983)	28,940,684
Vehicles	17,670,813	1,681,179	(1,542,271)	17,809,721
Infrastructure	445,994,462	44,910,486	-	490,904,948
Totals at historical cost	<u>646,926,030</u>	<u>75,226,656</u>	<u>(25,426,303)</u>	<u>696,726,383</u>
Less accumulated depreciation				
Buildings	(12,588,248)	(950,773)	10,364	(13,528,657)
Improvements other than buildings	(11,102,133)	(471,405)	-	(11,573,538)
Machinery and equipment	(18,713,184)	(2,106,991)	952,087	(19,868,088)
Vehicles	(10,721,104)	(1,355,958)	1,472,952	(10,604,110)
Infrastructure	<u>(311,754,999)</u>	<u>(7,488,268)</u>	<u>-</u>	<u>(319,243,267)</u>
Total accumulated depreciation	<u>(364,879,668)</u>	<u>(12,373,395)</u>	<u>2,435,403</u>	<u>(374,817,660)</u>
Governmental activities capital assets, net	<u>\$ 282,046,362</u>	<u>\$ 62,853,261</u>	<u>\$ (22,990,900)</u>	<u>\$ 321,908,723</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 9,564,008	\$ 634,401	\$ -	\$ 10,198,409
Construction in progress	33,055,186	24,460,780	(15,601,720)	41,914,246
Capital assets, being depreciated:				
Buildings and improvements	167,738,999	7,703,017	(265,248)	175,176,768
Machinery and equipment	<u>122,290,803</u>	<u>18,551,790</u>	<u>(1,544,538)</u>	<u>139,298,055</u>
Totals at historical cost	<u>332,648,996</u>	<u>51,349,988</u>	<u>(17,411,506)</u>	<u>366,587,478</u>
Less accumulated depreciation				
Buildings and improvements	(90,050,013)	(4,078,027)	254,526	(93,873,514)
Machinery and equipment	<u>(45,950,976)</u>	<u>(6,067,809)</u>	<u>1,534,700</u>	<u>(50,484,085)</u>
Total accumulated depreciation	<u>(136,000,989)</u>	<u>(10,145,836)</u>	<u>1,789,226</u>	<u>(144,357,599)</u>
Business-type activities capital assets, net	<u>\$ 196,648,007</u>	<u>\$ 41,204,152</u>	<u>\$ (15,622,280)</u>	<u>\$ 222,229,879</u>

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

Governmental activities:

General government	\$408,511
Planning	54,583
City controller	400,863
Parks and recreation	695,476
Public works	8,716,186
Public service	200
Public safety	<u>2,097,576</u>
Total depreciation expense – governmental activities	<u>\$12,373,395</u>

Business-type activities:

Westwood park	\$148,461
Utilities authority	8,689,388
Sanitation services	<u>1,307,987</u>
Total depreciation expense – business-type activities	<u>\$10,145,836</u>

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

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

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

The ERS does not issue a stand-alone financial report. Overall the ERS plan is not entricral to the City's financial statement as a whole. Therefore the information is provided is for informational purposes only and is not intended to comply with the provisions of GASB Statement 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement 27*.

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

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

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

As of June 30, 2015, 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, 2015, the date of the last actuarial study, the Annuity Pool participants included only 11 retirees and other beneficiaries who are entitled retirement benefits including a death benefit equal to a lump sum amount equal to the normal retirement as projected for a ten year period of time.

At January 1, 2015 the Actuarial Accrued Liability for the Annuity Pool was \$643,665 and the market value of assets in the Annuity Pool was \$425,590. The City’s actuary has suggested an annual contribution for a period of ten years commencing July 1, 2015. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) no projected salary increases, and (c) no cost of living increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The City made a \$35,000 contribution to the plan in 2015. 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, 2015 was \$27,469,777, and total City payroll was \$52,817,340.

Substantially all full-time, non-uniformed employees of the City are required to participate in the 401(a) Plan. At June 30, 2015, there were 536 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 2015 were \$4,120,467. The contributions expressed in dollars and percent of covered payroll were: City - \$2,334,931, 8.5%, participants - \$1,785,536, 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
2013	4,013,239	100%
2014	4,079,841	100%
2015	4,120,467	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, 2015**

	Annuity Pool Fund	401(a) Plan Fund	Total
Assets			
Investments - mutual funds	\$ 353,347	\$ 72,638,692	\$ 72,992,039
Loans to 401(a) Plan participants	-	3,806,717	3,806,717
Total assets	<u>\$ 353,347</u>	<u>\$ 76,445,409</u>	<u>\$ 76,798,756</u>
Liabilities and Net Position			
Net assets - Held in trust for pension benefits	\$ 353,347	\$ -	\$ 353,347
Net assets - Held in trust for retirement benefits	-	76,445,409	76,445,409
Total liabilities and net position	<u>\$ 353,347</u>	<u>\$ 76,445,409</u>	<u>\$ 76,798,756</u>

**Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2015**

	Annuity Pool Fund	401(a) Plan Fund	Total
Additions:			
Contributions - employer	\$ 35,000	\$ 2,334,931	\$ 2,369,931
Contributions - employee	-	1,791,910	1,791,910
Investment income	12,275	3,942,157	3,954,432
Total additions	<u>47,275</u>	<u>8,068,998</u>	<u>8,116,273</u>
Deductions:			
Pension benefits paid	107,331	6,866,307	6,973,638
Administration costs	1,988	101,866	103,854
Total deductions	<u>109,319</u>	<u>6,968,173</u>	<u>7,077,492</u>
Net increase (decrease)	(62,044)	1,100,825	1,038,781
Net assets held in trust for pension and retirement benefits:			
Beginning of year	<u>415,391</u>	<u>75,344,584</u>	<u>75,759,975</u>
End of year	<u>\$ 353,347</u>	<u>\$ 76,445,409</u>	<u>\$ 76,798,756</u>

b. Oklahoma Firefighters Pension and Retirement System (OFPRS)

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

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

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

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

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

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

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

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

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

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

Contributions – The Board has the authority to establish and amend the contribution requirements of the City and active employees. Members of the OFPRS are required to pay 9% of their base pay to the pension plan (starting November 1, 2013) until they reach 20 years of service, after which no contributions are required. The City is contractually required to pay 14% of base salary (starting November 1, 2013). For the year ended June 30, 2015, the total contribution to the system amounted to \$2,603,451 of which \$1,586,248 was made by the City and \$1,017,203 was made by the employees. These contributions represent 14% (City) and 8% (member) of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The total amount contributed to the system by the State of Oklahoma on behalf of the City was approximately \$3,000,000 and does not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the City reported a liability of \$40,457,734, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the City's proportion was 3.9342%

For the year ended June 30, 2015, the City recognized pension expense of \$3,686,242. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 963,964	\$ -
Net difference between projected and actual earnings on pension plan investments	-	6,124,192
City's contributions subsequent to the measurement date	<u>1,586,248</u>	<u>-</u>
Total	<u>\$ 2,550,212</u>	<u>\$ 6,124,192</u>

At June 30, 2015, the City reported \$1,586,248 as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the years ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources totaling \$5,160,228 related to pensions will be recognized as a (reduction) or increase in pension expense as follows:

2016	\$ 1,351,539
2017	1,351,539

2018	1,351,539
2019	1,351,539
2020	(179,509)
Thereafter	<u>(66,419)</u>
	<u>\$ 5,160,228</u>

Actuarial Assumptions – The total pension liability in the July 1, 2014, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the July 1, 2014 valuation was based on the results of an actuarial experience study for the period July 1, 2007 through June 30, 2012.

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

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

Discount Rate – The single discount rate used to measure the total pension liability was 7.5% for the year ended June 30, 2014. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that

participating employer contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	\$ 52,828,639	\$ 40,457,734	\$ 30,085,223

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

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

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

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

- The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later.
- Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60

months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

- Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participants' final average salary multiplied by 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. After 10 years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service. This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment. Effective July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date.
- Survivor's benefits are payable in full to the participant's beneficiary upon the death of a retired participant. The beneficiary of any active participant killed in the line of duty is entitled to a pension benefit. Effective July 1, 1999, a \$5,000 death benefit is also paid, in addition to any survivor's pension benefits under the Plan, to the participant's beneficiary or estate for active or retired members.
- The Deferred Option allows participants otherwise eligible for a normal retirement benefit to defer terminating employment and drawing retirement benefits for a period not to exceed 5 years. Under the Deferred Option, retirement benefits are calculated based on compensation and service at the time of election and a separate account is established for each participant. During the participation period, the employee's retirement benefit is credited to the participant's account along with a portion of the employer's contribution and interest. Interest is credited at a rate of 2% below the rate of return on the investment portfolio of the Plan, with a guaranteed minimum interest equal to the assumed actuarial interest of 7.5%. Employee contributions cease once participation in the Deferred Option is elected. At the conclusion of participation in the Deferred Option, the participant will receive the balance in the separate account under payment terms allowed by the Deferred Option and will then begin receiving retirement benefit payments as calculated at the time of election.
- In the 2003 Legislative Session, Senate Bill 688 and House Bill 1464 created a "Back" DROP for members of the System. The "Back" DROP is a modified deferred retirement option plan. The "Back" DROP allows the member flexibility by not having to commit to terminate employment within 5 years. Once a member has met their normal retirement period of 20 years, the member can choose, upon retirement, to be treated as if the member had entered into the "Back" DROP. A member, however, cannot receive credit to the "Back" DROP account based upon any years prior to when the member reached their normal retirement date. Once a member is ready to retire, the member can make the election to participate in the "Back" DROP and can receive a "Back" DROP benefit based upon up to 5 years of participation. The member's regular retirement benefit will not take into account any years of service credited to the "Back" DROP.
- In 2006, the Board approved a method of payment called the Deferred Option Payout Provision (the "Payout Provision"). The Payout Provision allows a retired member who has completed participation in the Deferred Option or the "Back" DROP the ability to leave their account balance in the Plan. The retired member's account balance will be commingled and reinvested with the total assets, and therefore the member will not be able to direct their personal investments. Written election must be made to the Board no more than 30 days following the termination of employment.

- Upon participating in the Payout Provision, a retired member shall not be guaranteed a minimum rate of return on their investment. A retired member shall earn interest on their account as follows:
 - a) The retired member shall earn two percentage points below the net annual rate of return of the investment portfolio of the System.
 - b) If the portfolio earns less than a 2% rate of return, but more than zero, the retired member shall earn zero percentage points.
 - c) If the portfolio earns less than zero percentage points, there shall be a deduction from the retired member's balance equal to the net annual rate of return of the investment portfolio of the System.

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

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

Contributions – The Board has the authority to establish and amend the contribution requirements of the City and active employees. Members of the OPPRS are required to pay 8% of their base pay to the pension plan. The City is contractually required to pay 13% of base salary. For the year ended June 30, 2015, the total contribution to the system amounted to \$2,347,541 of which \$1,452,409 was made by the City and \$895,132 was made by the employees. These contributions represent 13% (City) and 8% (member) of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The total amount contributed to the system by the State of Oklahoma on behalf of the City was approximately \$1,200,000 and does not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the City reported an asset of \$1,281,185, for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2014. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the City's proportion was 3.8053%

For the year ended June 30, 2015, the City recognized pension expense of \$527,015. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 575,599
Net difference between projected and actual earnings on pension plan investments	-	4,503,159
City's contributions subsequent to the measurement date	<u>1,452,409</u>	<u>-</u>
Total	<u>\$ 1,452,409</u>	<u>\$ 5,078,758</u>

At June 30, 2015, the City reported \$1,452,409 as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources totaling \$5,078,758 related to pensions will be recognized as a (reduction) or increase in pension expense as follows:

2016	\$ 1,244,962
2017	1,244,962
2018	1,244,962
2019	1,244,962
2020	<u>98,911</u>
	<u>\$ 5,078,758</u>

Actuarial Assumptions – The total pension liability in the July 1, 2014, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

disabled pensioners, mortality rates index were based on the RP-2000 Blue Collar Healthy Combined index with age set forward four years.

The actuarial assumptions used in the July 1, 2014 valuation was based on the results of an actuarial experience study for the period July 1, 2007 through June 30, 2012.

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

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

Discount Rate – The single discount rate used to measure the total pension liability was 7.5% for the year ended June 30, 2014. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability (asset)	\$ 7,622,944	\$ (1,281,185)	\$ (8,785,412)

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

Other Postemployment Benefits

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

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

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

Membership – At July 1, 2013, membership consisted of:

Retirees and beneficiaries currently receiving benefits	34
Terminated employees entitled to benefits but not yet receiving them	0
Active employees	<u>726</u>
Total	<u>760</u>

Funding Policy – The plan participants are responsible for paying the full cost of their medical premium and the City is responsible for the claims and expenses in excess of participant contributions. As of June 30, 2015, no irrevocable trust had been established for the funding of the Plan’s postretirement benefit obligation. The net claims and expenses paid by the City are funded on a pay-as-you-go basis.

Annual OPEB Costs and Net OPEB Obligation –The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 through 2015 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual	
			OPEB Cost Contributed	Net Obligation (Asset)
June 30, 2013	\$ 1,131,187	\$ 212,753	18.8%	\$ 8,059,728
June 30, 2014	436,932	313,189	71.7%	8,183,470
June 30, 2015	434,725	160,995	37.0%	8,457,200

The net OPEB obligation (NOO) as of June 30, 2015, was calculated as follows:

Annual required contribution	\$ 580,638
Interest on net OPEB obligation	327,339
Adjustment to annual required contribution	(473,252)
Annual OPEB cost	434,725
Contributions made	160,995
Increase (decrease) in net OPEB obligation	273,730
Net OPEB obligation, beginning of year	<u>8,183,470</u>
Net OPEB obligation, end of year	<u>\$ 8,457,200</u>

Funded Status and Funding Progress – The funded status of the plan as of June 30, 2014, was as follows:

Actuarial accrued liability (AAL)	\$ 5,258,480
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 5,258,480
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 43,368,706
UAAL as a percentage of covered payroll	12%

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, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included 4.0% discount rate, which is based on the expected long-term investment returns of the City's general fund assets, and an initial annual healthcare cost trend of 8.0% reduced over time to arrive at an ultimate healthcare cost trend rate of 3.8%. Dental trends were assumed to be 70% of medical trends. The rates included an inflation assumption that declines over time from 2.5% to 2.3%. 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 primarily attributed to a decrease in the claim costs assumption for medical benefits that was adjusted based on the actual reported claims and expenses incurred by the City over the previous 24 months.

Guaranty Deposits - At June 30, 2015, the guaranty deposit accounts of the City included the following deposit liabilities:

Governmental activities:

Oil and gas drilling escrow	\$219,000
Site improvements	5,105,510
Contractor's escrow	111,048
Park improvement	10,529
Court fines and bond deposits	59,552
Others	<u>251,192</u>
Total governmental activities	<u>\$5,756,831</u>

Business-type activities:

Utility deposits	<u>\$1,537,651</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, 2015, the net assessed valuation approximated \$873,553,000. The City had no such bonds outstanding at June 30, 2015. There is no such limit on the issuance of other types of general obligation bonds.

General obligation bonds outstanding as of June 30, 2015 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)	\$ 4,410,000
\$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)	4,640,000
\$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)	2,335,000
\$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)	1,570,000
\$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)	7,500,000
\$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)	1,535,000
\$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)	18,995,000
\$22,525,000 2015 General Obligation bonds, due in annual installments of \$1,185,000 to \$1,195,000 beginning June 1, 2017 through June 1, 2035 at interest rates ranging from 0.5% to 4.00% (for various street reconstruction projects)	<u>22,525,000</u>
Total general obligation bonds	<u>\$ 63,510,000</u>

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

Fiscal Year	Principal	Interest	Total
2016	\$ 8,520,000	\$ 1,674,540	\$ 10,194,540
2017	8,170,000	1,501,273	9,671,273
2018	3,635,000	1,334,937	4,969,937
2019	3,670,000	1,256,383	4,926,383
2020	3,060,000	1,188,268	4,248,268
2021 – 2025	15,310,000	4,542,868	19,852,868
2026 – 2030	12,040,000	2,294,069	14,334,069
2031 – 2035	<u>9,105,000</u>	<u>707,692</u>	<u>9,812,692</u>
Total	<u><u>\$ 63,510,000</u></u>	<u><u>\$ 14,500,030</u></u>	<u><u>\$ 78,010,030</u></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, 2015 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%	\$ 1,135,000
\$17,505,000 Norman Utilities Authority, Utility Revenue Bonds, Refunding Series 2015, due in annual installments of \$730,000 to \$1,315,000 from November 1, 2015 to November 1, 2026, at an interest rate of 2.13%	<u>17,505,000</u>
Total revenue bonds	<u><u>\$ 18,640,000</u></u>

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

Fiscal Year	Principal	Interest	Total
2016	\$ 2,565,000	\$ 427,606	\$ 2,992,606
2017	1,980,000	370,147	2,350,147
2018	1,595,000	326,766	1,921,766
2019	1,640,000	286,587	1,926,587
2020	1,560,000	245,103	1,805,103
2021 – 2025	7,120,000	669,335	7,789,335
2026 – 2027	<u>2,180,000</u>	<u>46,592</u>	<u>2,226,592</u>
Total	<u>\$ 18,640,000</u>	<u>\$ 2,372,136</u>	<u>\$ 21,012,136</u>

On March 10, 2015, the City issued \$17,505,000 in revenue bonds with an average interest rate of 2.13% to advance refund \$1,595,445 of outstanding 2003 revenue bonds with an average interest rate of 3.95%, \$1,301,901 of outstanding 2005 revenue bonds with an average interest rate of 3.83% and \$14,470,671 of outstanding 2006 revenue bonds with an average interest rate of 4.13%. The net proceeds of \$17,257,838 (after payment of \$223,986 in underwriting fees and other issue costs) plus an additional \$353,567 of 2003 revenue bond sinking fund monies, \$183,556 of 2005 revenue bond sinking fund monies and \$639,192 of 2006 revenue bond sinking fund monies were placed in an escrow with a trustee agent to provide for all future debt service payments on the 2003 revenue bonds, 2005 revenue bonds and 2006 revenue bonds. As a result, the 2003 revenue bonds, 2005 revenue bonds and 2006 revenue bonds are considered defeased and the liability for those bonds has been removed from the enterprise funds.

The advance refunding resulted in the recognition of an accounting loss of \$1,066,136 for the year ended June 30, 2015. This loss on refunding is shown as a deferred outflow of resources on the accompanying Statement of Net Position – Proprietary Funds and is being amortized using the straight-line method over the respective remaining lives of the old debt issuances. The City reduced its aggregate debt service payments over the next 13 years by approximately \$4,366,000 and obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$4,238,721.

The Utility Revenue Bonds Series 2015 (\$17,505,000) 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 2015 were used to advance refund previous water and sewer revenue bonds. The bonds are payable solely from sewer and water customer net revenues and are payable through 2027. Annual principal and interest payments on the sewer and water bonds are expected to require less than 8% of net revenues. The total principal and interest remaining to be paid on the bonds is \$17,505,000. Principal and interest paid for the current year was zero. Total sewer and water customer net revenues were \$17,161,191 and \$15,715,128, 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 \$1,428,521. Principal and interest paid for the current year was \$206,164. Total Westwood net revenues and room tax collections were \$1,729,889 for the current year.

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

c. *Notes Payable* - Notes payable as of June 30, 2015 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%.	\$ 373,687
\$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.	69,161
\$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.	1,119,231
\$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.	2,550,000
\$14,215,000 Norman Tax Increment Finance Authority Tax Increment Revenue Note, Taxable Series 2013, due in annual payments ranging from \$750,000 to \$2,790,000 beginning September 1, 2014 through September 1, 2023. The loan has a 3.81% interest rate.	13,465,000
\$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.	4,532,516

\$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. 9,678,543

\$50,300,000 Clean Water SRF loan payable to the OWRB due in annual installments ranging from \$1,410,000 to \$3,880,000 beginning March 15, 2015 and ending September 15, 2029. The loan has a 1.75% interest rate with a .5% administration fee. As of June 30, 2015 only \$5,459,050 has been drawdown. 4,051,014

\$22,825,000 Norman Municipal Authority Revenue Note, Taxable Series 2015, due in annual payments ranging from \$900,000 to \$1,185,000 beginning September 1, 2016 through March 1, 2027. The loan has a 2.330% interest rate. 22,825,000

\$1,620,000 sanitation system loan payable to various holders due in semi-annual installments ranging from \$30,000 to \$165,000 beginning October 1, 2013 through October 1, 2018. The loan has a 1.1455% interest rate. 1,130,000

\$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. 121,306

\$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%. As of June 30, 2014, no advances have been drawn. -

Total notes payable \$ 59,915,458

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

Fiscal Year	Principal	Interest	Total
2016	\$ 6,215,100	\$ 2,044,394	\$ 8,259,494
2017	7,734,631	2,279,795	10,014,426
2018	7,862,728	2,407,240	10,269,968
2019	8,104,888	2,214,436	10,319,324
2020	8,227,550	2,007,682	10,235,232
2021 – 2025	43,425,112	6,599,020	50,024,132
2026 – 2030	28,949,243	1,901,937	30,851,180
2031 – 2033	2,485,774	43,489	2,529,263
Less unfunded note	<u>(53,089,568)</u>	<u>-</u>	<u>(53,089,568)</u>
Total	<u>\$ 59,915,458</u>	<u>\$ 19,497,993</u>	<u>\$ 79,413,451</u>

- d. *Capital Leases Payable* – Capital leases payable as of June 30, 2015 are as follows:

\$746,399 capital lease payable in annual installments of \$264,963 beginning December 1, 2013 through December 1, 2015. The capital lease has a 6.643% interest rate.

	<u>\$ 226,473</u>
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The City entered into a lease agreement as lessee for financing the acquisition of a new phone system. The assets acquired (machinery and equipment) totaled \$794,889. As of June 30, 2015 accumulated depreciation totaled \$106,628 on the phone system.

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

Fiscal Year	Principal	Interest	Total
2016	<u>\$ 226,473</u>	<u>\$ 16,508</u>	<u>\$ 242,981</u>
Total	<u>\$ 226,473</u>	<u>\$ 16,508</u>	<u>\$ 242,981</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, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 49,495,000	\$ 22,525,000	\$ (8,510,000)	\$ 63,510,000	\$ 8,520,000
Issuance premium/(discount)	161,802	559,144	(35,142)	685,804	-
Total bonds payable	49,656,802	23,084,144	(8,545,142)	64,195,804	8,520,000
Sales tax revenue notes	-	22,825,000	-	22,825,000	-
Notes payable	14,356,077	-	(769,771)	13,586,306	1,205,161
Capital leases	491,436	-	(264,963)	226,473	226,473
Liability for incurred claims	6,200,122	10,293,745	(11,793,745)	4,700,122	1,500,000
Net OPEB obligation	8,183,470	434,725	(160,995)	8,457,200	-
Net pension obligation	49,550,152		(9,092,418)	40,457,734	-
Compensated absences	7,152,845	5,433,894	(5,183,703)	7,403,036	613,746
Government activity long-term liabilities	<u>\$ 135,590,904</u>	<u>\$ 62,071,508</u>	<u>\$ (35,810,737)</u>	<u>\$ 161,851,675</u>	<u>\$ 12,065,380</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 20,555,000	\$ 17,505,000	\$ (19,420,000)	\$ 18,640,000	\$ 2,565,000
Less deferred amounts:					
For issuance premium and (discount)	38,186	22,541	(103,847)	(43,120)	-
Total bonds payable	20,593,186	17,527,541	(19,523,847)	18,596,880	2,565,000
Notes payable	21,243,232	5,462,048	(3,201,128)	23,504,152	4,696,733
Compensated absences	1,147,126	889,541	(852,507)	1,184,160	49,535
Business-type activity long-term liabilities	<u>\$ 42,983,544</u>	<u>\$ 23,879,130</u>	<u>\$ (23,577,482)</u>	<u>\$ 43,285,192</u>	<u>\$ 7,311,268</u>

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

5. FUND BALANCE

The following table shows the fund balance classifications as shown on the governmental funds balance sheet as of June 30, 2015:

	General	Public Safety Sales Tax	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
FUND BALANCES						
Nonspendable:						
Inventory	\$ 26,642	\$ -	\$ -	\$ -	\$ -	\$ 26,642
Restricted:						
Debt service reserve	-	-	8,847,202	-	-	8,847,202
Arts and humanities	-	-	-	-	124,872	124,872
Convention and tourism	-	-	-	-	163,155	163,155
Grant activities	-	-	-	-	3,726,779	3,726,779
Bond capital projects	-	22,598,928	-	38,284,677	-	60,883,605
Other capital projects	-	-	-	38,585,976	1,434,458	40,020,434
Seizures	-	-	-	-	785,477	785,477
CLEET	-	-	-	-	20,572	20,572
Public safety	-	8,903,288	-	-	-	8,903,288
Committed:						
Economic stablization	3,191,393	-	-	-	-	3,191,393
Assigned:						
Other capital projects	-	-	-	1,762,800	-	1,762,800
Grant activities	-	-	-	-	385,278	385,278
Orders on purchase	2,890,768	-	-	-	-	2,890,768
Unassigned:	<u>8,290,555</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,290,555</u>
Total fund balances	<u>\$14,399,358</u>	<u>\$ 31,502,216</u>	<u>\$ 8,847,202</u>	<u>\$ 78,633,453</u>	<u>\$ 6,640,591</u>	<u>\$ 140,022,820</u>

On June 28, 2011, the City adopted ordinance O-1011-58 changing the City's reserve policy. The ordinance establishes that the General Fund will have an unappropriated reserve of at least three percent (3%) of annually budgeted expenditures, in addition to an appropriated emergency reserve of two percent (2%) of annually budgeted expenditures. In addition, the ordinance establishes the Net Revenue Stabilization Fund (i.e., "Rainy Day Fund") which has a targeted balance of not less than three percent (3%) but not more than six percent (6%) of annually budgeted General Fund expenditures. Further, expenditures of the reserved amounts may occur only when specific circumstances exist. As of June 30, 2015 the Rainy Day Fund had a balance of \$3,191,393.

6. RISK MANAGEMENT

The City is self-insured against the following risks:

- Employee health claims to a maximum liability of \$195,000 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 \$195,000 limit are covered by insurance. The City's unpaid claims liability of \$4,700,122 reported at June 30, 2015 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. However, events could occur that would cause the estimate for unpaid claims liability to differ materially in the near term. The claims liability for health claims incurred but not reported is estimated by management using a three-month claims lag analysis. These amounts are recorded as a current liability within both the government-wide and governmental fund financial statements. The claims liability for workers compensation claims and judgments is estimated using legal counsel's opinion of probable outcome of litigation plus an estimate of claims experience for incurred but unreported claims. These amounts are recorded as long-term liabilities within the government-wide financial statements. A liability for these amounts are recorded in governmental funds when they become due and payable. As of June 30, 2015, no liability has been recognized in the governmental fund financial statements. There are no allocated or unallocated claim adjustment expenditures/expenses included in the liability for unpaid claims.

At June 30, 2015, 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 2014	<u>\$ 6,200,000</u>	<u>\$ 12,134,605</u>	<u>\$ (12,134,483)</u>	<u>\$ 6,200,122</u>	<u>\$ 1,500,000</u>
Fiscal year 2015	<u>\$ 6,200,122</u>	<u>\$ 10,293,745</u>	<u>\$ (11,793,745)</u>	<u>\$ 4,700,122</u>	<u>\$ 1,500,000</u>

7. SEGMENT INFORMATION

The City operates various segments within its enterprise funds. Condensed financial statement information for these segments for the year ended June 30, 2015 was as follows:

	Norman Municipal Authority		
		Sanitation	
	Westwood Park	Services	Total
Current assets:			
Cash and cash equivalents	\$ 82,924	\$ 1,673,897	\$ 1,756,821
Restricted cash and cash equivalents	5,729	535,837	541,566
Investments	-	5,661,200	5,661,200
Receivables:			
Accounts, net of allowance	-	909,186	909,186
Due from other funds	1	13,491	13,492
Interest	-	5,077	5,077
Total current assets	<u>88,654</u>	<u>8,798,688</u>	<u>8,887,342</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	218,334	318,846	537,180
Capital assets, net	<u>7,350,717</u>	<u>10,330,199</u>	<u>17,680,916</u>
Total noncurrent assets	<u>7,569,051</u>	<u>10,649,045</u>	<u>18,218,096</u>
Total assets	<u>\$ 7,657,705</u>	<u>\$ 19,447,733</u>	<u>\$ 27,105,438</u>
Current liabilities:			
Accounts payable and accrued expenses	\$ 21,648	\$ 357,022	\$ 378,670
Payroll payable	58,322	194,845	253,167
Accrued interest payable	5,729	25,230	30,959
Guaranty deposits	-	366,210	366,210
Revenue bonds payable	135,000	-	135,000
Notes payable	-	545,000	545,000
Compensated absences	<u>3,731</u>	<u>14,246</u>	<u>17,977</u>
Total current liabilities	224,430	1,502,553	1,726,983
Non-current liabilities:			
Long-term debt and other liabilities	<u>1,063,725</u>	<u>3,461,322</u>	<u>4,525,047</u>
Total liabilities	<u>1,288,155</u>	<u>4,963,875</u>	<u>6,252,030</u>
Invested in capital assets, net of related debt	6,237,444	6,650,199	12,887,643
Restricted for debt service	218,334	463,243	681,577
Unrestricted	<u>(86,228)</u>	<u>7,370,416</u>	<u>7,284,188</u>
Total net assets	<u>6,369,550</u>	<u>14,483,858</u>	<u>20,853,408</u>

continued

Norman Municipal Authority			
	Westwood Park	Sanitation Services	Total
Charges for services and goods, net	1,065,318	13,828,132	14,893,450
Other	1,960	234,069	236,029
Total operating revenues	<u>1,067,278</u>	<u>14,062,201</u>	<u>15,129,479</u>
Operating expenses	1,125,274	10,949,897	12,075,171
Depreciation	148,461	1,307,987	1,456,448
Total operating expenses	<u>1,273,735</u>	<u>12,257,884</u>	<u>13,531,619</u>
Operating income (loss)	<u>(206,457)</u>	<u>1,804,317</u>	<u>1,597,860</u>
Investment earnings	224	37,987	38,211
Interest expense	(79,900)	(109,120)	(189,020)
Miscellaneous income (expense)	1,585	77,493	79,078
Net nonoperating revenues (expenses)	<u>(78,091)</u>	<u>6,360</u>	<u>(71,731)</u>
Income before capital contributions and transfers	(284,548)	1,810,677	1,526,129
Transfers, net	<u>229,333</u>	<u>-</u>	<u>229,333</u>
Change in net assets	(55,215)	1,810,677	1,755,462
Total net assets - beginning	<u>6,424,765</u>	<u>12,673,181</u>	<u>19,097,946</u>
Total net assets - ending	<u>6,369,550</u>	<u>14,483,858</u>	<u>20,853,408</u>
Net cash provided (used) by:			
Operating activities	(54,772)	3,190,737	3,135,965
Noncapital financing activities	229,333	-	229,333
Capital and related financing activities	(205,829)	(2,526,125)	(2,731,954)
Investing activities	225	(1,002,848)	(1,002,623)
Beginning cash and cash equivalents	<u>338,030</u>	<u>2,866,816</u>	<u>3,204,846</u>
Ending cash and cash equivalents	<u>\$ 306,987</u>	<u>\$ 2,528,580</u>	<u>\$ 2,835,567</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, 2015, the City maintained a litigation reserve, including judgments that have been awarded but not yet paid, of approximately \$885,000.

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, 2015, rent expenditures approximated \$518,000 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, 2015, the City paid the District \$1,473,559.

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, 2015 is as follows:

	Total Construction In Progress	Total Project	Remaining To Complete
General Government	\$ 49,182,411	\$ 98,216,528	\$ 49,034,117
Norman Municipal Authority:			
Sanitation	13,667	258,750	245,083
Norman Utilities Authority:			
Water Fund	5,661,126	32,369,714	26,708,588
Wastewater Fund	<u>36,239,459</u>	<u>65,931,670</u>	<u>29,692,211</u>
	<u>\$ 91,096,663</u>	<u>\$ 196,776,662</u>	<u>\$ 105,679,999</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, 2015 the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General fund	\$ 2,890,768
Public safety sales tax fund	2,140,396
Capital projects fund	8,144,857
Nonmajor governmental funds	<u>845,590</u>
Total	<u>\$ 14,021,611</u>

9. RECENTLY ISSUED ACCOUNTING STANDARDS

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

GASB Statement No. 72 - *Fair Value Measurement and Application*. This statement establishes standards of accounting and financial reporting to provide guidance on determining a fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of GASB 72 are effective for periods beginning after June 15, 2015. The City has not yet determined the potential impact, if any; this statement could have on its financial statements.

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

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

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

GASB Statement No. 77 - *Tax Abatement Disclosures*. This Statement establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (1) agreements that are entered into by the reporting government and (2) agreements that are entered into by other governments and that reduce the reporting government’s tax revenues. The provisions of this Statement should be applied to all state and local governments subject to such tax abatement agreements. This standard is effective for

financial reporting periods beginning after December 15, 2015. Earlier application is encouraged. The City has not yet determined the potential impact, if any; this statement could have on its financial statements.

* * * * *



REQUIRED SUPPLEMENTARY INFORMATION

THE CITY OF NORMAN, OKLAHOMA

Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) Year Ended June 30, 2015

	<u>2015*</u>
Oklahoma Firefighters Pension and Retirement System (OFPRS)	
City's proportion of the net pension liability or asset	3.9342%
City's proportion share of the net pension liability or (asset)	\$ 40,457,734
City's covered-employee payroll	\$ 10,791,880
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	374.891%
Plan fiduciary net position as a percentage of the total pension liability	68.12%
Oklahoma Police Pension and Retirement System (OPPRS)	
City's proportion of the net pension liability or asset	3.8053%
City's proportion share of the net pension liability or (asset)	\$ (1,281,185)
City's covered-employee payroll	\$ 10,645,515
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	12.035%
Plan fiduciary net position as a percentage of the total pension liability	101.53%

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

Note to Schedule: Only the current fiscal year is presented because 10 year data is not yet available.

THE CITY OF NORMAN, OKLAHOMA

Schedule of the City's Contributions Year Ended June 30, 2015

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

Note to Schedule: Only the current fiscal year is presented because 10 year data is not yet available.

THE CITY OF NORMAN, OKLAHOMA

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

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Unit Credit	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll
July 1, 2008	\$ -	\$ 21,882,455	\$ 21,882,455	0.0 %	\$ 43,228,176
July 1, 2009	-	23,583,965	23,583,965	0.0 %	46,679,049
July 1, 2010	-	23,864,121	23,864,121	0.0 %	45,799,387
July 1, 2011	-	15,646,369 ¹	15,646,369	0.0 %	47,612,796
July 1, 2012	-	13,533,967	13,533,967	0.0 %	50,189,708
July 1, 2013	-	5,258,480 ¹	5,258,480	0.0 %	43,368,706

Note: The City began biennial reporting of OPEB information. Therefore the July 1, 2013 information is the most recent available.

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 ¹	15.6 %
2013	212,753	1,242,633	17.1 %
2014	313,189	580,638 ¹	53.9 %
2015	160,995	580,638	27.7 %

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

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

THE CITY OF NORMAN, OKLAHOMA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
Taxes:							
Sales taxes	\$ 39,653,245	\$ -	\$ 39,653,245			\$ 38,133,120	\$ (1,520,125)
Franchise taxes	7,649,089	-	7,649,089			7,148,619	(500,470)
State use taxes	<u>2,119,339</u>	<u>-</u>	<u>2,119,339</u>			<u>2,427,360</u>	<u>308,021</u>
Total taxes	<u>49,421,673</u>	<u>-</u>	<u>49,421,673</u>			<u>47,709,099</u>	<u>(1,712,574)</u>
Licenses and permits:							
Licenses	365,574	-	365,574			302,722	(62,852)
Permits	<u>1,102,926</u>	<u>-</u>	<u>1,102,926</u>			<u>1,090,167</u>	<u>(12,759)</u>
Total licenses and permits	<u>1,468,500</u>	<u>-</u>	<u>1,468,500</u>			<u>1,392,889</u>	<u>(75,611)</u>
State Shared Revenues:							
State motor fuel	267,652	-	267,652			215,260	(52,392)
Alcoholic beverage	275,498	-	275,498			304,530	29,032
Cigarette	869,742	-	869,742			762,185	(107,557)
State motor vehicle registration	<u>853,660</u>	<u>-</u>	<u>853,660</u>			<u>896,046</u>	<u>42,386</u>
Total intergovern- mental revenues	<u>2,266,552</u>	<u>-</u>	<u>2,266,552</u>			<u>2,178,021</u>	<u>(88,531)</u>
Charges for services:							
Zoning & subdivision	147,464	-	147,464			178,965	31,501
Public safety	362,629	-	362,629			353,134	(9,495)
Health	172,177	-	172,177			185,112	12,935
Recreation fees	419,275	-	419,275			459,259	39,984
Credit card convenience fees	677,178	-	677,178			624,135	(53,043)
911 emergency fees	<u>28,052</u>	<u>-</u>	<u>28,052</u>			<u>30,647</u>	<u>2,595</u>
Total charges for services	<u>1,806,775</u>	<u>-</u>	<u>1,806,775</u>			<u>1,831,252</u>	<u>24,477</u>
Fines and forfeits:							
Police court fines	2,276,457	-	2,276,457			2,655,832	379,375
Miscellaneous forfeitures	<u>-</u>	<u>-</u>	<u>-</u>			<u>(7,081)</u>	<u>(7,081)</u>
Total fines and forfeits	<u>2,276,457</u>	<u>-</u>	<u>2,276,457</u>			<u>2,648,751</u>	<u>372,294</u>
Investment earnings	<u>12,500</u>	<u>-</u>	<u>12,500</u>			<u>24,047</u>	<u>11,547</u>
Other revenue:							
Contributions	4,740	5,760	10,500			4,100	(6,400)
Rents and royalties	179,571	900	180,471			215,700	35,229
Cost allocations	9,767,378	-	9,767,378			9,502,856	(264,522)
Sale of fixed assets	90,000	-	90,000			158,041	68,041
Miscellaneous revenues	<u>822,730</u>	<u>984</u>	<u>823,714</u>			<u>1,007,525</u>	<u>183,811</u>
Total other revenue	<u>10,864,419</u>	<u>7,644</u>	<u>10,872,063</u>			<u>10,888,222</u>	<u>16,159</u>
Total revenues	<u>68,116,876</u>	<u>7,644</u>	<u>68,124,520</u>			<u>66,672,281</u>	<u>(1,452,239)</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, 2015

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
General government:							
City council	\$ 2,421,465	\$ 27,846	\$ 2,449,311	\$ 991,091	\$ 13,781	\$ 1,004,872	\$ 1,444,439
City manager's office	458,319	18,193	476,512	356,439	-	356,439	120,073
Community relations	222,812	(7,549)	215,263	184,146	2,168	186,314	28,949
City clerk's office	547,871	2,976	550,847	541,428	599	542,027	8,820
Municipal court	1,064,704	6,208	1,070,912	997,624	150	997,774	73,138
Legal administration	1,132,079	1,012	1,133,091	1,116,120	-	1,116,120	16,971
Information Technology	1,768,186	442,799	2,210,985	1,266,806	498,999	1,765,805	445,180
Human resource admin	739,484	18,323	757,807	724,596	6,387	730,983	26,824
Safety administration	155,454	(7,334)	148,120	133,313	4,035	137,348	10,772
Building services admin	72,110	7,558	79,668	67,458	5,000	72,458	7,210
Custodial services	211,817	(26,031)	185,786	176,899	-	176,899	8,887
Building repair services	514,952	(15,449)	499,503	424,577	63,304	487,881	11,622
Human rights commission	230	(31)	199	-	-	-	199
Children's rights commission	176	31	207	206	-	206	1
Social & voluntary services	155,000	-	155,000	144,254	5,746	150,000	5,000
Norman public library	411,635	58,573	470,208	275,772	-	275,772	194,436
Firehouse art center	94,275	(2,179)	92,096	82,343	-	82,343	9,753
Historical museum	41,659	2,179	43,838	40,468	-	40,468	3,370
Sooner theatre	97,815	245	98,060	84,801	-	84,801	13,259
Employee training	8,726	(6,395)	2,331	1,813	-	1,813	518
Employee assistance program	24,993	-	24,993	24,948	-	24,948	45
Special studies & contributions	4,900	44,502	49,402	17,200	-	17,200	32,202
Municipal elections	58,115	(1,682)	56,433	51,094	-	51,094	5,339
Sister cities program	1,000	(1,000)	-	-	-	-	-
Holiday decorations	78,615	2,815	81,430	79,890	-	79,890	1,540
Total general government	10,286,392	565,610	10,852,002	7,783,286	600,169	8,383,455	2,468,547
Planning:							
Planning commission	347	-	347	292	-	292	55
Historic district commission	3,016	-	3,016	458	-	458	2,558
Greenbelt commission	490	-	490	-	-	-	490
Planning administration	460,092	11,422	471,514	431,686	6,944	438,630	32,884
Geographic information	409,281	20,990	430,271	409,461	2,273	411,734	18,537
Development services	1,448,430	26,144	1,474,574	1,391,422	16,337	1,407,759	66,815
Revitalization	1,002,056	79,487	1,081,543	983,627	1,562	985,189	96,354
Current planning	212,364	720	213,084	205,861	-	205,861	7,223
Total planning	3,536,076	138,763	3,674,839	3,422,807	27,116	3,449,923	224,916

(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, 2015

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
City controller:							
Finance administration	\$ 305,615	\$ 24,199	\$ 329,814	\$ 323,288	\$ 190	\$ 323,478	\$ 6,336
Accounting services	631,382	22,972	654,354	614,047	21,018	635,065	19,289
Printing services	252,280	(20,855)	231,425	224,946	150	225,096	6,329
Budget services	128,260	3,266	131,526	128,370	-	128,370	3,156
Treasury services	654,371	46,671	701,042	693,693	611	694,304	6,738
Utility services	1,230,174	(4,467)	1,225,707	1,139,519	27,537	1,167,056	58,651
Total city controller	3,202,082	71,786	3,273,868	3,123,863	49,506	3,173,369	100,499
Parks and recreation:							
Parks board	767	-	767	389	-	389	378
Mosquito control program	10,177	21,367	31,544	30,248	250	30,498	1,046
Santa Fe Depot	9,258	29	9,287	5,716	-	5,716	3,571
Administration	610,130	10,825	620,955	556,660	-	556,660	64,295
Park maintenance	3,218,716	(60,710)	3,158,006	2,445,143	449,003	2,894,146	263,860
Forestry	21,119	3,093	24,212	13,502	-	13,502	10,710
Recreation little league	68,602	(750)	67,852	41,178	-	41,178	26,674
Recreation programs	1,153,551	54,203	1,207,754	1,137,217	42	1,137,259	70,495
Senior citizens center	148,445	1,316	149,761	143,048	-	143,048	6,713
Total parks & recreation	5,240,765	29,373	5,270,138	4,373,101	449,295	4,822,396	447,742
Public works:							
Public works administratic	293,028	12,754	305,782	287,946	1,650	289,596	16,186
Engineering department	1,177,523	(9,538)	1,167,985	1,087,023	3,169	1,090,192	77,793
Street maintenance	3,740,528	49,345	3,789,873	3,256,896	284,223	3,541,119	248,754
Stormwater Drainage	3,153,236	407,816	3,561,052	2,835,802	163,686	2,999,488	561,564
Traffic control	3,165,062	236,396	3,401,458	3,058,512	57,253	3,115,765	285,693
Fleet maintenance admin	329,531	26,598	356,129	272,670	4,433	277,103	79,026
Fleet repair services	1,423,359	208,192	1,631,551	1,470,119	44,555	1,514,674	116,877
Fleet fuel and parts	3,399,802	(230,359)	3,169,443	2,533,292	394,928	2,928,220	241,223
CNG Station	326,333	(17,967)	308,366	286,542	7,867	294,409	13,957
Total public works	17,008,402	683,237	17,691,639	15,088,802	961,764	16,050,566	1,641,073
Public safety:							
Police department admin	1,171,737	(118,415)	1,053,322	1,036,225	35	1,036,260	17,062
Staff services	2,062,267	237,915	2,300,182	2,178,604	46,986	2,225,590	74,592
Criminal investigations	2,689,960	(36,869)	2,653,091	2,447,925	22,769	2,470,694	182,397
Patrol	10,492,711	285,765	10,778,476	10,029,958	55,266	10,085,224	693,252
Special Investigations	1,367,505	46,273	1,413,778	1,359,977	19,635	1,379,612	34,166
Animal control	1,070,353	41,344	1,111,697	880,835	137,943	1,018,778	92,919
911 services	2,018,726	42,939	2,061,665	1,962,885	18,156	1,981,041	80,624
Fire department admin	561,565	24,200	585,765	555,745	856	556,601	29,164
Training - fire department	255,131	(17,409)	237,722	232,050	-	232,050	5,672
Fire prevention	825,527	56,085	881,612	858,839	886	859,725	21,887
Fire suppression	13,473,041	193,951	13,666,992	13,142,543	157,086	13,299,629	367,363
Diaster preparedness servi	121,937	9,502	131,439	114,390	224	114,614	16,825
Total public safety	36,110,460	765,281	36,875,741	34,799,976	459,842	35,259,818	1,615,923
Total expenditures and encumbrances	75,384,177	2,254,050	77,638,227	\$ 68,591,835	\$ 2,547,692	71,139,527	6,498,700

(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, 2015

	Original Budget	Revisions	Revised Budget	Actual	Variance- Positive (Negative)
Excess (deficiency) of revenues over expendi- tures and encumbrances	<u>(7,267,301)</u>	<u>(2,246,406)</u>	<u>(9,513,707)</u>	<u>(4,467,246)</u>	<u>5,046,461</u>
OTHER FINANCING SOURCES (USES):					
Transfers in:					
Norman Utilities					
Authority	1,283,184	-	1,283,184	1,314,616	31,432
Capital Projects Fund	3,717,371	8,000	3,725,371	2,763,323	(962,048)
Insurance Fund	-	36,741	36,741	36,741	-
Public Safety Sales Tax Fund	<u>357,181</u>	<u>-</u>	<u>357,181</u>	<u>357,180</u>	<u>(1)</u>
Total transfers in	<u>5,357,736</u>	<u>44,741</u>	<u>5,402,477</u>	<u>4,471,860</u>	<u>(930,617)</u>
Transfers out:					
Westwood Fund	-	(8,559)	(8,559)	(18,499)	(9,940)
Special Grants Fund	-	(101,094)	(101,094)	(91,154)	9,940
Rainy Day Fund	<u>-</u>	<u>(326,505)</u>	<u>(326,505)</u>	<u>(326,505)</u>	<u>-</u>
Total transfers out	<u>-</u>	<u>(436,158)</u>	<u>(436,158)</u>	<u>(436,158)</u>	<u>-</u>
Net other financing sources (uses)	<u>5,357,736</u>	<u>(391,417)</u>	<u>4,966,319</u>	<u>4,035,702</u>	<u>(930,617)</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, 2015

	Original Budget	Revisions	Revised Budget	Actual	Variance- Positive (Negative)
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances, and other uses	(1,909,565)	(2,637,823)	(4,547,388)	(431,544)	4,115,844
Fund balance, July 1, 2014 (Non-GAAP budgetary basis)	<u>2,908,049</u>	<u>-</u>	<u>2,908,049</u>	<u>2,908,049</u>	<u>-</u>
Fund balance, June 30, 2015 (Non-GAAP budgetary basis)	<u>\$ 998,484</u>	<u>\$ (2,637,823)</u>	<u>\$ (1,639,339)</u>	<u>\$ 2,476,505</u>	<u>\$ 4,115,844</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, 2015

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Sales tax	\$ 9,359,137	\$ -	\$ 9,359,137			\$ 9,358,253	\$ (884)
Use tax	<u>344,212</u>	<u>-</u>	<u>344,212</u>			<u>404,560</u>	<u>60,348</u>
Total taxes	9,703,349	-	9,703,349			9,762,813	59,464
Investment earnings	<u>50,000</u>	<u>-</u>	<u>50,000</u>			<u>44,922</u>	<u>(5,078)</u>
Total revenues	<u>9,753,349</u>	<u>-</u>	<u>9,753,349</u>			<u>9,807,735</u>	<u>54,386</u>
EXPENDITURES AND ENCUMBRANCES:							
Public safety:							
Police staff services	50,027	946,857	996,884	\$ (22,297)	\$ 72,636	50,339	946,545
Police criminal investigations	525,550	124,744	650,294	613,558	-	613,558	36,736
Police patrol	3,921,838	786,270	4,708,108	3,779,865	91,928	3,871,793	836,315
Police special investigations	10,564	(3,984)	6,580	6,579	-	6,579	1
911	-	127,239	127,239	127,238	-	127,238	1
Fire suppression	<u>4,182,462</u>	<u>760,186</u>	<u>4,942,648</u>	<u>3,393,162</u>	<u>811,120</u>	<u>4,204,282</u>	<u>738,366</u>
Total expenditures and encumbrances	<u>8,690,441</u>	<u>2,741,312</u>	<u>11,431,753</u>	<u>\$ 7,898,105</u>	<u>\$ 975,684</u>	<u>8,873,789</u>	<u>2,557,964</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	1,062,908	(2,741,312)	(1,678,404)			933,946	2,612,350
OTHER FINANCING SOURCES (USES):							
Transfers out:							
Capital fund	(800,000)	-	(800,000)			(800,000)	-
Rainy Day fund	(292,885)	-	(292,885)			(292,884)	1
General fund	(357,181)	-	(357,181)			(357,180)	1
Bond Proceeds	-	(226,073)	(226,073)			22,598,927	22,825,000
Net other financing sources (uses)	<u>(1,450,066)</u>	<u>(226,073)</u>	<u>(1,676,139)</u>			<u>21,148,863</u>	<u>22,825,002</u>
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other sources (uses)	<u>(387,158)</u>	<u>(2,967,385)</u>	<u>(3,354,543)</u>			<u>22,082,809</u>	<u>25,437,352</u>
Fund balance, July 1, 2014 (Non-GAAP budgetary basis)	<u>5,980,687</u>	<u>-</u>	<u>5,980,687</u>			<u>5,980,687</u>	<u>-</u>
Fund balance, June 30, 2015 (Non-GAAP budgetary basis)	<u>\$ 5,593,529</u>	<u>\$ (2,967,385)</u>	<u>\$ 2,626,144</u>			<u>\$ 28,063,496</u>	<u>\$ 25,437,352</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, 2015, are as follows:

	General Fund	Public Safety Sales Tax Fund
Fund balances - budgetary basis, June 30, 2015	\$ 2,476,505	\$ 28,063,496
Current year encumbrances included in expenditures	2,547,692	975,684
Prior year encumbrances outstanding	470,482	1,164,711
Current year revenue accrual	8,303,996	1,635,883
Current year expenditure accrual	(2,590,710)	(337,558)
Rainy Day Fund Balance	3,191,393	-
Fund balances - fund financial statements, June 30, 2015	<u>\$ 14,399,358</u>	<u>\$ 31,502,216</u>
Revenues - budgetary basis	\$ 66,672,281	\$ 9,807,735
Current year revenue accrual	8,303,996	1,635,883
Prior year revenue accrual	(7,810,116)	(1,601,052)
On-behalf payments	-	-
Interest earned within Rainy Day Fund	17,409	-
Revenues - fund financial statements	<u>\$ 67,183,570</u>	<u>\$ 9,842,566</u>
Expenditures - budgetary basis	\$ 71,139,527	\$ 8,873,789
Current year encumbrances included in expenditures	(2,547,692)	(975,684)
Prior year encumbrances paid	1,682,262	1,558,905
Current year expenditure accrual	2,590,710	337,558
Prior year expenditure accrual	(2,286,275)	(283,847)
On-behalf payments	-	-
Expenditures - fund financial statements	<u>\$ 70,578,532</u>	<u>\$ 9,510,721</u>



OTHER SUPPLEMENTARY INFORMATION

THE CITY OF NORMAN, OKLAHOMA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2015

	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	\$ 216,288	\$ 1,005,312	\$ 1,182,505	\$ 198,464	\$ 546,813	\$ 5,486	\$ -	\$ 2,311	\$ 3,157,179
Investments	316,167	-	1,678,616	884,404	334,026	15,882	-	-	3,229,095
Receivables:									
Taxes	177,632	-	-	-	-	-	-	-	177,632
Accounts	-	-	-	-	20,137	-	-	491	20,628
Interest	754	-	3,998	2,107	795	38	-	-	7,692
Due from Federal Government	-	154,031	191,559	-	-	-	-	-	345,590
Due from Federal other funds	560	2,570	3,027	518	-	14	-	6	6,695
Total assets	<u>\$ 711,401</u>	<u>\$ 1,161,913</u>	<u>\$ 3,059,705</u>	<u>\$ 1,085,493</u>	<u>\$ 901,771</u>	<u>\$ 21,420</u>	<u>\$ -</u>	<u>\$ 2,808</u>	<u>\$ 6,944,511</u>
LIABILITIES AND FUND BALANCE									
Liabilities:									
Accounts payable and other									
accrued liabilities	\$ 65,161	\$ 5,538	\$ 107,357	\$ -	\$ 8,879	\$ 139	\$ -	\$ 2,804	\$ 189,878
Payroll payable	-	16,879	5,151	-	2,944	-	-	-	24,974
Due to other funds	-	-	-	-	89,068	-	-	-	89,068
Total liabilities	<u>65,161</u>	<u>22,417</u>	<u>112,508</u>	<u>-</u>	<u>100,891</u>	<u>139</u>	<u>-</u>	<u>2,804</u>	<u>303,920</u>
Fund balance:									
Restricted	636,988	1,139,496	2,587,283	1,085,493	785,477	20,572	-	4	6,255,313
Assigned	9,252	-	359,914	-	15,403	709	-	-	385,278
Total fund balance	<u>646,240</u>	<u>1,139,496</u>	<u>2,947,197</u>	<u>1,085,493</u>	<u>800,880</u>	<u>21,281</u>	<u>-</u>	<u>4</u>	<u>6,640,591</u>
Total liabilities and fund balance	<u>\$ 711,401</u>	<u>\$ 1,161,913</u>	<u>\$ 3,059,705</u>	<u>\$ 1,085,493</u>	<u>\$ 901,771</u>	<u>\$ 21,420</u>	<u>\$ -</u>	<u>\$ 2,808</u>	<u>\$ 6,944,511</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, 2015

	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	\$ 1,785,788	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,785,788
Intergovernmental revenues	-	1,452,234	739,059	-	-	26,167	-	-	2,217,460
Charges for services	-	-	-	149,916	-	-	-	-	149,916
Investment earnings	2,096	-	11,929	5,648	2,186	98	3	-	21,960
Other	-	-	-	-	285,796	-	-	11,258	297,054
Total revenues	<u>1,787,884</u>	<u>1,452,234</u>	<u>750,988</u>	<u>155,564</u>	<u>287,982</u>	<u>26,265</u>	<u>3</u>	<u>11,258</u>	<u>4,472,178</u>
Expenditures:									
Current:									
Parks and recreation	-	-	-	31,024	-	-	-	12,423	43,447
Public service	1,457,572	1,447,786	14,529	-	-	-	-	-	2,919,887
Public safety	-	-	615,205	-	295,136	34,538	-	-	944,879
Public works	-	-	6,390	-	-	-	4,317	-	10,707
Capital outlay	164,266	-	97,452	259,663	25,044	-	-	-	546,425
Total expenditures	<u>1,621,838</u>	<u>1,447,786</u>	<u>733,576</u>	<u>290,687</u>	<u>320,180</u>	<u>34,538</u>	<u>4,317</u>	<u>12,423</u>	<u>4,465,345</u>
Excess (deficiency) of revenues over (under) expenditures	<u>166,046</u>	<u>4,448</u>	<u>17,412</u>	<u>(135,123)</u>	<u>(32,198)</u>	<u>(8,273)</u>	<u>(4,314)</u>	<u>(1,165)</u>	<u>6,833</u>
Other financing sources (uses):									
Transfers in	-	731,712	1,111,129	1,860	-	-	-	-	1,844,701
Transfers out	(207,414)	-	(46,871)	-	-	-	-	-	(254,285)
Net other financing sources (uses)	<u>(207,414)</u>	<u>731,712</u>	<u>1,064,258</u>	<u>1,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,590,416</u>
Net change in fund balances	<u>(41,368)</u>	<u>736,160</u>	<u>1,081,670</u>	<u>(133,263)</u>	<u>(32,198)</u>	<u>(8,273)</u>	<u>(4,314)</u>	<u>(1,165)</u>	<u>1,597,249</u>
Fund balance - beginning	<u>687,608</u>	<u>403,336</u>	<u>1,865,527</u>	<u>1,218,756</u>	<u>833,078</u>	<u>29,554</u>	<u>4,314</u>	<u>1,169</u>	<u>5,043,342</u>
Fund balance - ending	<u>\$ 646,240</u>	<u>\$ 1,139,496</u>	<u>\$ 2,947,197</u>	<u>\$ 1,085,493</u>	<u>\$ 800,880</u>	<u>\$ 21,281</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 6,640,591</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, 2015

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Hotel/motel tax	\$ 1,699,500	\$ -	\$ 1,699,500			\$ 1,789,826	\$ 90,326
Investment earnings	1,500	-	1,500			2,331	831
Total revenues	<u>1,701,000</u>	<u>-</u>	<u>1,701,000</u>			<u>1,792,157</u>	<u>91,157</u>
EXPENDITURES AND ENCUMBRANCES:							
Public service:							
Room tax	<u>1,694,550</u>	<u>184,218</u>	<u>1,878,768</u>	<u>\$ 1,621,838</u>	<u>\$ 12,755</u>	<u>1,634,593</u>	<u>244,175</u>
Total expenditures and encumbrances	<u>1,694,550</u>	<u>184,218</u>	<u>1,878,768</u>	<u>\$ 1,621,838</u>	<u>\$ 12,755</u>	<u>1,634,593</u>	<u>244,175</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	<u>6,450</u>	<u>(184,218)</u>	<u>(177,768)</u>			<u>157,564</u>	<u>335,332</u>
OTHER FINANCING USES:							
Transfers out:							
Westwood	<u>(206,164)</u>	<u>-</u>	<u>(207,414)</u>			<u>(207,414)</u>	<u>-</u>
Net other financing sources (uses)	<u>(206,164)</u>	<u>-</u>	<u>(207,414)</u>			<u>(207,414)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other uses	<u>(199,714)</u>	<u>(184,218)</u>	<u>(385,182)</u>			<u>(49,850)</u>	<u>335,332</u>
Fund balance, July 1, 2014 (Non-GAAP budgetary basis)	<u>505,306</u>		<u>505,306</u>			<u>505,306</u>	<u>-</u>
Fund balance, June 30, 2015 (Non-GAAP budgetary basis)	<u>\$ 305,592</u>	<u>\$ (184,218)</u>	<u>\$ 120,124</u>			<u>\$ 455,456</u>	<u>\$ 335,332</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, 2015

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Intergovernmental:							
Community development							
block grant ("CDBG")	\$ 721,987	\$ 3,559	\$ 725,546			\$ 691,251	\$ (34,295)
CDBG-R grant	-	555,300	555,300			555,300	-
Emergency shelter grant	-	-	-			-	-
Home grant	318,067	6,000	324,067			109,623	(214,444)
COC planning grant	-	-	-			10,000	10,000
Total revenues	<u>1,040,054</u>	<u>564,859</u>	<u>1,604,913</u>			<u>1,366,174</u>	<u>(238,739)</u>
EXPENDITURES AND ENCUMBRANCES:							
Public service:							
Community development	219,392	461,976	681,368	\$ 253,910	\$ 141,893	395,803	285,565
CDBG housing	502,595	392,856	895,451	470,550	-	470,550	424,901
CDBG-R	-	1,287,012	1,287,012	555,300	-	555,300	731,712
Home grants	318,067	244,370	562,437	155,226	349,507	504,733	57,704
COC planning grants	-	10,000	10,000	8,352	-	8,352	1,648
Emergency shelter grants	-	-	-	-	-	-	-
Total expenditures and encumbrances	<u>1,040,054</u>	<u>2,396,214</u>	<u>3,436,268</u>	<u>\$ 1,443,338</u>	<u>\$ 491,400</u>	<u>1,934,738</u>	<u>1,501,530</u>
Excess (deficiency) of revenues over (under)							
expenditures and encumbrances	-	(1,831,355)	(1,831,355)			(568,564)	1,262,791
OTHER FINANCING SOURCES (USES):							
Operating transfers in:							
Capital Fund	-	731,712	731,712			731,712	-
Excess (deficiency) of revenues over (under)							
expenditures, encumbrances and other uses	-	(1,099,643)	(1,099,643)			163,148	1,262,791
Fund balance (deficit),							
July 1, 2014 (Non-GAAP budgetary basis)	<u>347,796</u>	<u>-</u>	<u>347,796</u>			<u>347,796</u>	<u>-</u>
Fund balance (deficit),							
June 30, 2015 (Non-GAAP budgetary basis)	<u>\$ 347,796</u>	<u>\$ (1,099,643)</u>	<u>\$ (751,847)</u>			<u>\$ 510,944</u>	<u>\$ 1,262,791</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, 2015

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Intergovernmental:							
County Court DUI	\$ 64,982	\$ -	\$ 64,982			\$ 57,803	\$ (7,179)
Public safety grants	-	1,743,949	1,743,949			590,308	(1,153,641)
Public service grants	-	15,000	15,000			3,679	(11,321)
Recreation grants	-	-	-			374,317	374,317
Public works grants	-	123,160	123,160			16,807	(106,353)
Total intergovernmental	64,982	1,882,109	1,947,091			1,042,914	(904,177)
Investment earnings	-	-	-			12,409	12,409
Total revenues	64,982	1,882,109	1,947,091			1,055,323	(891,768)
EXPENDITURES AND ENCUMBRANCES:							
DUI enforcement	63,982	-	63,982	\$ 10,787	\$ 1,236	12,023	51,959
Traffic & alcohol enforcement	-	126,601	126,601	89,286	-	89,286	37,315
Bullet proof vest grant	-	214	214	-	-	-	214
Saferoom grant	-	520,000	520,000	332,175	-	332,175	187,825
Shelter rebate grant	-	1,009,790	1,009,790	48,194	-	48,194	961,596
JAG grant	-	19,307	19,307	15,835	-	15,835	3,472
Emergency management	-	29,685	29,685	26,278	-	26,278	3,407
Miscellaneous police grants	-	19,921	19,921	16,572	-	16,572	3,349
SHPO / CLG grant	-	15,000	15,000	14,469	-	14,469	531
Intelligence Analysis grant	1,000	30,267	31,267	31,268	-	31,268	(1)
Firefighter assistance grant	-	6,807	6,807	6,805	-	6,805	2
ACOG fleet conversion grant	-	101,094	101,094	9,940	91,154	101,094	-
Saxon Park grant	-	79,967	79,967	17,655	-	17,655	62,312
Legacy Trail improvement grant	-	600,000	600,000	-	-	-	600,000
Drug evaluation/recognition	-	122,967	122,967	33,848	-	33,848	89,119
Traffic grant	-	619,475	619,475	10,000	-	10,000	609,475
Homeland security grant - UASI	-	5,416	5,416	-	-	-	5,416
School Zone Imp grant	-	190,000	190,000	-	184,050	184,050	5,950
City beautification	-	-	-	-	-	-	-

(Continued)

THE CITY OF NORMAN, OKLAHOMA

SPECIAL GRANTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
Total expenditures and encumbrances	64,982	3,496,511	3,561,493	\$ 663,112	\$276,440	939,552	2,621,941
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances	<u>-</u>	<u>(1,614,402)</u>	<u>(1,614,402)</u>			<u>115,771</u>	<u>1,730,173</u>
OTHER FINANCING SOURCES (USES):							
Operating transfers in:							
Capital Fund	-	1,019,975	1,019,975			1,019,975	-
General Fund	-	101,094	101,094			91,154	(9,940)
Operating transfers out:							
Capital Fund	<u>-</u>	<u>(46,871)</u>	<u>(46,871)</u>			<u>(46,871)</u>	<u>-</u>
Net other financing sources	-	1,074,198	1,074,198			1,064,258	(9,940)
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other sources	-	(540,204)	(540,204)			1,180,029	1,720,233
Fund balance (deficit), July 1, 2014 (Non-GAAP budgetary basis)	<u>1,302,215</u>	<u>-</u>	<u>1,302,215</u>			<u>1,302,215</u>	<u>-</u>
Fund balance (deficit), June 30, 2015 (Non-GAAP budgetary basis)	<u>\$1,302,215</u>	<u>\$ (540,204)</u>	<u>\$ 762,011</u>			<u>\$ 2,482,244</u>	<u>\$ 1,720,233</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, 2015

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Investment earnings	\$ 15,000	\$ -	\$ 15,000			\$ 6,522	\$ (8,478)
Charges for services	<u>85,000</u>	<u>-</u>	<u>85,000</u>			<u>149,916</u>	<u>64,916</u>
Total revenues	<u>100,000</u>	<u>-</u>	<u>100,000</u>			<u>156,438</u>	<u>56,438</u>
EXPENDITURES AND ENCUMBRANCES:							
Parks and recreation	<u>137,500</u>	<u>578,411</u>	<u>715,911</u>	<u>\$ 263,007</u>	<u>\$ 11,300</u>	<u>274,307</u>	<u>441,604</u>
Total expenditures and encumbrances	<u>137,500</u>	<u>578,411</u>	<u>715,911</u>	<u>\$ 263,007</u>	<u>\$ 11,300</u>	<u>274,307</u>	<u>441,604</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	(37,500)	(578,411)	(615,911)			(117,869)	498,042
OTHER FINANCING SOURCES (USES):							
Transfers in:							
Capital Projects Fund	<u>-</u>	<u>1,860</u>	<u>1,860</u>			<u>1,860</u>	<u>-</u>
Net other financing source	<u>-</u>	<u>1,860</u>	<u>1,860</u>			<u>1,860</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures, encumbrances and other financing sources (uses)	(37,500)	(576,551)	(614,051)			(116,009)	498,042
Fund balance, July 1, 2014 (Non-GAAP budgetary basis)	<u>1,189,092</u>	<u>-</u>	<u>1,189,092</u>			<u>1,189,092</u>	<u>-</u>
Fund balance, June 30, 2015 (Non-GAAP budgetary basis)	<u>\$ 1,151,592</u>	<u>\$ (576,551)</u>	<u>\$ 575,041</u>			<u>\$ 1,073,083</u>	<u>\$ 498,042</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, 2015

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Intergovernmental:							
State Seizure/Restitution	\$ 9,000	\$ -	\$ 9,000			\$ 150,038	\$ 141,038
Federal Seizure/Restitution	6,000	-	6,000			97,178	91,178
Investment earnings	500	-	500			2,777	2,277
Juvenile Program	77,000	-	77,000			36,289	(40,711)
Miscellaneous income	<u>-</u>	<u>-</u>	<u>-</u>			<u>2,290</u>	<u>2,290</u>
Total revenues	<u>92,500</u>	<u>-</u>	<u>92,500</u>			<u>288,572</u>	<u>196,072</u>
EXPENDITURES AND ENCUMBRANCES:							
Public Safety:							
State seizures	95,251	210,241	305,492	\$ 223,369	\$ 48,598	271,967	33,525
Federal seizures	-	506	506	507	-	507	(1)
Juvenile program	<u>98,471</u>	<u>1,075</u>	<u>99,546</u>	<u>62,984</u>	<u>-</u>	<u>62,984</u>	<u>36,562</u>
Total expenditures and encumbrances	<u>193,722</u>	<u>211,822</u>	<u>405,544</u>	<u>\$ 286,860</u>	<u>\$ 48,598</u>	<u>335,458</u>	<u>70,086</u>
Excess (deficiency) of revenues over (under)							
expenditures and encumbrances	(101,222)	(211,822)	(313,044)			(46,886)	266,158
Fund balance, July 1, 2014 (Non-GAAP budgetary basis)	<u>799,672</u>	<u>-</u>	<u>799,672</u>			<u>799,672</u>	<u>-</u>
Fund balance, June 30, 2015 (Non-GAAP budgetary basis)	<u>\$ 698,450</u>	<u>\$ (211,822)</u>	<u>\$ 486,628</u>			<u>\$ 752,786</u>	<u>\$ 266,158</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, 2015

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Fines and forfeitures:							
Cleet training revenue	\$ 32,000	\$ -	\$ 32,000			\$ 26,167	\$ (5,833)
Investment earnings	-	-	-			117	117
Miscellaneous revenue	-	-	-			-	-
	<u>32,000</u>	<u>-</u>	<u>32,000</u>			<u>26,284</u>	<u>(5,716)</u>
Total revenues							
	<u>32,000</u>	<u>-</u>	<u>32,000</u>			<u>26,284</u>	<u>(5,716)</u>
EXPENDITURES AND ENCUMBRANCES:							
Public Safety:							
Court Cleet Training	1,500	-	1,500	\$ 900	\$ -	900	600
	<u>29,005</u>	<u>7,311</u>	<u>36,316</u>	<u>26,327</u>	<u>1,500</u>	<u>27,827</u>	<u>8,489</u>
Police Cleet Training							
	<u>29,005</u>	<u>7,311</u>	<u>36,316</u>	<u>26,327</u>	<u>1,500</u>	<u>27,827</u>	<u>8,489</u>
Total expenditures and encumbrances	<u>30,505</u>	<u>7,311</u>	<u>37,816</u>	<u>\$ 27,227</u>	<u>\$ 1,500</u>	<u>28,727</u>	<u>9,089</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	1,495	(7,311)	(5,816)			(2,443)	3,373
Fund balance, July 1, 2014 (Non-GAAP budgetary basis)	<u>22,204</u>	<u>-</u>	<u>22,204</u>			<u>22,204</u>	<u>-</u>
Fund balance, June 30, 2015 (Non-GAAP budgetary basis)	<u>\$ 23,699</u>	<u>\$ (7,311)</u>	<u>\$ 16,388</u>			<u>\$ 19,761</u>	<u>\$ 3,373</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, 2015

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Sales taxes	\$ -	\$ -	\$ -			\$ -	\$ -
Property taxes	-	-	-			-	-
Investment earnings	-	-	-			28	28
Total revenues	-	-	-			28	28
EXPENDITURES AND ENCUMBRANCES:							
General government:							
Capital projects	-	4,318	4,318	\$ 4,316	\$ -	4,316	2
Total expenditures and encumbrances	-	4,318	4,318	\$ 4,316	\$ -	4,316	2
Excess (deficiency) of revenues over (under) expenditures and encumbrances	-	(4,318)	(4,318)			(4,288)	30
Fund balance, July 1, 2014 (Non-GAAP budgetary basis)	4,288	-	4,288			4,288	-
Fund balance, June 30, 2015 (Non-GAAP budgetary basis)	\$ 4,288	\$ (4,318)	\$ (30)			\$ -	\$ 30

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, 2015

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Other revenue	\$ 14,000	\$ -	\$ 14,000			\$ 11,258	\$ (2,742)
Total revenues	<u>14,000</u>	<u>-</u>	<u>14,000</u>			<u>11,258</u>	<u>(2,742)</u>
EXPENDITURES AND ENCUMBRANCES:							
Parks & recreation							
Donation	<u>14,000</u>	<u>-</u>	<u>14,000</u>	\$ 12,423	\$ 1,577	<u>14,000</u>	<u>-</u>
Total expenditures and encumbrances	<u>14,000</u>	<u>-</u>	<u>14,000</u>	<u>\$ 12,423</u>	<u>\$ 1,577</u>	<u>14,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	-	-	-			(2,742)	(2,742)
Fund balance, July 1, 2014 (Non-GAAP budgetary basis)	<u>1,169</u>	<u>-</u>	<u>1,169</u>			<u>1,169</u>	<u>-</u>
Fund balance, June 30, 2015 (Non-GAAP budgetary basis)	<u>\$ 1,169</u>	<u>\$ -</u>	<u>\$ 1,169</u>			<u>\$ (1,573)</u>	<u>\$ (2,742)</u>

THE CITY OF NORMAN, OKLAHOMA

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Property tax	\$ 10,423,825	\$ -	\$ 10,423,825			\$ 10,439,340	\$ 15,515
Sales tax	<u>-</u>	<u>-</u>	<u>-</u>			<u>-</u>	<u>-</u>
Total taxes	10,423,825	-	10,423,825			10,439,340	15,515
Investment earnings	25,000	-	25,000			47,137	22,137
Other revenue:							
Special assessments	<u>-</u>	<u>-</u>	<u>-</u>			<u>-</u>	<u>-</u>
Total revenues	<u>10,448,825</u>	<u>-</u>	<u>10,448,825</u>			<u>10,486,477</u>	<u>37,652</u>
EXPENDITURES AND ENCUMBRANCES:							
Debt service:							
Principal	8,510,000	-	8,510,000	\$ 8,510,000	\$ -	8,510,000	-
Interest and fiscal charges	1,185,330	2,954	1,188,284	1,188,284	-	1,188,284	-
Special assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and encumbrances	<u>9,695,330</u>	<u>2,954</u>	<u>9,698,284</u>	<u>\$ 9,698,284</u>	<u>\$ -</u>	<u>9,698,284</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	753,495	(2,954)	750,541			788,193	37,652
OTHER FINANCING SOURCES (USES):							
Transfers out:							
Risk management fund	(753,495)	(146,904)	(900,399)			(900,399)	-
Net other financing sources (uses)	<u>(753,495)</u>	<u>(146,904)</u>	<u>(900,399)</u>			<u>(900,399)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other sources (uses)	-	(149,858)	(149,858)			(112,206)	37,652
Fund balance, July 1, 2014 (Non-GAAP budgetary basis)	<u>8,951,391</u>	<u>-</u>	<u>8,951,391</u>			<u>8,951,391</u>	<u>-</u>
Fund balance, June 30, 2015 (Non-GAAP budgetary basis)	<u>\$ 8,951,391</u>	<u>\$ (149,858)</u>	<u>\$ 8,801,533</u>			<u>\$ 8,839,185</u>	<u>\$ 37,652</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, 2015

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Sales tax	\$ 12,881,955	\$ -	\$ 12,881,955			\$ 13,101,567	\$ 219,612
Sales tax - UNP TIF	3,552,325	-	3,552,325			4,914,898	1,362,573
Property tax - UNP TIF	835,000	-	835,000			1,180,758	345,758
Investment earnings	167,500	-	167,500			163,153	(4,347)
Miscellaneous	434,547	64,344	498,891			756,628	257,737
Total revenues	17,871,327	64,344	17,935,671			20,117,004	2,181,333
EXPENDITURES AND ENCUMBRANCES:							
Personnel costs	893,719	26,817	920,536	\$ 914,018	\$ -	914,018	6,518
Services and maintenance	26,171	104,321	130,492	9,268	113,092	122,360	8,132
Cost allocation charges	220,607	85,785	306,392	306,226	-	306,226	166
Capital projects	28,900,083	35,041,896	63,941,979	11,225,741	5,122,673	16,348,414	47,593,565
Capital projects - UNP TIF	-	7,596,607	7,596,607	(216,003)	989	(215,014)	7,811,621
Debt service	-	-	-	261,708	-	261,708	(261,708)
Debt service - UNP TIF	1,277,304	238,621	1,515,925	1,515,924	-	1,515,924	1
Total expenditures and encumbrances	31,317,884	43,094,047	74,411,931	\$ 14,016,882	\$ 5,236,754	19,253,636	55,158,295
Excess (deficiency) of revenues over (under) expenditures and encumbrances	(13,446,557)	(43,029,703)	(56,476,260)			863,368	57,339,628
OTHER FINANCING SOURCES (USES):							
Transfers Out:							
General fund	(3,717,371)	256,918	(3,460,453)			(2,763,323)	697,130
Westwood fund	(90,575)	-	(90,575)			(3,420)	87,155
Special grants fund	-	(1,019,975)	(1,019,975)			(1,019,975)	-
CDBG fund	-	(731,712)	(731,712)			(731,712)	-
Parkland fund	-	(1,860)	(1,860)			(1,860)	-
Transfers In:							
PSST fund	800,000	-	800,000			800,000	-
Special grants fund	-	-	-			46,871	46,871
Debt proceeds	-	-	-			23,084,144	23,084,144
Net other financing sources (uses)	(3,007,946)	(1,496,629)	(4,504,575)			19,410,725	23,915,300
Excess (deficiency) of revenues over expenditures and encumbrances and other sources (uses)	(16,454,503)	(44,526,332)	(60,980,835)			20,274,093	81,254,928
Fund balance, July 1, 2014 (Non-GAAP budgetary basis)	48,029,938	-	48,029,938			48,029,938	-
Fund balance, June 30, 2015 (Non-GAAP budgetary basis)	\$ 31,575,435	\$ (44,526,332)	\$ (12,950,897)			\$ 68,304,031	\$ 81,254,928

**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, 2015, are as follows:

	Special Revenue Funds	Debt Service Fund	Capital Projects Fund
Fund balances, June 30, 2015 (Non-GAAP budgetary basis)	\$ 5,292,701	\$ 8,839,185	\$ 68,304,031
Current year encumbrances included in expenditures	843,570	-	5,236,754
Prior year encumbrances outstanding	2,021	-	3,008,261
Current year revenue accrual	527,274	8,017	2,856,329
Current year expenditure accrual	(24,975)	0	(771,922)
GAAP basis fund balances, June 30, 2015	<u>\$ 6,640,591</u>	<u>\$ 8,847,202</u>	<u>\$ 78,633,453</u>
Budgetary basis revenues	\$ 4,696,234	\$ 10,486,477	\$ 20,117,004
Current year revenue accrual	527,274	8,017	2,856,329
Prior year revenue accrual	(751,330)	(15,628)	(2,991,957)
GAAP basis revenues	<u>\$ 4,472,178</u>	<u>\$ 10,478,866</u>	<u>\$ 19,981,376</u>
Budgetary basis expenditures	\$ 5,165,691	\$ 9,698,284	\$ 19,253,636
Current year encumbrances included in expenditures	(843,570)	-	(5,236,754)
Prior year encumbrances paid	133,184	-	10,565,237
Current year expenditure accrual	24,975	-	771,922
Prior year expenditure accrual	(14,935)	-	(237,722)
GAAP basis expenditures	<u>\$ 4,465,345</u>	<u>\$ 9,698,284</u>	<u>\$ 25,116,319</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING SCHEDULE OF NET POSITION

ENTERPRISE FUND - NORMAN MUNICIPAL AUTHORITY

JUNE 30, 2015

	Westwood Park	Sanitation Services	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 82,924	\$ 1,673,897	\$ 1,756,821
Restricted cash and cash equivalents	5,729	535,837	541,566
Investments	-	5,661,200	5,661,200
Receivables:			
Accounts, net of allowance for estimated uncollectible accounts	-	909,186	909,186
Interest	1	13,491	13,492
Due from other funds	-	5,077	5,077
Total current assets	<u>88,654</u>	<u>8,798,688</u>	<u>8,887,342</u>
Noncurrent assets:			
Restricted cash and cash equivalents	218,334	318,846	537,180
Restricted investments	-	-	-
Capital assets, net	<u>7,350,717</u>	<u>10,330,199</u>	<u>17,680,916</u>
Total noncurrent assets	<u>7,569,051</u>	<u>10,649,045</u>	<u>18,218,096</u>
Total assets	<u>7,657,705</u>	<u>19,447,733</u>	<u>27,105,438</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	21,648	357,022	378,670
Payroll payable	58,322	194,845	253,167
Accrued interest payable	5,729	25,230	30,959
Guaranty deposits	-	366,210	366,210
Revenue bonds payable	135,000	-	135,000
Notes payable	-	545,000	545,000
Compensated absences	<u>3,731</u>	<u>14,246</u>	<u>17,977</u>
Total current liabilities	<u>224,430</u>	<u>1,502,553</u>	<u>1,726,983</u>
Noncurrent liabilities:			
Notes payable	-	3,135,000	3,135,000
Compensated absences	85,452	326,322	411,774
Revenue bonds payable, net	<u>978,273</u>	<u>-</u>	<u>978,273</u>
Total noncurrent liabilities	<u>1,063,725</u>	<u>3,461,322</u>	<u>4,525,047</u>
Total liabilities	<u>1,288,155</u>	<u>4,963,875</u>	<u>6,252,030</u>
NET POSITION			
Invested in capital assets, net	6,237,444	6,650,199	12,887,643
Restricted for debt service	218,334	463,243	681,577
Unrestricted	<u>(86,228)</u>	<u>7,370,416</u>	<u>7,284,188</u>
Total net position	<u>\$ 6,369,550</u>	<u>\$ 14,483,858</u>	<u>\$ 20,853,408</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, 2015

	Westwood Park	Sanitation Services	Total
Operating revenues:			
Golf and pool fees	\$ 1,065,318	\$ -	\$ 1,065,318
Sanitation services, net	-	13,828,132	13,828,132
Other	1,960	234,069	236,029
Total operating revenues	1,067,278	14,062,201	15,129,479
Operating expenses:			
Salaries and benefits	782,660	4,088,733	4,871,393
Supplies and materials	113,926	1,340,805	1,454,731
Services and maintenance	228,688	5,520,359	5,749,047
Depreciation and amortization	148,461	1,307,987	1,456,448
Total operating expenses	1,273,735	12,257,884	13,531,619
Operating income (loss)	(206,457)	1,804,317	1,597,860
Nonoperating revenues (expenses):			
Investment earnings	224	37,987	38,211
Interest and fiscal charges	(79,900)	(109,120)	(189,020)
Miscellaneous income (expense)	1,585	77,493	79,078
Net nonoperating revenues (expenses)	(78,091)	6,360	(71,731)
Income (loss) before transfers	(284,548)	1,810,677	1,526,129
Transfers in (out):			
Transfers in	229,333	-	229,333
Net transfers	229,333	-	229,333
Net income	(55,215)	1,810,677	1,755,462
Net position - beginning	6,424,765	12,673,181	19,097,946
Net position - ending	\$ 6,369,550	\$ 14,483,858	\$ 20,853,408

THE CITY OF NORMAN, OKLAHOMA
COMBINING SCHEDULE OF CASH FLOWS
ENTERPRISE FUND - NORMAN MUNICIPAL AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2015

	Westwood Park	Sanitation Services	Total
Cash flows from operating activities:			
Cash received from customers	\$ 1,067,278	\$ 13,957,291	\$ 15,024,569
Cash paid to employees for services	(774,573)	(4,055,932)	(4,830,505)
Cash paid to suppliers	(347,477)	(6,716,393)	(7,063,870)
Other receipts (payments)	-	5,771	5,771
Net cash provided by (used for) operating activities	<u>(54,772)</u>	<u>3,190,737</u>	<u>3,135,965</u>
Cash flows from noncapital financing activities:			
Transfers in	<u>229,333</u>	<u>-</u>	<u>229,333</u>
Net cash provided by (used for) noncapital financing activities	<u>229,333</u>	<u>-</u>	<u>229,333</u>
Cash flows from capital and related financing activities:			
Proceeds from disposal of capital assets	1,585	73,252	74,837
Payments for the acquisition of capital assets	-	(1,952,430)	(1,952,430)
Principal payments on revenue bonds payable	(130,000)	-	(130,000)
Principal payments on notes payable	-	(535,000)	(535,000)
Interest and fiscal charges paid	<u>(77,414)</u>	<u>(111,947)</u>	<u>(189,361)</u>
Net cash used for capital and related financing activities	<u>(205,829)</u>	<u>(2,526,125)</u>	<u>(2,731,954)</u>
Cash flows from investing activities:			
Proceeds from maturity of investments	-	1,451,875	1,451,875
Payments for purchases of investments	-	(2,530,531)	(2,530,531)
Investment earnings received	<u>225</u>	<u>75,808</u>	<u>76,033</u>
Net cash provided by investing activities	<u>225</u>	<u>(1,002,848)</u>	<u>(1,002,623)</u>
Net change in cash and cash equivalents	(31,043)	(338,236)	(369,279)
Cash and cash equivalents - beginning	<u>338,030</u>	<u>2,866,816</u>	<u>3,204,846</u>
Cash and cash equivalents - ending	<u>\$ 306,987</u>	<u>\$ 2,528,580</u>	<u>\$ 2,835,567</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (206,457)	\$ 1,804,317	\$ 1,597,860
Adjustments to reconcile operating income to net cash provided by operating activities:			
Miscellaneous income	1,585	77,493	79,078
Bad debt expense	-	81,572	81,572
Depreciation	148,461	1,307,987	1,456,448
Gain on disposal of property, plant and equipment	(1,585)	(68,361)	(69,946)
Increase in accounts receivable, net	-	(201,576)	(201,576)
Increase in due from other funds	-	(3,361)	(3,361)
Increase (decrease) in accounts payable and accrued liabilities	(4,863)	147,512	142,649
Increase in payroll payable	1,134	18,429	19,563
Decrease in retainage payable	-	(2,741)	(2,741)
Increase in guaranty deposits	-	15,094	15,094
Increase in compensated absences	<u>6,953</u>	<u>14,372</u>	<u>21,325</u>
Net cash provided by (used for) operating activities	<u>\$ (54,772)</u>	<u>\$ 3,190,737</u>	<u>\$ 3,135,965</u>
NONCASH ACTIVITIES:			
Change in unrealized (gain) loss on investments	<u>\$ -</u>	<u>\$ 41,174</u>	<u>\$ 41,174</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING SCHEDULE OF NET POSITION

ENTERPRISE FUND - NORMAN UTILITIES AUTHORITY

JUNE 30, 2015

ASSETS	Water	Wastewater	Total
Current assets:			
Cash and cash equivalents	\$ 4,681,472	\$ -	\$ 4,681,472
Restricted cash and cash equivalents	6,098,716	739,303	6,838,019
Investments	13,649,686	11,755,465	25,405,151
Receivables:			
Accounts, net of allowance for estimated uncollectible accounts	1,936,632	1,077,446	3,014,078
Interest	32,558	42,556	75,114
Due from other funds	14,020	4,294	18,314
Total current assets	<u>26,413,084</u>	<u>13,619,064</u>	<u>40,032,148</u>
Noncurrent assets:			
Restricted cash and cash equivalents	-	2,682,119	2,682,119
Restricted investments	-	6,106,405	6,106,405
Capital assets, net	<u>83,252,042</u>	<u>121,296,921</u>	<u>204,548,963</u>
Total noncurrent assets	<u>83,252,042</u>	<u>130,085,445</u>	<u>213,337,487</u>
Total assets	<u>109,665,126</u>	<u>143,704,509</u>	<u>253,369,635</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred charge on refunding	<u>896,396</u>	<u>218,398</u>	<u>1,114,794</u>
Total deferred outflows of resources	<u>896,396</u>	<u>218,398</u>	<u>1,114,794</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	1,237,759	4,452,016	5,689,775
Payroll payable	191,569	160,107	351,676
Accrued interest payable	158,192	50,762	208,954
Retainage payable	332,016	1,163,415	1,495,431
Guaranty deposits	819,700	351,741	1,171,441
Revenue bonds payable	1,160,000	1,270,000	2,430,000
Notes payable	671,049	3,480,684	4,151,733
Compensated absences	<u>17,542</u>	<u>14,016</u>	<u>31,558</u>
Total current liabilities	<u>4,587,827</u>	<u>10,942,741</u>	<u>15,530,568</u>
Noncurrent liabilities:			
Notes payable	9,381,181	6,291,238	15,672,419
Compensated absences	401,803	321,048	722,851
Revenue bonds payable, net	<u>13,835,869</u>	<u>1,217,738</u>	<u>15,053,607</u>
Total noncurrent liabilities	<u>23,618,853</u>	<u>7,830,024</u>	<u>31,448,877</u>
Total liabilities	<u>28,206,680</u>	<u>18,772,765</u>	<u>46,979,445</u>
NET POSITION			
Invested in capital assets, net	62,623,783	107,873,846	170,497,629
Restricted for debt service	368,968	6,500,073	6,869,041
Restricted for capital improvements	-	2,472,535	2,472,535
Unrestricted	<u>19,362,091</u>	<u>8,303,688</u>	<u>27,665,779</u>
Total net position	<u>\$ 82,354,842</u>	<u>\$ 125,150,142</u>	<u>\$ 207,504,984</u>

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, 2015

	Water	Wastewater	Total
Operating revenues:			
Water service, net	\$ 17,161,191	\$ -	\$ 17,161,191
Wastewater service, net	-	15,715,128	15,715,128
Other	<u>1,103,066</u>	<u>10,500</u>	<u>1,113,566</u>
Total operating revenues	<u>18,264,257</u>	<u>15,725,628</u>	<u>33,989,885</u>
Operating expenses:			
Salaries and benefits	3,759,849	3,273,114	7,032,963
Supplies and materials	1,415,209	456,699	1,871,908
Services and maintenance	4,762,809	6,544,723	11,307,532
Depreciation and amortization	<u>3,781,518</u>	<u>4,907,870</u>	<u>8,689,388</u>
Total operating expenses	<u>13,719,385</u>	<u>15,182,406</u>	<u>28,901,791</u>
Operating income (loss)	<u>4,544,872</u>	<u>543,222</u>	<u>5,088,094</u>
Nonoperating revenues (expenses):			
Tax revenue	-	2,149,079	2,149,079
Investment earnings	102,026	110,145	212,171
Interest and fiscal charges	(920,040)	(365,855)	(1,285,895)
Miscellaneous income (expense)	<u>83,746</u>	<u>127,574</u>	<u>211,320</u>
Net nonoperating revenues (expenses)	<u>(734,268)</u>	<u>2,020,943</u>	<u>1,286,675</u>
Income before capital contributions and operating transfers	<u>3,810,604</u>	<u>2,564,165</u>	<u>6,374,769</u>
Capital contributions - donated water and sewer distribution systems	5,523,526	2,179,491	7,703,017
Transfers out	<u>(741,133)</u>	<u>(573,483)</u>	<u>(1,314,616)</u>
Net capital contributions and transfers	<u>4,782,393</u>	<u>1,606,008</u>	<u>6,388,401</u>
Net income	8,592,997	4,170,173	12,763,170
Net position - beginning	<u>73,761,845</u>	<u>120,979,969</u>	<u>194,741,814</u>
Net position - ending	<u>\$ 82,354,842</u>	<u>\$ 125,150,142</u>	<u>\$ 207,504,984</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING SCHEDULE OF CASH FLOWS

**ENTERPRISE FUND - NORMAN UTILITIES AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2015**

	Water	Wastewater	Total
Cash flows from operating activities:			
Cash received from customers	\$ 17,735,782	\$ 15,671,712	\$ 33,407,494
Cash paid to employees for services	(3,744,989)	(3,231,789)	(6,976,778)
Cash paid to suppliers	(5,577,205)	(3,737,699)	(9,314,904)
Other receipts (payments)	56,066	50,532	106,598
Net cash provided by operating activities	<u>8,469,654</u>	<u>8,752,756</u>	<u>17,222,410</u>
Cash flows from noncapital financing activities:			
Transfers out	(741,133)	(573,483)	(1,314,616)
Net cash used for noncapital financing activities	<u>(741,133)</u>	<u>(573,483)</u>	<u>(1,314,616)</u>
Cash flows from capital and related financing activities:			
Proceeds from disposal of capital assets	37,433	90,582	128,015
Payments for the acquisition of capital assets	(4,565,515)	(21,544,034)	(26,109,549)
Proceeds from taxes	-	2,149,079	2,149,079
Proceeds from revenue bonds	15,010,000	2,495,000	17,505,000
Principal payments on revenue bonds	(15,295,000)	(3,995,000)	(19,290,000)
Proceeds from notes payable	-	5,457,432	5,457,432
Principal payments on notes payable	(649,135)	(2,012,377)	(2,661,512)
Interest and fiscal charges paid	(1,971,704)	(383,039)	(2,354,743)
Net cash used for capital and related financing activities	<u>(7,433,921)</u>	<u>(17,742,357)</u>	<u>(25,176,278)</u>
Cash flows from investing activities:			
Proceeds from maturity of investments	5,668,329	12,021,215	17,689,544
Payments for purchases of investments	(6,101,348)	(7,984,176)	(14,085,524)
Investment earnings received	203,096	263,420	466,516
Net cash provided by (used for) investing activities	<u>(229,923)</u>	<u>4,300,459</u>	<u>4,070,536</u>
Net change in cash and cash equivalents	64,677	(5,262,625)	(5,197,948)
Cash and cash equivalents - beginning	<u>10,715,511</u>	<u>8,684,047</u>	<u>19,399,558</u>
Cash and cash equivalents - ending	<u>\$ 10,780,188</u>	<u>\$ 3,421,422</u>	<u>\$ 14,201,610</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 4,544,872	\$ 543,222	\$ 5,088,094
Adjustments to reconcile operating income to net cash provided by operating activities:			
Miscellaneous income	83,746	127,574	211,320
Bad debt expense	103,754	107,254	211,008
Depreciation	3,781,518	4,907,870	8,689,388
Gain on disposal of property, plant and equipment	(17,163)	(78,454)	(95,617)
Increase in accounts receivable, net	(654,120)	(172,952)	(827,072)
(Increase) decrease in due from other funds	(10,517)	1,412	(9,105)
Increase in accounts payable and accrued liabilities	547,771	2,276,485	2,824,256
Increase in payroll payable	19,403	21,073	40,476
Increase in retainage payable	53,042	987,238	1,040,280
Increase in guaranty deposits	21,891	11,782	33,673
Increase (decrease) in compensated absences	(4,543)	20,252	15,709
Net cash provided by operating activities	<u>\$ 8,469,654</u>	<u>\$ 8,752,756</u>	<u>\$ 17,222,410</u>
NONCASH ACTIVITIES:			
Donated water and sewer distribution systems	<u>\$ 5,523,526</u>	<u>\$ 2,179,491</u>	<u>\$ 7,703,017</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2015

	Annuity Pool Fund	401(a) Plan Fund	Total
ASSETS			
Investments - mutual funds	\$ 353,347	\$ 72,638,692	\$ 72,992,039
Loans to 401(a) Plan participants	<u>-</u>	<u>3,806,717</u>	<u>3,806,717</u>
Total assets	<u>\$ 353,347</u>	<u>\$ 76,445,409</u>	<u>\$ 76,798,756</u>
LIABILITIES AND NET ASSETS			
Net position:			
Held in trust for pension benefits	\$ 353,347	\$ -	\$ 353,347
Held in trust for retirement benefits	<u>-</u>	<u>76,445,409</u>	<u>76,445,409</u>
Total liabilities and net position	<u>\$ 353,347</u>	<u>\$ 76,445,409</u>	<u>\$ 76,798,756</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED JUNE 30, 2015

	Annuity Pool Fund	401(a) Fund	Total
ADDITIONS:			
Contributions:			
Employer	\$ 35,000	\$ 2,334,931	\$ 2,369,931
Employee	<u>-</u>	<u>1,791,910</u>	<u>1,791,910</u>
Total contributions	35,000	4,126,841	4,161,841
Investment income	<u>12,275</u>	<u>3,942,157</u>	<u>3,954,432</u>
Total additions	<u>47,275</u>	<u>8,068,998</u>	<u>8,116,273</u>
DEDUCTIONS:			
Pension benefits paid	107,331	6,866,307	6,973,638
Administration costs	<u>1,988</u>	<u>101,866</u>	<u>103,854</u>
Total deductions	<u>109,319</u>	<u>6,968,173</u>	<u>7,077,492</u>
NET INCREASE	(62,044)	1,100,825	1,038,781
Net position held in trust for pension and retirement benefits, Beginning of year	<u>415,391</u>	<u>75,344,584</u>	<u>75,759,975</u>
End of year	<u>\$ 353,347</u>	<u>\$ 76,445,409</u>	<u>\$ 76,798,756</u>

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
CENTENNIAL AGENCY FUND:				
ASSETS				
Cash	\$ 1,661	\$ 1,278	\$ -	\$ 2,939
Investments	4,209	399	-	4,608
Interest receivable	9	2	-	11
Due from other funds	<u>1</u>	<u>7</u>	<u>-</u>	<u>8</u>
Total assets	<u>\$ 5,880</u>	<u>\$ 1,686</u>	<u>\$ 0</u>	<u>\$ 7,566</u>
LIABILITIES				
Funds held for others	<u>\$ 5,880</u>	<u>\$ 1,686</u>	<u>\$ 0</u>	<u>\$ 7,566</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	106-111
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	112-114
These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.	
Debt Capacity	115-119
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	120-121
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	122-124
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

THE CITY OF NORMAN, OKLAHOMA

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities										
Net investment in capital assets	\$ 282,047,232	\$ 244,461,034	\$ 230,316,125	\$ 226,301,248	\$ 206,982,527	\$ 175,482,607	\$ 168,461,960	\$ 161,077,889	\$ 151,721,378	\$ 144,638,125
Restricted	62,156,755	59,573,841	59,450,003	46,103,535	42,431,883	33,165,081	26,111,498	21,745,305	19,049,233	15,964,056
Unrestricted	(48,153,075)	(6,068,605)	(6,704,318)	(2,190,465)	(1,500,859)	(259,210)	8,974,819	9,974,408	8,645,895	7,822,176
Total governmental activities net position	\$ 296,050,912	\$ 297,966,270	\$ 283,061,810	\$ 270,214,318	\$ 247,913,551	\$ 208,388,478	\$ 203,548,277	\$ 192,797,602	\$ 179,416,506	\$ 168,424,357
Business-type activities										
Net investment in capital assets	\$ 183,385,272	\$ 159,760,362	\$ 153,645,303	\$ 149,661,248	\$ 149,829,383	\$ 146,472,150	\$ 135,025,019	\$ 123,751,512	\$ 109,987,262	\$ 89,473,826
Restricted	10,023,153	23,214,855	23,764,771	23,888,626	22,568,084	23,202,532	22,411,356	24,610,916	27,853,537	33,173,855
Unrestricted	34,949,967	30,864,543	31,874,629	29,032,825	22,177,807	17,147,722	17,475,856	20,844,722	20,794,262	18,658,835
Total business-type activities net position	\$ 228,358,392	\$ 213,839,760	\$ 209,284,703	\$ 202,582,699	\$ 194,575,274	\$ 186,822,404	\$ 174,912,231	\$ 169,207,150	\$ 158,635,061	\$ 141,306,516
Primary government										
Net investment in capital assets	\$ 465,432,504	\$ 404,221,396	\$ 383,961,428	\$ 375,962,496	\$ 356,811,910	\$ 321,954,757	\$ 303,486,979	\$ 284,829,401	\$ 261,708,640	\$ 234,111,951
Restricted	72,179,908	82,788,696	83,214,774	69,992,161	64,999,967	56,367,613	48,522,854	46,356,221	46,902,770	49,137,911
Unrestricted	(13,203,108)	24,795,938	25,170,311	26,842,360	20,676,948	16,888,512	26,450,675	30,819,130	29,440,157	26,481,011
Total primary government net position	\$ 524,409,304	\$ 511,806,030	\$ 492,346,513	\$ 472,797,017	\$ 442,488,825	\$ 395,210,882	\$ 378,460,508	\$ 362,004,752	\$ 338,051,567	\$ 309,730,873

THE CITY OF NORMAN, OKLAHOMA

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
EXPENSES										
Governmental activities:										
General government	\$ 8,500,923	\$ 11,353,764	\$ 10,067,554	\$ 10,443,931	\$ 6,904,076	\$ 5,830,137	\$ 3,751,170	\$ 3,829,737	\$ 4,832,140	\$ 4,320,751
Planning	3,297,788	3,208,350	3,334,674	3,063,260	2,944,363	3,345,225	3,139,732	2,892,976	2,659,676	2,541,205
City controller	706,793	3,337,932	3,256,464	2,404,401	2,299,619	3,487,837	3,317,241	3,128,315	1,768,656	1,674,137
Parks and recreation	5,194,010	5,555,796	5,251,598	5,076,388	4,951,495	5,909,298	5,441,885	4,975,386	4,922,448	4,533,259
Public works	22,130,634	21,530,165	21,126,808	19,810,834	17,384,501	17,665,244	18,412,370	21,420,245	15,465,589	15,406,784
Public service	2,875,451	2,841,186	2,242,861	2,368,850	2,777,749	2,964,057	3,871,811	2,655,470	1,961,034	2,003,240
Public safety	47,480,003	47,819,597	46,133,723	44,528,493	41,050,651	41,750,244	38,223,543	34,176,717	33,641,406	29,942,277
Interest on long-term debt	2,325,103	1,901,483	1,812,032	1,715,040	1,306,589	1,175,941	1,022,021	844,342	554,082	569,374
Total governmental activities expenses	92,510,705	97,548,273	93,225,714	89,411,197	79,619,043	82,127,983	77,179,773	73,923,188	65,805,031	60,991,027
Business-type activities:										
Westwood Park	1,352,050	1,456,266	1,451,959	1,477,312	1,475,445	1,458,522	1,498,891	1,343,650	1,221,446	1,238,681
Water	13,258,111	13,261,728	13,776,395	13,630,489	10,479,592	10,307,362	10,650,815	9,582,054	8,895,911	8,435,930
Wastewater	15,477,741	15,658,935	12,229,767	11,846,247	12,736,928	10,794,791	11,534,123	11,417,808	9,433,989	8,781,441
Sanitation	12,298,641	13,580,465	12,325,246	11,679,875	11,055,474	10,802,282	10,395,098	9,765,306	8,499,407	7,982,112
Total business-type activities expenses	42,386,543	43,957,394	39,783,367	38,633,923	35,747,439	33,362,957	34,078,927	32,108,818	28,050,753	26,438,164
Total primary government expenses	\$ 134,897,248	\$ 141,505,667	\$ 133,009,081	\$ 128,045,120	\$ 115,366,482	\$ 115,490,940	\$ 111,258,700	\$ 106,032,006	\$ 93,855,784	\$ 87,429,191

THE CITY OF NORMAN, OKLAHOMA

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 2,644,776	\$ 2,554,566	\$ 2,431,538	\$ 2,297,341	\$ 186,094	\$ 244,495	\$ 253,409	\$ 775,038	\$ 223,889	\$ 321,790
Planning	1,369,582	1,376,330	1,213,106	1,123,524	1,009,561	1,080,835	893,633	1,140,867	1,253,092	1,024,964
City controller	624,135	214,838	165,969	155,226	66,093	-	-	-	-	-
Parks and recreation	609,175	587,433	506,358	568,817	592,238	586,611	426,476	398,639	376,318	495,742
Public safety	3,296,808	3,125,456	3,040,640	3,208,642	3,066,665	2,815,951	2,877,921	3,112,702	3,219,228	3,052,862
Operating grants and contributions	7,758,836	7,533,947	6,893,726	8,241,861	6,771,145	8,143,742	6,427,085	10,611,762	5,808,782	6,023,313
Capital grants and contributions	29,958,311	5,501,318	5,754,538	13,944,754	30,934,491	2,513,839	8,102,826	8,507,544	8,913,773	9,867,700
Total governmental activities										
program revenues	46,261,623	20,893,888	20,005,875	29,540,165	42,626,287	15,385,473	18,981,350	24,546,552	19,795,082	20,786,371
Business-type activities:										
Charges for services										
Westwood Park	1,065,318	1,102,085	1,141,661	1,167,227	1,143,973	1,067,800	1,089,329	1,103,631	917,367	970,765
Water	16,050,007	14,053,978	14,817,012	15,460,504	14,185,492	13,267,513	12,881,381	12,500,439	13,270,582	9,692,489
Wastewater	15,715,128	13,906,530	11,383,549	11,451,634	11,075,566	11,012,593	11,000,250	10,818,981	11,184,361	10,875,535
Sanitation	13,991,281	14,006,612	13,546,341	13,501,474	11,820,912	11,028,021	11,035,050	10,144,328	9,514,899	9,321,590
Capital grants and contributions	7,703,017	3,721,838	5,006,692	4,291,238	4,474,408	7,215,720	2,055,411	4,631,310	4,538,829	6,590,459
Total business-type activities										
program revenues	54,524,751	46,791,043	45,895,255	45,872,077	42,700,351	43,591,647	38,061,421	39,198,689	39,426,038	37,450,838
Total primary government revenues	\$100,786,374	\$ 67,684,931	\$ 65,901,130	\$ 75,412,242	\$ 85,326,638	\$ 58,977,120	\$ 57,042,771	\$ 63,745,241	\$ 59,221,120	\$ 58,237,209
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (46,249,082)	\$ (76,654,385)	\$ (73,219,839)	\$ (59,871,032)	\$ (36,992,756)	\$ (66,742,510)	\$ (58,198,423)	\$ (49,376,636)	\$ (46,009,949)	\$ (40,204,656)
Business-type activities	12,138,208	2,833,649	6,111,888	7,238,154	6,952,912	10,201,690	3,982,494	7,089,871	11,375,285	11,012,674
Total primary government net expense	\$ (34,110,874)	\$ (73,820,736)	\$ (67,107,951)	\$ (52,632,878)	\$ (30,039,844)	\$ (56,540,820)	\$ (54,215,929)	\$ (42,286,765)	\$ (34,634,664)	\$ (29,191,982)

THE CITY OF NORMAN, OKLAHOMA

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
GENERAL REVENUE AND OTHER CHANGES IN NET ASSETS										
Governmental activities:										
Sales taxes	\$ 65,778,553	\$ 63,580,323	\$ 60,558,342	\$ 58,777,068	\$ 56,146,152	\$ 53,601,698	\$ 52,261,757	\$ 45,565,002	\$ 42,254,425	\$ 40,475,824
Franchise taxes	7,155,689	6,782,746	6,572,686	6,584,853	6,228,264	6,262,225	6,215,692	5,797,844	5,646,417	5,670,247
Property taxes	11,620,098	12,481,940	11,532,189	7,931,992	7,684,537	6,111,415	3,373,306	3,485,026	2,219,753	1,989,565
State use taxes	2,864,048	2,504,136	2,428,484	2,393,708	2,187,289	2,179,503	2,401,933	2,025,502	1,793,426	1,382,344
Hotel/Motel taxes	1,785,788	1,648,452	1,352,311	1,130,488	1,068,000	1,033,060	991,435	905,341	766,801	669,023
Alcoholic beverage taxes	301,618	272,697	285,339	271,359	247,014	232,016	231,077	222,079	205,822	196,415
Cigarette taxes	771,946	746,900	764,653	845,149	816,503	744,416	705,377	641,678	646,688	700,998
Investment earnings	323,863	379,805	208,763	701,524	396,095	490,604	1,074,489	1,718,553	1,959,682	1,203,712
Miscellaneous	2,196,990	2,458,091	2,319,411	2,761,766	962,203	838,558	1,003,269	1,632,050	674,084	1,087,155
Transfers	1,085,283	703,755	734,795	773,892	781,772	89,216	690,763	764,657	835,000	2,635,547
Total governmental activities	93,883,876	91,558,845	86,756,973	82,171,799	76,517,829	71,582,711	68,949,098	62,757,732	57,002,098	56,010,830
Business-type activities:										
Sales taxes	-	-	-	-	-	-	-	-	1,737,585	6,860,051
Excise taxes	2,149,079	1,769,195	1,432,321	1,597,960	1,038,715	1,562,722	1,251,242	1,608,254	1,802,750	2,433,537
State use taxes	-	-	-	-	-	-	-	-	77,528	363,329
Investment earnings	250,382	342,984	187,837	278,751	355,657	440,118	1,109,011	2,561,016	3,416,220	1,633,778
Miscellaneous	1,066,246	312,984	241,978	(333,548)	187,358	(205,141)	53,097	77,605	(245,823)	229,660
Transfers	(1,085,283)	(703,755)	(734,795)	(773,892)	(781,772)	(89,216)	(690,763)	(764,657)	(835,000)	(2,635,547)
Total business-type activities	2,380,424	1,721,408	1,127,341	769,271	799,958	1,708,483	1,722,587	3,482,218	5,953,260	8,884,808
Total primary government	\$ 96,264,300	\$ 93,280,253	\$ 87,884,314	\$ 82,941,070	\$ 77,317,787	\$ 73,291,194	\$ 70,671,685	\$ 66,239,950	\$ 62,955,358	\$ 64,895,638
CHANGE IN NET POSITION										
Governmental activities	\$ 47,634,794	\$ 14,904,460	\$ 13,537,134	\$ 22,300,767	\$ 39,525,073	\$ 4,840,201	\$ 10,750,675	\$ 13,381,096	\$ 10,992,149	\$ 15,806,174
Business-type activities	14,518,632	4,555,057	7,239,229	8,007,425	7,752,870	11,910,173	5,705,081	10,572,089	17,328,545	19,897,182
Total primary government	\$ 62,153,426	\$ 19,459,517	\$ 20,776,363	\$ 30,308,192	\$ 47,277,943	\$ 16,750,374	\$ 16,455,756	\$ 23,953,185	\$ 28,320,694	\$ 35,703,356

THE CITY OF NORMAN, OKLAHOMA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 1,055,126	\$ 1,826,810	\$ 1,819,264	\$ 1,825,186	\$ 1,012,154	\$ 421,204
Unreserved	-	-	-	-	12,614,678	19,530,033	17,472,575	16,611,606	15,589,593	14,031,688
Nonspendable	26,642	47,131	337,642	320,512	334,339					
Restricted	-	-	-	-	14,307					
Committed	3,191,393	2,554,596	1,510,323	1,503,429						
Assigned	2,890,768	2,152,746	2,169,071	1,467,574	1,037,294					
Unassigned	8,290,555	8,384,756	8,405,617	10,184,006	12,283,864					
Total general fund	\$ 14,399,358	\$ 13,139,229	\$ 12,422,653	\$ 13,475,521	\$ 13,669,804	\$ 21,356,843	\$ 19,291,839	\$ 18,436,792	\$ 16,601,747	\$ 14,452,892
All other governmental funds										
Reserved										
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,865,963	\$ 5,682,896	\$ 8,769,381	\$ 7,400,109	\$ 8,083,495
Debt service	-	-	-	-	-	2,512,584	1,590,705	2,218,703	1,359,284	1,613,892
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
Special revenue funds	-	-	-	-	-	2,647,787	2,800,254	3,863,008	4,217,793	3,452,739
Restricted	123,475,384	86,328,836	95,384,952	68,041,077	48,791,046					
Assigned	2,148,078	1,834,631	1,350,473	1,059,369	587,163					
Total all other governmental funds	\$ 125,623,462	\$ 88,163,467	\$ 96,735,425	\$ 69,100,446	\$ 49,378,209	\$ 34,153,653	\$ 40,171,934	\$ 32,612,865	\$ 33,155,579	\$ 24,859,477

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)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
REVENUES										
Taxes	\$ 89,204	\$ 86,998	\$ 82,444	\$ 76,818	\$ 73,314	\$ 69,188	\$ 65,244	\$ 57,779	\$ 52,681	\$ 50,187
Licenses & permits	1,393	1,426	1,212	1,190	1,086	1,156	968	1,165	1,126	933
Intergovernmental revenues	4,553	8,773	8,637	9,370	9,608	8,354	7,456	12,946	7,174	7,106
Charges for services	11,484	10,918	10,684	10,268	11,775	11,836	10,874	10,070	9,326	8,988
Fines and forfeits	2,644	2,461	2,352	2,554	2,490	2,176	2,204	2,477	2,548	2,465
Investment earnings	278	365	194	517	389	491	1,075	1,718	1,959	1,204
Special assessment revenue	-	-	-	26	38	50	57	60	74	155
Other	2,403	2,424	1,424	2,381	1,006	969	1,196	1,399	846	1,392
Total revenues	111,959	113,365	106,947	103,124	99,706	94,220	89,074	87,614	75,734	72,430
EXPENDITURES										
General government	9,431	10,218	7,963	8,571	8,036	8,960	6,399	6,136	6,862	6,262
Planning	3,416	3,379	3,387	3,261	3,112	3,394	3,237	2,962	2,763	2,666
City controller	2,940	4,492	4,957	4,405	6,009	5,645	5,360	4,962	3,582	3,416
Parks & recreation	4,665	4,930	4,520	4,598	4,760	5,372	5,034	4,449	4,237	4,189
Public works	18,137	18,054	17,481	17,240	15,863	16,151	16,519	19,923	13,666	13,353
Public service	2,920	2,803	2,239	2,401	2,772	2,961	3,749	2,535	1,839	1,873
Public safety	43,780	45,846	42,780	40,310	37,997	37,312	34,643	32,593	30,808	29,688
Capital Outlay	22,358	20,897	18,152	16,449	16,150	15,654	18,043	11,212	10,293	9,688
Debt Service:										
Principal	9,542	22,949	5,655	4,319	3,750	2,647	2,510	1,470	1,470	2,414
Interest	2,180	2,400	1,578	1,315	1,223	1,004	1,022	844	554	568
Total expenditures	119,369	135,968	108,712	102,869	99,672	99,100	96,516	87,086	76,074	74,117
Excess of revenues over (under) expenditures	(7,410)	(22,603)	(1,765)	255	34	(4,880)	(7,442)	528	(340)	(1,687)
OTHER FINANCING SOURCES (USES)										
Bonds issued	45,909	14,971	28,175	19,861	7,559	-	15,166	-	9,950	-
Premium on issuance of debt	-	-	179	19,861	7,559	-	15,166	-	9,950	-
Transfers in	7,456	5,486	8,863	7,404	9,564	6,900	8,867	5,639	5,612	7,904
Transfers out	(7,235)	(5,710)	(8,870)	(7,992)	(8,782)	(6,811)	(8,177)	(4,875)	(4,777)	(5,269)
Total other financing sources (uses)	46,130	14,747	28,347	39,134	15,900	89	31,022	764	20,735	2,635
Net change in fund balances	\$ 38,720	\$ (7,856)	\$ 26,582	\$ 39,389	\$ 15,934	\$ (4,791)	\$ 23,580	\$ 1,292	\$ 20,395	\$ 948
Debt service as a percentage of noncapital expenditures	12.08%	22.03%	7.99%	6.52%	5.95%	4.38%	4.50%	3.05%	3.08%	4.63%

THE CITY OF NORMAN, OKLAHOMA

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General merchandise	\$ 15,047	\$ 14,991	\$ 10,174	\$ 14,697	\$ 14,515	\$ 14,138	\$ 13,656	\$ 11,759	\$ 11,323	\$ 12,055
Eating and drinking establishments	10,708	10,096	10,372	9,350	8,973	8,498	8,015	7,134	6,714	6,917
Miscellaneous retail	8,518	7,899	17,001	6,177	5,696	5,017	4,444	3,926	3,982	3,933
Building materials and farm tools	4,487	4,742	2,708	3,985	3,421	3,535	3,630	3,216	3,278	3,737
Electric, gas & sanitary services	3,586	3,512	3,393	3,538	3,304	3,377	3,170	2,584	2,795	3,136
Home furnishings and appliances	3,507	3,166	1,963	3,156	3,246	3,045	3,306	2,897	3,038	2,983
Food stores	3,849	4,058	2,430	3,470	3,136	2,933	2,756	2,428	2,493	2,820
Apparel and accessory stores	3,549	3,531	2,423	3,050	2,983	2,765	2,613	2,297	2,162	2,306
Communications	2,349	2,322	1,494	2,480	2,463	2,576	2,398	2,076	1,995	2,116
Wholesale trade-durable goods	4,042	3,341	2,487	2,018	1,687	1,561	1,623	1,472	1,411	1,483
All other outlets	6,327	6,484	5,477	7,267	7,043	6,366	6,498	5,863	5,755	6,037
Total	<u>\$ 65,969</u>	<u>\$ 64,142</u>	<u>\$ 59,922</u>	<u>\$ 59,188</u>	<u>\$ 56,467</u>	<u>\$ 53,811</u>	<u>\$ 52,109</u>	<u>\$ 45,652</u>	<u>\$ 44,946</u>	<u>\$ 47,523</u>
City direct sales tax rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.00%	3.00%	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
2015	3.5 %	4.5 %	0.25 %
2014	3.5 %	4.5 %	0.25 %
2013	3.5 %	4.5 %	0.25 %
2012	3.5 %	4.5 %	0.25 %
2011	3.5 %	4.5 %	0.25 %
2010	3.5 %	4.5 %	0.25 %
2009	3.5 %	4.5 %	0.25 %
2008	3.0 %	4.5 %	0.00 %
2007	3.0 %	4.5 %	0.00 %
2006	3.5 %	4.5 %	0.00 %

Source: Oklahoma Tax Commission

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

THE CITY OF NORMAN, OKLAHOMA

SALES TAX REVENUE PAYERS BY INDUSTRY

FISCAL YEARS 2014 AND 2013

(Dollars in Thousands)

	Fiscal Year 2014				Fiscal Year 2013			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail trade	1,192	40.6 %	\$ 38,387	59.8 %	1,210	42.0 %	\$ 36,699	61.2 %
Accommodation and food service	268	9.1 %	11,593	18.1 %	270	9.4 %	11,309	18.9 %
Real estate and rental and leasing	181	6.2 %	813	1.3 %	192	6.7 %	506	0.8 %
Wholesale trade	519	17.7 %	3,341	5.2 %	461	16.0 %	2,487	4.2 %
Manufacturing	197	6.7 %	1,538	2.4 %	182	6.3 %	1,510	2.5 %
Information	133	4.5 %	2,322	3.6 %	136	4.7 %	1,494	2.5 %
Other services (except public administration)	92	3.1 %	524	0.8 %	101	3.5 %	698	1.2 %
Professional, scientific, and technical services	82	2.8 %	316	0.5 %	73	2.5 %	565	0.9 %
Arts, entertainment, and recreation	29	1.0 %	476	0.7 %	30	1.0 %	467	0.8 %
Admin, support, waste mgmt and remediation services	33	1.1 %	50	0.1 %	30	1.0 %	28	0.0 %
Construction	18	0.6 %	75	0.1 %	19	0.7 %	52	0.1 %
Transportation and warehousing	16	0.5 %	163	0.3 %	17	0.6 %	948	1.6 %
Finance and insurance	13	0.4 %	113	0.2 %	15	0.5 %	69	0.1 %
Utilities	6	0.2 %	3,512	5.5 %	7	0.2 %	3,393	5.7 %
Agricultural, forestry, fishing and hunting	4	0.1 %	8	0.0 %	4	0.1 %	36	0.1 %
Educational services	4	0.1 %	16	0.0 %	4	0.1 %	10	0.0 %
Health care and social assistance	3	0.1 %	16	0.0 %	4	0.1 %	13	0.0 %
Mining, quarrying, and oil and gas extraction	4	0.1 %	9	0.0 %	4	0.1 %	7	0.0 %
Public administration	-	0.0 %	-	0.0 %	4	0.1 %	1	0.0 %
Nonclassifiable	141	4.8 %	870	1.4 %	121	4.2 %	(368)	(0.6)%
Total	2,935	100.0 %	\$ 64,142	100.0 %	2,884	100.0 %	\$ 59,924	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 Loans	Capital Leases	Term Loans	Revenue	Term Loans	Capital Leases							
	Obligation	Bonds	Revenue	Assessment	Debt														
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		58,790		-		-		-	13,965		22,632		22,868		-		118,255	1.2 %	915.95
2014		49,657		-		-		-	491		20,593		21,243		-		105,849	1.0 %	895.53
2015		63,510		22,825		-		226	13,586		18,597		23,504		-		119,197	1.1 %	1,009.80

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

¹ See the Schedule of Demographic and Economic Statistics on page 120 for personal income and population data.

THE CITY OF NORMAN, OKLAHOMA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

(dollars in thousands, except per capita)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value ¹ of Property	Per Capita ²
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	58,790	9,121	49,669	6.13%	429.80
2014	49,657	8,967	40,690	4.81%	344.26
2015	64,196	8,847	55,349	6.34%	468.90

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

¹ See the Schedule of Legal Debt Margin Information on page 118 for property value data.

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

THE CITY OF NORMAN, OKLAHOMA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2015

(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	71,260	96.33%	68,645
Debt repaid with property taxes: McLoud Public Schools	-	0.02%	-
Debt repaid with property taxes: Robin Hill Public Schools	388	0.12%	0
Debt repaid with property taxes: Noble Public Schools	1,950	0.68%	13
Debt repaid with property taxes: Mid Del Public Schools	45,210	0.02%	9
Debt repaid with property taxes: Little Axe Public Schools	480	0.18%	1
Debt repaid with property taxes: Moore Public Schools	<u>74,090</u>	2.54%	<u>1,882</u>
Subtotal, overlapping debt	193,378		70,550
City of Norman direct debt			<u>64,196</u>
Total direct and overlapping debt			<u>\$ 134,746</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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Assessed value of property	\$ 873,553	\$ 843,440	\$ 807,370	\$ 790,324	\$ 773,094	\$ 719,235	\$ 715,777	\$ 665,056	\$ 616,042	\$ 568,867
Debt limit ¹ , 10% of assessed value	87,355	84,344	80,737	79,032	77,309	71,924	71,578	66,506	61,604	56,887
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	\$ 87,355	\$ 84,344	\$ 80,737	\$ 79,032	\$ 77,309	\$ 71,924	\$ 71,578	\$ 66,506	\$ 61,604	\$ 56,887
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	\$ 262,066	\$ 253,032	\$ 242,211	\$ 237,097	\$ 231,928	\$ 215,771	\$ 214,733	\$ 199,517	\$ 184,813	\$ 170,660
Amount of debt applicable to limit:										
General Obligation Bonds	64,196	49,495	58,620	43,140	28,495	25,915	28,370	20,115	21,505	12,945
Less: Resources restricted to paying principal	(8,847)	(8,967)	(9,121)	(4,817)	(3,669)	(2,513)	(1,591)	(2,219)	(1,359)	(1,614)
Total net debt applicable to limit	55,349	40,528	49,499	38,323	24,826	23,402	26,779	17,896	20,146	11,331
Legal debt margin	\$ 206,717	\$ 212,504	\$ 192,712	\$ 198,774	\$ 207,102	\$ 192,369	\$ 187,954	\$ 181,621	\$ 164,667	\$ 159,329
Total net debt applicable to the limit as a percentage of debt limit	21.12%	16.02%	20.44%	16.16%	10.70%	10.85%	12.47%	8.97%	10.90%	6.64%

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		Coverage	Gross Revenue ¹	Less: Operating Expenses ²	Net Available Revenue		Coverage	Debt Service Principal	Debt Service Interest	Special Assessment Collections	Debt Service Principal	Debt Service Interest	Coverage		
2006	\$ 28,405	\$ 9,828	\$ 18,577	\$ 365	11.16	\$ 10,568	\$ 8,341	\$ 2,227	\$ 169	2.99	\$ 575	\$ 169	\$ 169	\$ 83	\$ 31	1.48		
2007	33,524	5,663	27,861	1,063	11.07	10,872	8,681	2,191	200	6.09	210	160	74	80	27	0.69		
2008	31,428	7,888	23,540	1,401	6.62	11,715	9,931	1,784	210	5.00	210	147	60	80	24	0.58		
2009	27,662	13,513	14,149	1,358	3.98	12,384	10,630	1,754	220	4.93	220	136	57	80	20	0.57		
2010	33,559	10,873	22,686	1,251	6.49	12,659	10,947	1,712	375	3.01	375	194	50	80	17	0.52		
2011	30,345	11,793	18,552	1,354	5.87	13,382	11,243	2,139	295	4.29	295	204	38	80	14	0.40		
2012	31,347	14,361	16,986	1,667	3.52	15,124	11,800	3,324	310	5.53	310	291	32	239	37	0.12		
2013	31,037	17,001	14,036	1,430	3.06	15,057	12,459	2,598	231	4.67	325	231	-	-	-	-		
2014	31,562	17,096	14,466	1,709	2.98	15,632	13,474	2,158	575	2.77	575	203	-	-	-	-		
2015	32,212	14,381	17,831	2,544	2.55	15,476	12,075	3,401	665	3.98	665	189	-	-	-	-		

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
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%
2014	118,197	10.4	26,267	29.9	15,739	4.20%
2015	118,040	10.6	27,749	30.2	15,745	3.80%

Data Sources

¹ Years 2005-10 estimated by the City of Norman Planning Department. Years 2011- 14 obtained from census data

² Norman Chamber of Commerce, NEDC, Oklahoma Department of Commerce 2005 estimated, U.S. Census Bureau, American Community Survey 2006-2014 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	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
The University of Oklahoma	12,446	1	20.86%	9,376	1	17.71%
Norman Regional Hospital	2,962	2	4.96%	2,203	2	4.16%
Norman Public Schools	1,880	3	3.15%	1,546	3	2.92%
York International/Johnson Controls	950	4	1.59%	931	4	1.76%
City of Norman	848	5	1.42%	740	6	1.40%
NOAA National Severe Storm Laboratory	550	6	0.92%	400	9	0.76%
Hitachi	526	7	0.88%			
Department of Mental Health & Substance Abuse	506	8	0.85%	750	5	1.42%
USPS National Center for Employee Development	407	9	0.68%	590	7	1.11%
Oklahoma Veterans Center Norman Division	400	10	0.67%	361	10	0.63%
Griffin Memorial Hospital	-		-	421	8	0.80%
Total	<u>21,475</u>		<u>35.98%</u>	<u>17,318</u>		<u>32.67%</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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government	59	40	38	36	36	49	48	44	45	45
Planning	36	37	36	36	37	39	39	39	38	39
City controller	28	35	37	38	38	38	38	38	37	38
Parks & recreation	52	47	52	54	53	60	63	85	80	83
Public works	112	110	108	106	104	107	107	102	92	95
Public safety										
Police	235	231	240	229	237	216	192	186	177	184
Fire	162	163	157	142	137	134	133	131	127	124
Westwood	17	18	18	19	18	18	20	35	33	35
Water	47	49	49	49	48	47	50	50	51	47
Wastewater	43	42	42	40	41	42	42	42	40	42
Sanitation	55	58	57	55	56	52	53	52	52	49
Total	846	830	834	804	805	802	785	804	772	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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Planning										
Building permits issued	2,493	3,437	1,997	1,661	1,212	1,243	1,252	1,271	1,249	1,557
Building inspections conducted	29,348	26,699	26,410	21,572	24,001	24,489	25,925	26,061	28,194	32,681
Police										
Physical arrests	5,637	6,529	5,922	5,740	6,005	8,596	8,227	5,628	5,938	4,570
Parking violations	15,616	12,422	10,053	5,883	4,848	6,791	14,332	13,883	14,917	21,075
Traffic violations	16,330	16,803	16,295	17,531	19,102	19,215	17,349	21,868	22,298	22,111
Non-traffic violations	4,444	4,619	4,423	4,996	4,260	4,531	4,745	4,881	5,281	6,089
Fire										
Calls answered	12,650	12,234	11,560	11,129	11,198	10,530	10,376	11,050	9,601	9,137
Inspections	3,456	2,083	2,700	2,814	2,623	3,050	2,815	3,083	3,879	3,589
Sanitation										
Refuse collected (tons per day)	286	286	298	279	292	289	276	228	252	252
Recyclables collected (tons per day)	43	27	28	22	11	13	12	9	7	6
Highways and streets										
Street resurfacing (miles)	16	15	19	26	19	9	11	6	10	18
Street patching (tons of asphalt used)	1,814	2,364	1,178	792	2,651	2,621	3,521	2,451	4,092	5,018
Parks and recreation										
Athletic field permits issued	143,878	154,596	159,817	170,291	174,268	168,648	154,757	169,933	166,167	168,182
Community center admissions	138,650	121,791	138,109	142,738	145,828	155,380	152,071	149,581	125,983	124,586
Water										
New connections	649	504	919	364	649	632	562	537	604	794
Water main breaks	185	191	268	308	177	163	143	112	206	216
Average daily consumption (thousands of gallons)	12,500	12,470	12,390	13,220	13,060	15,800	12,420	12,320	13,270	14,430
Peak daily consumption (thousands of gallons)	21,800	20,610	24,820	23,940	22,290	22,240	23,380	22,330	24,260	22,520
Wastewater										
Average daily sewage treatment (thousands of gallons)	9,500	9,800	10,300	9,500	10,500	10,800	10,800	10,300	10,700	9,800

Sources: Various city departments.

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

THE CITY OF NORMAN, OKLAHOMA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

FUNCTION	Fiscal year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Public safety										
Police										
Stations	2	2	1	1	1	1	1	1	1	1
Patrol units	116	119	120	118	108	105	100	85	85	85
Fire stations	9	9	8	8	8	7	7	7	7	7
Sanitation										
Collection trucks	45	41	41	41	41	42	42	39	39	36
Highways and streets										
Streets (miles)	783	753	752	749	745	740	738	735	835	804
Streetlights	6,339	6,296	6,191	6,115	5,585	5,577	5,497	5,381	5,323	5,221
Traffic signals	246	241	189	185	176	170	170	165	159	155
Parks and recreation										
Acreage	1,158	1,156	1,150	1,150	1,142	1,142	1,133	1,131	1,125	1,004
Playgrounds	52	52	52	52	51	50	50	50	50	50
Swimming pools	5	5	5	5	5	5	5	5	5	5
Tennis courts	24	22	22	22	22	22	22	22	22	22
Community centers	5	5	5	5	5	5	5	5	5	5
Golf courses	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	593	576	566	562	547	536	531	520	510	498
Fire hydrants	5,860	5,618	5,498	5,392	5,337	5,158	5,038	4,904	4,779	4,566
Water towers	4	4	4	4	4	4	4	5	5	5
Maximum daily capacity (thousands of gallons)	23,500	23,500	22,600	22,600	20,300	20,300	19,577	20,100	14,000	14,000
Wastewater										
Sanitary sewers (miles)	494	491	485	479	476	466	462	455	451	438
Manholes	11,625	11,530	11,387	11,228	11,154	10,885	10,665	10,585	10,490	10,176
Maximum daily treatment capacity (thousands of gallons)	30,000	30,000	30,000	24,000	24,000	24,000	24,000	24,000	24,000	30,000

Sources: Various city departments.

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

Source of Water for Increasing Demand

Lake Thunderbird “Augmentation”



Norman’s adopted 2060 Strategic Water Supply Plan calls for a long-range supplementation, or “augmentation” of the natural surface water supplied to and stored in the Lake Thunderbird reservoir with treated wastewater from the Norman Water Reclamation Facility. Currently, an average of approximately 11 million gallons per day of high quality wastewater is released into South Canadian River. The Strategic Water Supply Plan calls for future reuse of this valuable water resource, by piping the treated wastewater to a tributary of Lake Thunderbird, where it will be added to the water that is currently drawn from the Lake, further treated, and used for Norman’s growing drinking water needs.



Lake Thunderbird State Park, operated by the Oklahoma Department of Tourism and Recreation, is the only state park located wholly within the limits of a city. Lake Thunderbird State Park, due to its suburban location, is one of the most heavily-used of Oklahoma's State Parks. The Park is a nature and wildlife preserve and features two marinas, two swimming beaches, camping, boating, canoeing, kayaking, water skiing, picnicking, bike and walking trails, and other amenities.