



COMPREHENSIVE ANNUAL FINANCIAL REPORT



THE CITY OF NORMAN, OKLAHOMA
FISCAL YEAR ENDING JUNE 30, 2020



ON THE COVER: On October 13, 2015 the voters of Norman approved a one-half percent (1/2%), fifteen-year sales tax increase to fund quality of life improvement projects throughout Norman. The NORMAN FORWARD citizen initiative passed with over a 72% approval rate and is funding projects long anticipated in the City's *Parks and Recreation Master Plan*, *Library Master Plan* and *Transportation Master Plan*. Over \$195 million in capital projects are envisioned to be built through the NORMAN FORWARD program.

One of the major NORMAN FORWARD projects (budgeted at \$6 million) is the construction of a new regional park in northwest Norman, "Ruby Grant Park". Ruby Grant was a long time educator in the central Oklahoma community. Her estate bequeathed her family's quarter-section homestead of farmland (approximately 160 acres), in a rapidly-developing section of Norman along Interstate 35, to the University of Oklahoma (OU). Ruby Grant's requirement for the bequest was that the land be sold and the proceeds used for programs at the University, and the land remain largely undeveloped and used for a public park.

In 2006, the City of Norman purchased the Ruby Grant Family Homestead from the OU Foundation and developed a Master Plan for the development of the Ruby Grant Park into a "passive" park, maintaining the urban wilderness nature of the area while providing recreational opportunities for the public. The Park will contain major walking and jogging trail systems, competitive cross-country and disc golf courses, and the City's first inclusive playground facilities for differently-abled users. There will also be a public art installation, picnic facilities, restrooms and practice fields for youth football and soccer. Most important, however, is that the Park will uphold Ruby Grant's wish that her family's homestead benefit OU and be used as an open, nature preserve in the middle of urban Norman. The first phase of the development of Ruby Grant Park is nearing completion, funded by the NORMAN FORWARD Sales Tax.

**PHOTOS PROVIDED BY THE NORMAN PARKS AND RECREATION DEPARTMENT
And BOLD MULTIMEDIA**

**The City
of
Norman, Oklahoma**



**Comprehensive
Annual Financial Report
Fiscal Year Ended
June 30, 2020**

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

THE CITY OF NORMAN, OKLAHOMA

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Introductory Section



The City of **NORMAN**

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

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

December 7, 2020

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, 2020.

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, 2020. The independent auditors’ report is located at the front of the financial section of this report.

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

Profile of the Government

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

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

The City provides a full range of municipal government services to over 122,000 residents and numerous visitors annually. Municipal services provided include: traffic control; water production and distribution; public transportation and paratransit services; 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 or schools. Special districts and governmental entities with independent authority administer the public hospital, public schools and the university within the City. The City provides School Resource Police Officers through a cost-sharing agreement with the Norman Public Schools.

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

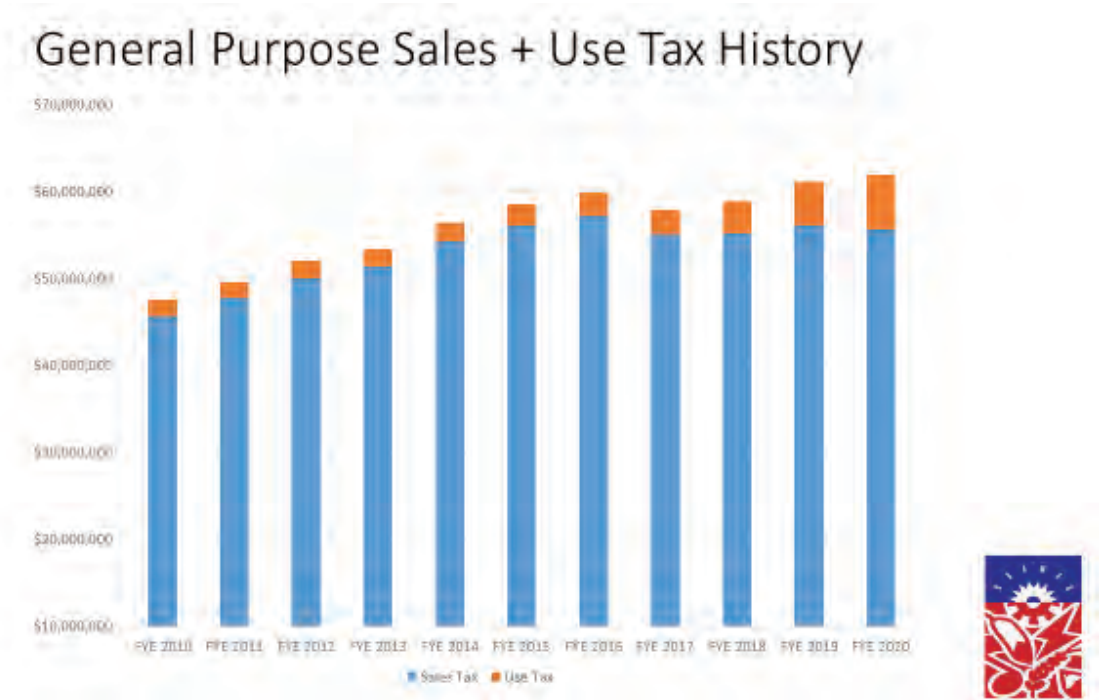
Local Economy; Relevant Financial Policies

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

One of the best indicators of the economic condition of the City is the evaluation of trends in some key factors. Sales and use taxes and franchise fees collectively represent 74% of the City's total General Fund revenue. Sales tax receipts increase in proportion to the level of retail sales and therefore provide a good indication of the economic condition of the community. Use taxes are collected at the same rate as sales tax on sales of goods outside of the state of Oklahoma for use within Norman, such as on-line sales. Reflecting changes in consumer behavior to on-line purchasing, use tax is an increasing source of revenue, but is relatively difficult to enforce.

Overall, sales tax collections decreased by 0.8% from FYE 2019 levels. Sales tax had been increasing at approximately two percent (2%) above the prior year through the third quarter of fiscal year 2019-2020, before the impact of the economic shutdown that was mandated to slow the spread of the Novel Coronavirus of 2019 (COVID-19) was imposed by the Governor of Oklahoma and the Mayor of Norman. The long-term impact of the COVID-19 pandemic is unknown at the close of the fiscal year. Collections from the City's franchise fees (charges to private electric,

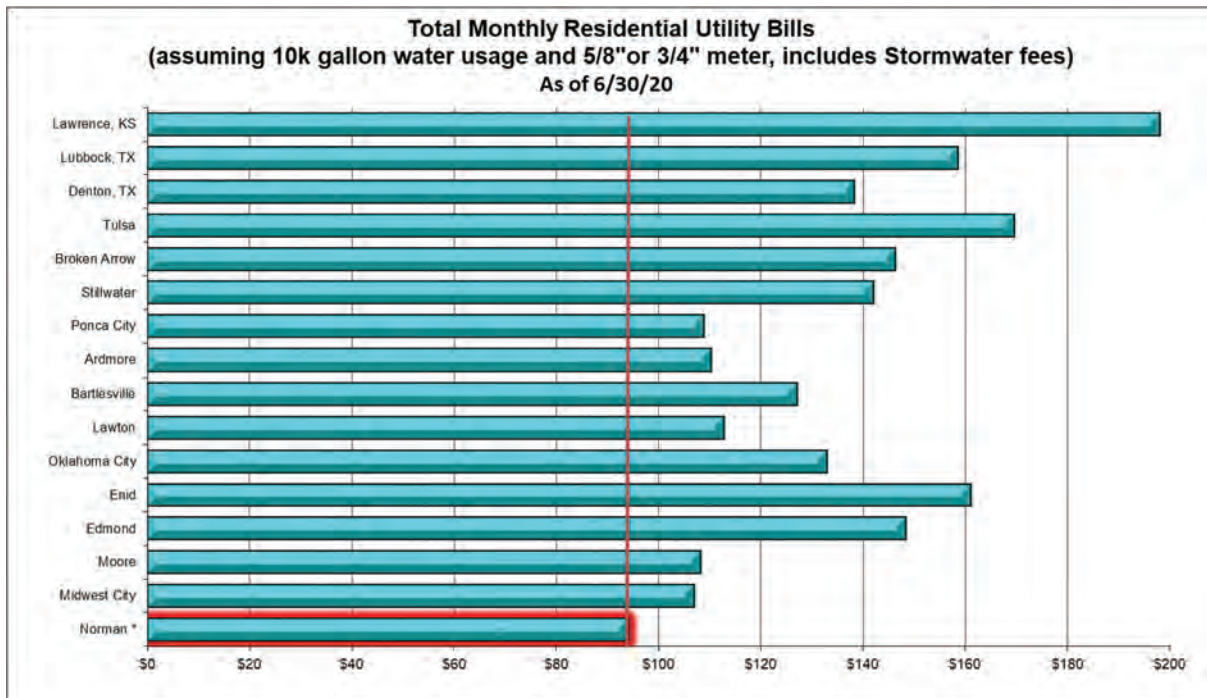
natural gas and cable companies to operate within the City’s rights-of-way), which are heavily depended on weather patterns, decreased 1.4% from FYE 2019 levels.



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

Fund balance in the Net Revenue Stabilization Fund can only be appropriated for expenditure in case of federally-declared disasters or extraordinary capital expense requirements in the General Fund, or if the General Fund balance falls below one percent. The Ordinance requires that the Net Revenue Stabilization Fund balance be built or rebuilt to its minimum level within three years of the establishment of the Fund, or within three years of any expenditure of Rainy Day Fund balances. The City of Norman’s Rainy Day Fund is being maintained at its Targeted level as of June 30, 2020.

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



Long-term Financial Planning

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

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

Major Initiatives

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

The voters of Norman also approved a major general obligation bond package for road and drainage improvements throughout Norman.

Awards and Acknowledgements

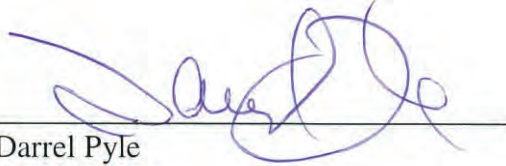
The Government Finance Officers Association ("GFOA") awarded a *Certificate of Achievement* for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we will submit it to the GFOA to determine its eligibility for certification.

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

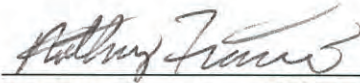
Finally, we would like to express our gratitude and appreciation to the members of the Norman City Council and the Council's Finance and Audit Committee for your policy guidance which is contained in this document. As the governing body, your commitment to ensure accurate and reliable financial accounting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

proud to convey the City Council's commitment to excellence to our citizens and all readers of the FYE 2020 CAFR.

Respectfully submitted,



Darrel Pyle
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**

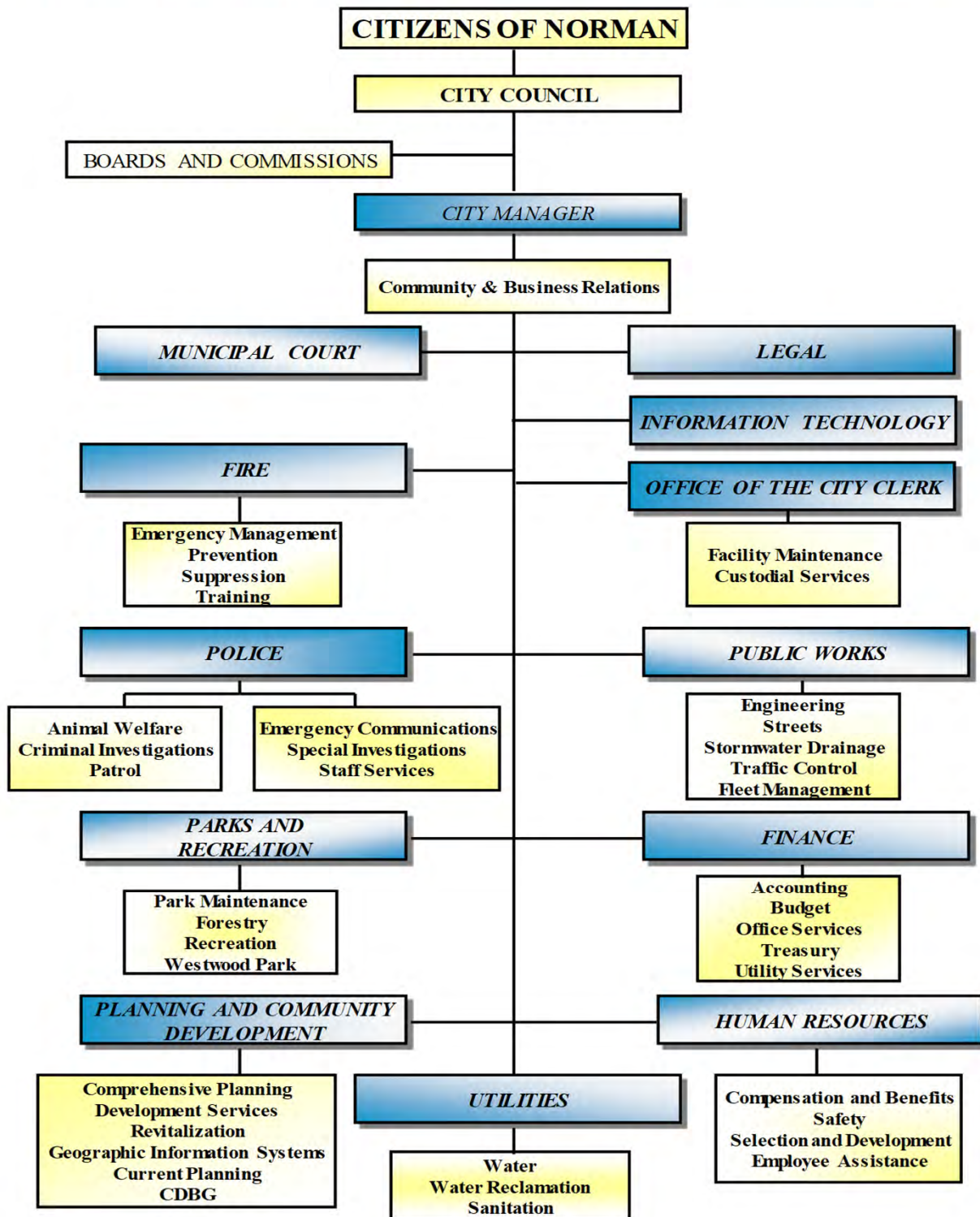
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

City Of Norman Organization Chart



CITY OFFICIALS

MAYOR
Breea Clark

Ward 1 Kate Bierman

Ward 5 Sereta Wilson

Ward 2 Joe Carter

Ward 6 Bill Scanlon

Ward 3 Alison Petrone

Ward 7 Stephen Holman

Ward 4 Lee Hall

Ward 8 Alexandra Scott

City Manager Darrel Pyle

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

Ashley Evans
Administrative Technician IV

Lisa Woods
Municipal Accountant I

Kim Coffman
Budget Manager

This document was prepared by the City of Norman Finance Department
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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norman, Oklahoma (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable Mayor and City Council
City of Norman, Oklahoma
Page 3

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

BKD, LLP

Oklahoma City, Oklahoma
December 7, 2020

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, 2020. 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-x of this report.

Financial Highlights

- The assets and deferred outflow of resources of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$717,530,801 (net position).
- The City's total net position increased by \$14,806,623.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$163,284,042, a decrease of \$7,879,675 in comparison with the prior year. Approximately 93.4% or \$152,447,536 was nonspendable, restricted, committed or assigned for specific purposes. Approximately 6.6% or \$10,836,506 was unassigned at fiscal year end.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,836,506 or 14% of total general fund expenditures.
- The City's total debt decreased by \$11,206,699 (4.5 percent) during the current fiscal year. Key factors of this change was a draw of \$6,381,355 on the Oklahoma Water Resources Board, Series 2017 loan. Also, the City made its normally scheduled payments.

Overview of the Financial Statements

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

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

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

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

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

parcs and recreation, public works, public service and public safety. The business-type activities of the City include the Norman Municipal Authority (the "NMA"), the Norman Utilities Authority (the "NUA") and the Norman Economic Development Authority (the "NEDA"). The NMA operates Westwood Park and the City's sanitation services. Westwood Park includes golf, tennis and swimming facilities. The NUA operates the City's water and wastewater services. The NEDA includes financing and operating economic development activities for the City.

The government-wide financial statements can be found on pages 17-18 of this report.

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

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

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

The City maintains 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, capital projects fund and NORMAN FORWARD 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 19-21 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 22-24 of this report.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 25-26 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-76 of this report.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City’s progress in funding its obligation to provide pension and other post-employment benefits to its employees and budgetary comparison schedules for the general fund and public safety sales tax fund. Required supplementary information can be found on pages 77-90 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 91-114 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$717,530,801 at the close of the most recent fiscal year.

**Net Position
As of June 30**

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 179,093,564	\$ 187,268,219	\$ 83,606,492	\$ 92,327,776	\$ 262,700,056	\$ 279,595,995
Capital assets, net	473,904,142	466,115,901	293,905,574	285,438,937	767,809,716	751,554,838
Noncurrent assets	241,484	2,001,892	6,745,712	547,721	6,987,196	2,549,613
Total assets	653,239,190	655,386,012	384,257,778	378,314,434	1,037,496,968	1,033,700,446
Deferred outflows	15,254,348	17,283,562	603,901	716,818	15,858,249	18,000,380
Total assets & deferred outflows	668,493,538	672,669,574	384,861,679	379,031,252	1,053,355,217	1,051,700,826
Long-term liabilities	198,293,813	221,678,339	78,291,136	80,691,857	276,584,949	302,370,196
Other liabilities	32,238,228	25,470,407	14,779,121	14,006,385	47,017,349	39,476,792
Total liabilities	230,532,041	247,148,746	93,070,257	94,698,242	323,602,298	341,846,988
Deferred inflows	12,219,118	7,129,660	-	-	12,219,118	7,129,660
Total liabilities & deferred inflows	242,751,159	254,278,406	93,070,257	94,698,242	335,821,416	348,976,648
Net position:						
Net investment in capital assets	404,269,078	343,501,122	220,190,180	210,610,975	624,459,258	554,112,097
Restricted	55,892,634	104,620,414	7,349,204	10,621,197	63,241,838	115,241,611
Unrestricted	(34,422,332)	(29,730,368)	64,252,037	63,100,838	29,829,705	33,370,470
Total net position	\$ 425,739,380	\$ 418,391,168	\$ 291,791,421	\$ 284,333,010	\$ 717,530,801	\$ 702,724,178

By far the largest portion of the City's net position (87 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 (9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position is unrestricted.

There was an increase of \$7.5 million in the net position reported in connection with the City's business-type activities. This increase was due to several factors. See below for more information.

The governmental net position increased by \$7.3 million during the current fiscal year. This increase was due to several factors. See below for more information.

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

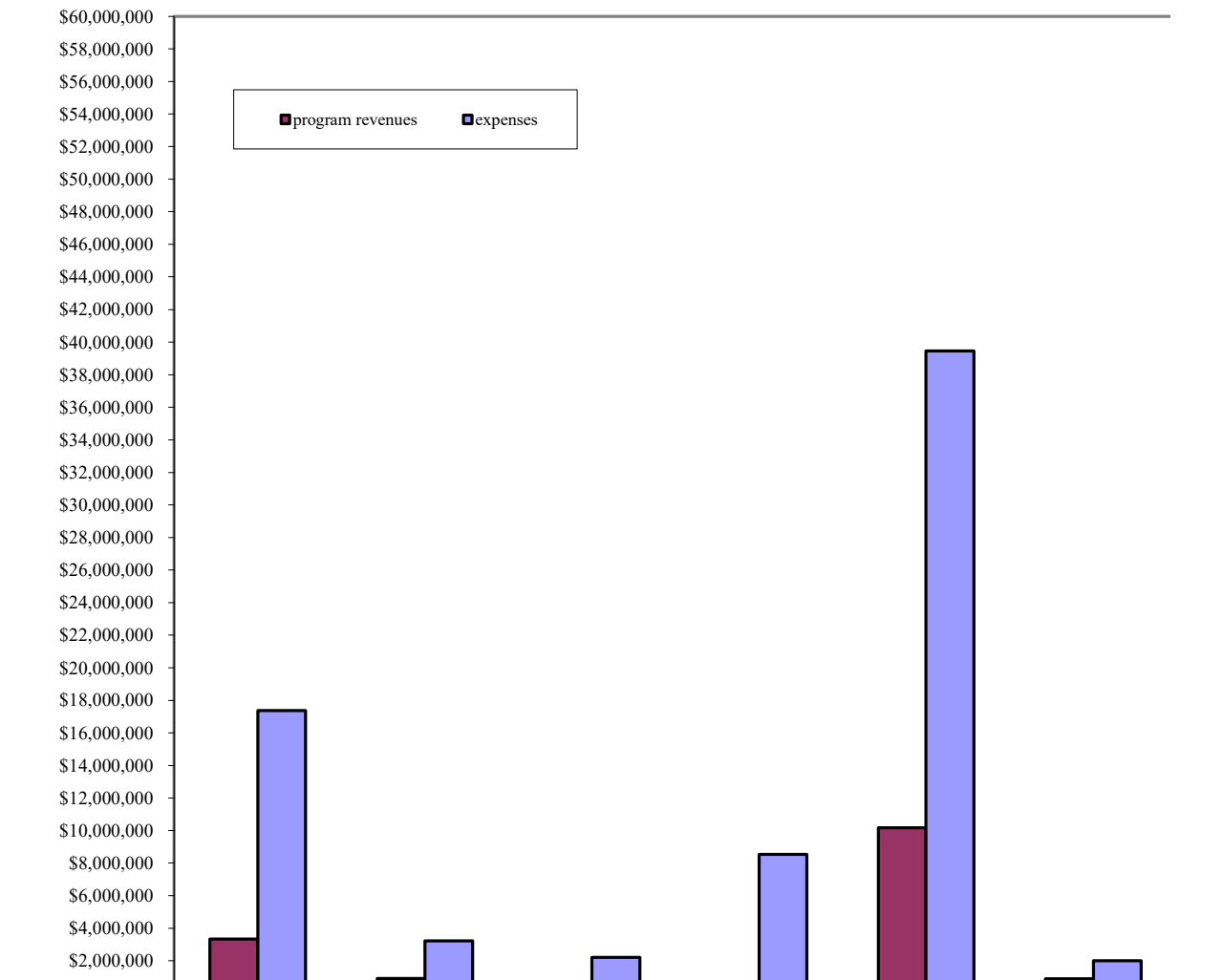
	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Program Revenues:						
Charges for services	\$ 8,924,887	\$ 7,174,820	\$ 55,077,914	\$ 52,944,835	\$ 64,002,801	\$ 60,119,655
Operating grants & contributions	10,767,930	10,388,169	-	-	10,767,930	10,388,169
Capital grants & contributions	6,333,788	30,404,175	2,786,305	2,569,510	9,120,093	32,973,685
General revenues:						
Sales and excise taxes	75,811,863	74,419,538	1,283,126	1,236,361	77,094,989	75,655,899
Franchise taxes	6,531,339	6,625,971	-	-	6,531,339	6,625,971
Property taxes	12,062,899	11,395,748	-	-	12,062,899	11,395,748
Use taxes	9,017,696	7,196,831	-	-	9,017,696	7,196,831
Other taxes	2,510,256	2,977,687	-	-	2,510,256	2,977,687
Investment earnings	2,489,875	3,198,922	1,974,631	3,046,291	4,464,506	6,245,213
Miscellaneous	2,450,934	3,762,651	52,054	297,195	2,502,988	4,059,846
Total revenues	136,901,467	157,544,512	61,174,030	60,094,192	198,075,497	217,638,704
Expenses:						
General government	17,378,592	13,738,006	-	-	17,378,592	13,738,006
Planning	3,228,429	3,367,244	-	-	3,228,429	3,367,244
City controller	2,207,900	2,093,411	-	-	2,207,900	2,093,411
Parks and recreation	8,539,967	7,509,979	-	-	8,539,967	7,509,979
Public works	39,467,992	25,614,539	-	-	39,467,992	25,614,539
Public service	1,995,214	4,118,076	-	-	1,995,214	4,118,076
Public safety	53,536,220	45,140,356	-	-	53,536,220	45,140,356
Interest on long-term debt	4,248,252	4,137,314	-	-	4,248,252	4,137,314
Westwood park	-	-	2,124,443	2,026,461	2,124,443	2,026,461
Water	-	-	18,435,089	16,505,700	18,435,089	16,505,700
Wastewater	-	-	18,627,217	16,628,468	18,627,217	16,628,468
Sanitation	-	-	13,479,559	13,494,028	13,479,559	13,494,028
Total expenses	130,602,566	105,718,925	52,666,308	48,654,657	183,268,874	154,373,582
Change in net position before transfers						
	6,298,901	51,825,587	8,507,722	11,439,535	14,806,623	63,265,122
Transfers	1,049,311	1,030,049	(1,049,311)	(1,030,049)	-	-
Change in net position	7,348,212	52,855,636	7,458,411	10,409,486	14,806,623	63,265,122
Net position, beginning	418,391,168	365,535,532	284,333,010	273,923,524	702,724,178	639,459,056
Net position, ending	\$ 425,739,380	\$ 418,391,168	\$ 291,791,421	\$ 284,333,010	\$ 717,530,801	\$ 702,724,178

Governmental activities –Governmental activities increased the City’s net position by \$7.3 million. In the prior year, governmental activities increased the City’s net position by \$52.9 million. Key elements of this change are as follows:

- Sales tax revenue within the governmental activities (the City’s primary fund source) increased by \$1,392,325 or 1.9% over the prior fiscal year. However, a new 1/8th of a cent sales tax to fund transit activities was effective April 1, 2020. Excluding this new tax, sales tax revenue within the governmental activities increased by \$766,102 or 1% over the prior fiscal year. The City and State’s economy has been fairly stable in the last fiscal year as energy prices have been flat.

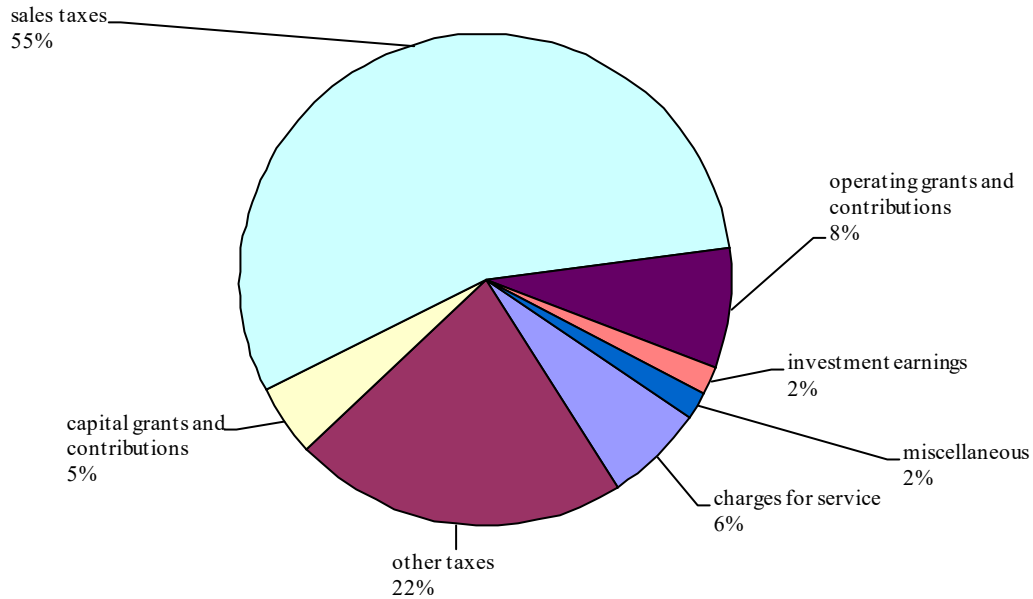
- Use tax revenue has increased \$1,820,865 or 25.3% over the prior fiscal year. The City continues to benefit from agreements states have made with on-line retailers such as Amazon to pay use tax.
- Capital grants and contributions decreased \$24,070,387 or 79% from the prior fiscal year. Most of this figure is donated infrastructure (i.e., roads) from both developers and joint projects with the State of Oklahoma. Last year a large joint project was finished whereby approximately \$14.7 million was donated to the City.
- Investment earnings decreased \$709,047 or 22% from the prior year. Overall, interest rates were lower in the current fiscal year due to pandemic effects.
- Public works expenses increased \$13,853,453 or 54% from the prior year. Most of this increase was due to street maintenance projects.
- Public safety expenses increased \$8,395,864 or 18.6% from the prior year. Most of this increase was due to increases in Fire Suppression and Patrol salary and benefits.

Expenses and Program Revenues – Governmental Activities



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

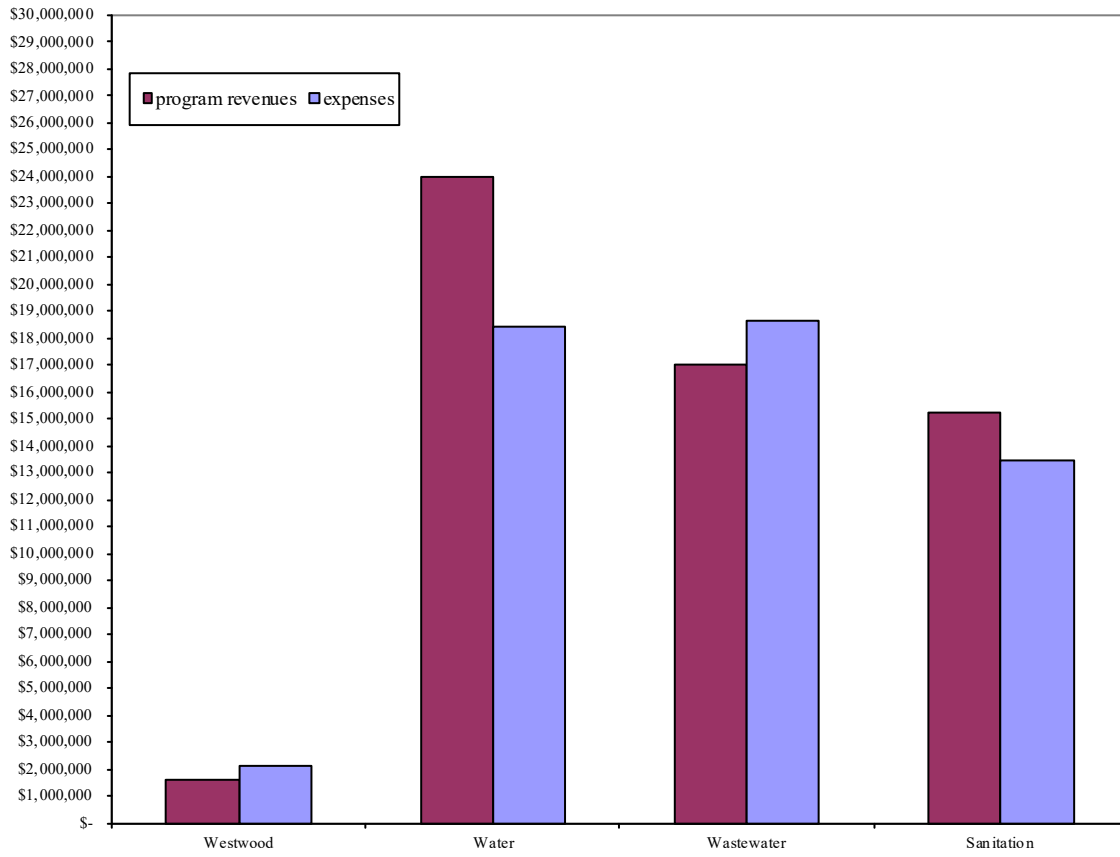
Revenues by Source - Governmental Activities



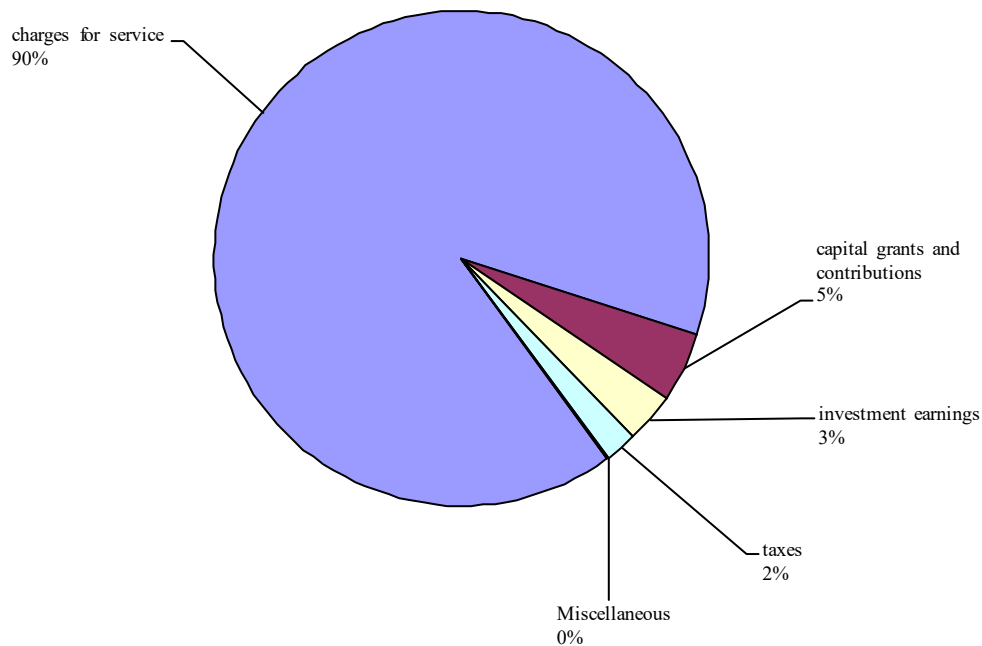
Business-type activities – Business-type activities increased the City’s net position by \$7.5 million. In the prior year, business-type activities increased the City’s net position by \$10.4 million. Key elements of this change are as follows:

- Charges for services increased \$2,133,079 or 4% from the prior fiscal year. Most of this increase was due to increased water sales.
- Investment earnings decreased \$1,071,660 or 35.2% from the prior fiscal year. Overall, interest rates were lower in the current fiscal year due to the pandemic.
- Water expenses increased \$1,929,389 or 12% from the prior fiscal year. Most of this increase was due to the completion of several maintenance water projects in the current fiscal year.
- Wastewater expenses increased 1,998,749 or 12% from the prior fiscal year. Most of this increase was due to an increase in depreciation due to completion of a large treatment plant project being completed in the prior fiscal year and receiving depreciation in the current fiscal year.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$163,284,042, a decrease of \$7,879,675 from the prior year. Approximately 7 percent of this total amount (\$10,836,506) 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 \$10,836,506 while total fund balance reached \$17,589,318. 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 14 percent of total General Fund expenditures, while total fund balance represents 23 percent of that same amount.

The fund balance of the City's General Fund decreased by \$2,002,417 during the current fiscal year compared to an increase of \$685,899 in the previous year. Key factors in the current year change are as follows:

- Sales tax revenues within the General Fund increased \$972,807 or 2.4% from the prior fiscal year.
- Use tax revenues within the General Fund increased \$1,383,652 or 26% from the prior fiscal year.
- Net transfers in and out within the General Fund decreased \$3,289,731 or 65.8% from the prior fiscal year. The General Fund transferred a net amount of \$2,880,788 to the Transportation and Parking Fund to cover initial startup costs of the public transportation system.

The Public Safety Sales Tax Fund has a total fund balance of \$10,950,723 all of which is restricted for public safety activities. The net decrease in fund balance during the current year was \$907,173. A portion of this decrease was due to spending of note proceeds for the Emergency Communications System Project (\$396,209) received in prior years.

The Debt Service Fund has a total fund balance of \$7,200,737 all of which is restricted for the payment of debt service. The net decrease in the fund balance during the current year was \$410,683 due to normally scheduled payments.

The Capital Projects Fund has a total fund balance of \$78,836,761. The net decrease in fund balance during the current year was \$4,105,031. This net decrease was due to the spending down of general obligation bond monies received in previous years.

The NORMAN FORWARD Fund has a total fund balance of \$40,504,935. The net decrease in fund balance during the current year was \$4,560,116. This net decrease was due to spending down of previous note monies received in the previous year.

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

Unrestricted net position of the NMA and NUA funds were \$15,463,577 and \$48,788,460 respectively. The total growth in net position for these funds was \$2,330,426 and \$5,127,985, 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 \$1,561,667 increase in appropriations between the original and final amended budget. Following are the main components of the increase:

- \$1,122,649 in decreases to the general government budget. City Council decreased \$1,154,134 mostly due to transfer of \$1,135,500 to the Transit and Parking Fund to cover startup costs of assuming the public transportation system.
- \$1,941,191 in increases to the public safety budget. Criminal Investigations received \$596,004 in increases with \$549,620 for salary and benefits. Fire Suppression received \$498,955 in increases with \$290,491 relating to rollover encumbrances for equipment and \$154,089 for salary and benefits.

The City has an adopted reserve policy established by ordinance. 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 one percent (1%) 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 four percent (4%) but not more than seven percent (7%) of annually budgeted General Fund expenditures. As of June 30, 2020 the Rainy Day Fund had a balance of \$3,889,176 which represents 5.1% of General Fund expenditures.

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 \$6,828,744.
 - Sales taxes were below expectations by \$4,641,974.
 - Use taxes were above expectations by \$1,493,093.
 - Franchise fees were below expectations by \$1,250,459, mainly within the electric, gas and basic cable franchises.
 - Charges for services were below expectations by \$415,734, the most significant being within the recreation fees category due to pandemic effects.
 - Other revenue was below expectations by \$1,608,421, mainly within the cost allocations category primarily due to reduced changes for fleet fuel.
- General Fund expenditures and encumbrances were below expectations by \$7,336,159.
 - City Council expenditures were \$773,487 below expectation due to lack of expense of all the 1% reserve.
 - Street Maintenance expenditures were \$908,845 below expectation due to savings within salary and benefits.
 - Fire Suppression expenditures were \$636,899 below expectation due to payment of prior year encumbrances in the current year that were expensed in prior years as encumbrances.
 - Stormwater Drainage expenditures were \$552,875 below expectations due to savings within the salary and benefits.
 - Fleet Fuel and Parts expenditures were \$428,373 below expectations due to savings within outside fuel inventory.
- Net General Fund transfers were \$72,896 more than expected.

The City closed the year with a fund balance that was higher than what was budgeted by \$580,311.

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, 2020, amounted to \$767,809,716 (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 2.2% (1.7% increase for governmental activities and a 3% increase for business-type activities).

As of June 30

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 68,360,714	\$ 66,574,164	\$ 10,417,288	\$ 10,417,288	\$ 78,778,002	\$ 76,991,452
Buildings and improvements	117,297,148	85,053,321	208,119,409	207,059,657	325,416,557	292,112,978
Machinery and equipment	69,165,188	62,721,507	213,376,331	211,658,654	282,541,519	274,380,161
Infrastructure	630,844,129	618,527,757	-	-	630,844,129	618,527,757
Construction in progress	46,139,237	69,089,640	59,244,490	39,439,672	105,383,727	108,529,312
Less: Accumulated depreciation	(457,902,274)	(435,850,488)	(197,251,944)	(183,136,334)	(655,154,218)	(618,986,822)
Total	\$ 473,904,142	\$ 466,115,901	\$ 293,905,574	\$ 285,438,937	\$ 767,809,716	\$ 751,554,838

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

- The new Central Branch Library was completed at a cost of \$34,959,718.
- The 24th NW Avenue and Tee Street signal and intersection improvement project was completed at a cost of \$1,821,681 of which the State of Oklahoma provided \$1,211,280.
- A variety of Norman Forward construction projects were underway; construction in progress related to Norman Forward projects as of the end of the current fiscal year had reached \$9,950,917.
- A variety of street and roadway construction projects were underway; governmental construction in progress related to public works as of the end of the current fiscal year had reached \$15,866,995.
- A variety of water and sewer projects were underway; NUA construction in progress as of the end of the current fiscal year was \$59,095,716.

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

Long-term debt – At the end of the current fiscal year, the City had total bonded debt outstanding of \$68,180,848. Of this amount, \$67,812,055 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 \$368,793. The City also had notes payable outstanding of \$170,462,648 at the end of the current fiscal year which were secured by capital assets and specified revenue sources.

**Outstanding Debt
As of June 30**

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 67,812,055	\$ 71,033,501	\$ -	\$ -	\$ 67,812,055	\$ 71,033,501
Revenue bonds	-	-	368,793	535,689	368,793	535,689
Capital leases	-	-	-	-	-	-
Notes payable	86,675,000	92,065,000	83,787,648	86,216,005	170,462,648	178,281,005
Total	\$ 154,487,055	\$ 163,098,501	\$ 84,156,441	\$ 86,751,694	\$ 238,643,496	\$ 249,850,195

The City’s total debt decreased by \$11,206,699 (4.5 percent) during the current fiscal year. Key factors of this change was a draw of \$6,381,355 on the Oklahoma Water Resources Board, Series 2017 loan. 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 60-67 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 7.0 percent. The state’s average unemployment rate was 6.4 percent and the national average rate was 11.1 percent.
- Inflationary trends in the region compare favorably to national indices.
- The City’s major source of revenue is sales and use tax revenue. Sales tax and use tax revenue increased 1.9% and 25.3%, respectively, over the prior year total.
- The impact of the COVID-19 pandemic is unknown at this time, however, unemployment changes and sales tax trends will absolutely be affected in the future.

All of these factors were considered in preparing the City’s budget for the 2021 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, 2020

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 39,649,835	\$ 35,632,207	\$ 75,282,042
Restricted cash and cash equivalents	92,837,448	14,190,363	107,027,811
Investments	24,920,037	29,152,944	54,072,981
Restricted investments	2,977,613	-	2,977,613
Receivables:			
Taxes	16,463,454	-	16,463,454
Accounts, net of allowance for estimated uncollectible Business-Type accounts of \$1,047,066	812,579	4,146,114	4,958,693
Interest	75,471	126,364	201,835
Other	106,010	-	106,010
Due from Federal Government	1,595,552	-	1,595,552
Internal balances	(358,500)	358,500	-
Inventory	14,065	-	14,065
Total current assets	179,093,564	83,606,492	262,700,056
Non-current assets:			
Restricted cash and cash equivalents	-	6,745,712	6,745,712
Net pension asset	241,484	-	241,484
Capital assets not subject to depreciation	114,499,951	69,661,778	184,161,729
Capital assets, net	359,404,191	224,243,796	583,647,987
Total non-current assets	474,145,626	300,651,286	774,796,912
Total assets	653,239,190	384,257,778	1,037,496,968
DEFERRED OUTFLOW OF RESOURCES			
Deferred resources related to pensions	14,174,273	-	14,174,273
Deferred resources related to OPEB	983,689	-	983,689
Deferred charge on refunding	96,386	603,901	700,287
Total deferred outflows of resources	15,254,348	603,901	15,858,249
LIABILITIES			
Current liabilities:			
Accounts payable and other accrued liabilities	3,208,044	3,719,441	6,927,485
Payroll payable	2,135,332	465,859	2,601,191
Accrued interest payable	1,215,348	599,078	1,814,426
Retainage payable	1,222,462	1,061,340	2,283,802
Guaranty deposits	7,253,730	1,684,983	8,938,713
Current portion of long-term debt	17,203,312	7,248,420	24,451,732
Total current liabilities	32,238,228	14,779,121	47,017,349
Non-current liabilities:			
Long-term debt and other liabilities	198,293,813	78,291,136	276,584,949
Total non-current liabilities	198,293,813	78,291,136	276,584,949
Total liabilities	230,532,041	93,070,257	323,602,298
DEFERRED INFLOW OF RESOURCES			
Deferred resources related to pensions	8,658,491	-	8,658,491
Deferred resources related to OPEB	3,560,627	-	3,560,627
Total deferred inflows of resources	12,219,118	-	12,219,118
NET POSITION			
Net investment in capital assets	404,269,078	220,190,180	624,459,258
Restricted for:			
Debt service	7,200,737	734,892	7,935,629
Capital improvements	30,164,517	6,614,312	36,778,829
Public safety	11,770,417	-	11,770,417
Public parks and recreation	1,169,232	-	1,169,232
Public service	2,933,867	-	2,933,867
Public works	2,653,864	-	2,653,864
Unrestricted (deficit)	(34,422,332)	64,252,037	29,829,705
Total net position	\$ 425,739,380	\$ 291,791,421	\$ 717,530,801

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Changes in Net Assets	
					Governmental Activities	Business-Type Activities
Primary government						
Governmental activities:						
General government	\$ 17,378,592	\$ 3,337,660	\$ -	\$ -	\$ (14,040,932)	\$ (14,040,932)
Planning	3,228,429	913,979	-	-	(2,314,450)	(2,314,450)
City controller	2,207,900	515,612	-	-	(1,692,288)	(1,692,288)
Parks and recreation	8,539,967	405,547	7,660	-	(8,126,760)	(8,126,760)
Public works	39,467,992	497,224	3,342,123	6,333,788	(29,294,857)	(29,294,857)
Public service	1,995,214	-	903,285	-	(1,091,929)	(1,091,929)
Public safety	53,536,220	3,254,865	6,514,862	-	(43,766,493)	(43,766,493)
Interest on long-term debt	4,248,252	-	-	-	(4,248,252)	(4,248,252)
Total governmental activities	130,602,566	8,924,887	10,767,930	6,333,788	(104,575,961)	(104,575,961)
Business-type activities:						
Westwood Park	2,124,443	1,632,229	-	-	(492,214)	(492,214)
Water	18,435,089	22,217,540	-	1,760,720	5,543,171	5,543,171
Wastewater	18,627,217	15,984,512	-	1,025,585	(1,617,120)	(1,617,120)
Sanitation	13,479,559	15,243,633	-	-	1,764,074	1,764,074
Total business-type activities	52,666,308	55,077,914	-	2,786,305	5,197,911	5,197,911
Total primary government	\$ 183,268,874	\$ 64,002,801	\$ 10,767,930	\$ 9,120,093	(104,575,961)	(99,378,050)
General revenues:						
Taxes (unrestricted unless otherwise noted):						
Sales taxes					41,203,674	41,203,674
Sales taxes - restricted					34,608,189	34,608,189
Excise taxes - restricted					-	-
Franchise taxes					1,283,126	1,283,126
Property taxes - restricted					6,531,339	6,531,339
Use taxes					12,062,899	12,062,899
Use taxes - restricted					6,702,287	6,702,287
Hotel/Motel taxes					2,315,409	2,315,409
Alcoholic beverage taxes					1,307,527	1,307,527
Cigarette taxes					498,318	498,318
Investment earnings					704,411	704,411
Miscellaneous					2,489,875	2,489,875
Transfers					2,450,934	2,450,934
Total general revenues and transfers					111,924,173	111,924,173
Change in net position					7,348,212	7,348,212
Net position - beginning					418,391,168	418,391,168
Net position - ending					\$ 425,739,380	\$ 425,739,380
					\$ 291,791,421	\$ 291,791,421

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2020

	General	Public Safety Sales Tax	Debt Service	Capital Projects	Norman Forward	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 4,652,354	\$ -	\$ -	\$ 14,902,157	\$ 12,978,215	\$ 5,921,666	\$ 38,454,392
Investments	3,793,039	-	1,691,023	8,348,247	8,049,363	2,165,010	24,046,682
Receivables:							
Taxes	9,872,175	1,879,024	-	2,322,187	1,879,024	511,044	16,463,454
Accounts	470,582	164,321	-	89,184	-	455	724,542
Interest	19,893	81	7,324	-	35,015	9,375	71,688
Other	-	-	-	106,010	-	-	106,010
Due from Federal Govnmt	1,175,430	-	-	142,379	-	277,743	1,595,552
Due from other funds	735,515	-	44,916	118,575	106,809	46,787	1,052,602
Inventory	14,065	-	-	-	-	-	14,065
Restricted Assets:							
Cash and cash equivalent:	2,498,901	9,978,349	5,457,474	56,509,420	18,393,304	-	92,837,448
Investments	2,977,613	-	-	-	-	-	2,977,613
Total assets	<u>\$ 26,209,567</u>	<u>\$ 12,021,775</u>	<u>\$ 7,200,737</u>	<u>\$ 82,538,159</u>	<u>\$ 41,441,730</u>	<u>\$ 8,932,080</u>	<u>\$ 178,344,048</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable and other accrued liabilities	\$ 739,022	\$ 78,734	\$ -	\$ 1,061,369	\$ 882,034	\$ 276,253	\$ 3,037,412
Payroll payable	1,777,078	282,176	-	37,201	-	29,007	2,125,462
Due to other funds	685,424	710,142	-	-	-	25,374	1,420,940
Retainage payable	-	-	-	767,823	54,761	399,878	1,222,462
Guaranty deposits	5,418,725	-	-	1,835,005	-	-	7,253,730
Total liabilities	<u>8,620,249</u>	<u>1,071,052</u>	<u>-</u>	<u>3,701,398</u>	<u>936,795</u>	<u>730,512</u>	<u>15,060,006</u>
FUND BALANCES							
Nonspendable	14,065	-	-	-	-	-	14,065
Restricted	-	10,950,723	7,200,737	76,203,750	38,549,121	7,576,657	140,480,988
Committed	3,889,176	-	-	-	-	-	3,889,176
Assigned	2,849,571	-	-	2,633,011	1,955,814	624,911	8,063,307
Unassigned	10,836,506	-	-	-	-	-	10,836,506
Total fund balances	<u>17,589,318</u>	<u>10,950,723</u>	<u>7,200,737</u>	<u>78,836,761</u>	<u>40,504,935</u>	<u>8,201,568</u>	<u>163,284,042</u>
Total liabilities and fund balances							
balances	<u>\$ 26,209,567</u>	<u>\$ 12,021,775</u>	<u>\$ 7,200,737</u>	<u>\$ 82,538,159</u>	<u>\$ 41,441,730</u>	<u>\$ 8,932,080</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.

473,904,142

The net pension asset is not an available resource and, therefore, is not reported in the funds.

241,484

Internal service funds are used by management to charge the costs of risk management activities to individual funds. The

assets, deferred outflow of resources, liabilities and deferred inflows of the internal service funds are included in governmental activities in the statement of net position.

(1,054,136)

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

(210,636,152)

Net position of governmental activities

\$ 425,739,380

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, 2020

	General	Public Safety Sales Tax	Debt Service	Capital Projects	Norman Forward	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 54,437,300	\$ 10,525,338	\$ 9,841,604	\$ 17,467,995	\$ 10,525,337	\$ 1,933,750	\$ 104,731,324
Licenses and permits	1,142,125	-	-	-	-	-	1,142,125
Intergovernmental revenues	3,245,451	-	-	-	-	3,376,335	6,621,786
Charges for services	10,973,558	-	-	-	-	72,165	11,045,723
Fines and forfeitures	1,793,609	-	-	-	-	-	1,793,609
Investment earnings	148,987	99,894	102,532	1,049,766	742,013	111,030	2,254,222
Other	1,469,932	657,285	-	891,768	52,979	251,896	3,323,860
Total revenues	<u>73,210,962</u>	<u>11,282,517</u>	<u>9,944,136</u>	<u>19,409,529</u>	<u>11,320,329</u>	<u>5,745,176</u>	<u>130,912,649</u>
Expenditures:							
Current:							
General government	9,566,062	-	-	448,451	-	-	10,014,513
Planning	3,337,205	-	-	56,321	-	-	3,393,526
City controller	3,549,717	-	-	73,669	-	-	3,623,386
Parks and recreation	4,744,075	-	-	650,287	738,198	106,920	6,239,480
Public works	14,954,746	58,833	-	9,544,081	-	3,708,421	28,266,081
Public service	-	-	-	-	-	1,996,015	1,996,015
Public safety	38,497,443	9,740,306	-	76,602	-	323,329	48,637,680
Capital outlay	2,267,878	2,017,857	-	8,083,751	11,048,563	1,103,274	24,521,323
Debt service:							
Principal retirement	-	1,965,000	3,025,000	1,225,000	2,200,000	-	8,415,000
Interest and fiscal charges	-	392,674	1,981,445	90,134	1,923,775	-	4,388,028
Total expenditures	<u>76,917,126</u>	<u>14,174,670</u>	<u>5,006,445</u>	<u>20,248,296</u>	<u>15,910,536</u>	<u>7,237,959</u>	<u>139,495,032</u>
Excess (deficiency) of revenues							
over (under) expenditures	<u>(3,706,164)</u>	<u>(2,892,153)</u>	<u>4,937,691</u>	<u>(838,767)</u>	<u>(4,590,207)</u>	<u>(1,492,783)</u>	<u>(8,582,383)</u>
Other financing sources (uses):							
Transfers in	8,722,338	1,984,980	-	2,355,246	204,419	5,378,948	18,645,931
Transfers out	<u>(7,018,591)</u>	<u>-</u>	<u>(410,683)</u>	<u>(5,621,510)</u>	<u>(174,328)</u>	<u>(4,718,111)</u>	<u>(17,943,223)</u>
Net other financing sources (uses)	<u>1,703,747</u>	<u>1,984,980</u>	<u>(410,683)</u>	<u>(3,266,264)</u>	<u>30,091</u>	<u>660,837</u>	<u>702,708</u>
Net change in fund balances	<u>(2,002,417)</u>	<u>(907,173)</u>	<u>4,527,008</u>	<u>(4,105,031)</u>	<u>(4,560,116)</u>	<u>(831,946)</u>	<u>(7,879,675)</u>
Fund balances, July 1, 2019	19,591,735	11,857,896	2,673,729	82,941,792	45,065,051	9,033,514	171,163,717
Fund balances, June 30, 2020	<u>\$ 17,589,318</u>	<u>\$ 10,950,723</u>	<u>\$ 7,200,737</u>	<u>\$ 78,836,761</u>	<u>\$ 40,504,935</u>	<u>\$ 8,201,568</u>	<u>\$ 163,284,042</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, 2020

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

Net change in fund balances - total governmental funds	\$ (7,879,675)
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.	2,051,082
Contributed capital assets (land, buildings and infrastructure) and other miscellaneous capital asset transactions recorded in government-wide financial statements but not recorded in fund level financial statements	5,737,159
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	8,415,000
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	(394,356)
Increase in liability for incurred claims and compensated absences and miscellaneous expenses in government-wide financial statements	(1,035,051)
The cost of pension benefits earned, net of contributions made, are reported as an element of pension expense in government-wide financial statements. In the fund-level financial statements only the contributions made are reported as expenditures	1,066,685
Internal service funds are used by management to charge the costs of insurance services to individual funds. The net loss of the internal service fund is reported with governmental activities.	<u>(612,632)</u>
Change in net position of governmental activities	<u>\$ 7,348,212</u>

See notes to financial statements

THE CITY OF NORMAN, OKLAHOMA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2020

	Business-type Activities			Governmental Activities
	Norman Municipal Authority	Norman Utilities Authority	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 9,781,139	\$ 25,851,068	\$ 35,632,207	\$ 1,195,443
Restricted cash and cash equivalents	422,855	13,767,509	14,190,364	-
Investments	6,069,869	23,083,075	29,152,944	873,355
Receivables:				
Accounts, net of allowance for estimated uncollectible accounts	958,942	3,187,172	4,146,114	88,037
Interest	26,289	100,075	126,364	3,783
Due from other funds	80,807	277,692	358,499	9,838
Total current assets	<u>17,339,901</u>	<u>66,266,591</u>	<u>83,606,492</u>	<u>2,170,456</u>
Noncurrent assets:				
Restricted cash and cash equivalents	230,997	6,514,715	6,745,712	-
Capital assets, net	<u>17,509,562</u>	<u>276,396,012</u>	<u>293,905,574</u>	-
Total noncurrent assets	<u>17,740,559</u>	<u>282,910,727</u>	<u>300,651,286</u>	-
Total assets	<u>35,080,460</u>	<u>349,177,318</u>	<u>384,257,778</u>	<u>2,170,456</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred charge on refunding	-	603,901	603,901	-
Total deferred outflows of resources	<u>-</u>	<u>603,901</u>	<u>603,901</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	705,731	3,013,710	3,719,441	170,754
Payroll payable	243,667	222,192	465,859	9,870
Liability for incurred claims	-	-	-	1,200,000
Accrued interest payable	1,914	597,164	599,078	-
Retainage payable	-	1,061,340	1,061,340	-
Guaranty deposits	420,941	1,264,042	1,684,983	-
Revenue bonds payable	180,000	-	180,000	-
Notes payable	-	6,955,951	6,955,951	-
Compensated absences	41,494	70,977	112,471	3,210
Total current liabilities	<u>1,593,747</u>	<u>13,185,376</u>	<u>14,779,123</u>	<u>1,383,834</u>
Noncurrent liabilities:				
Notes payable, net	-	76,831,697	76,831,697	-
Compensated absences	468,784	801,861	1,270,645	40,758
Liability for incurred claims	-	-	-	1,800,000
Revenue bonds payable, net	<u>188,793</u>	-	<u>188,793</u>	-
Total noncurrent liabilities	<u>657,577</u>	<u>77,633,558</u>	<u>78,291,135</u>	<u>1,840,758</u>
Total liabilities	<u>2,251,324</u>	<u>90,818,934</u>	<u>93,070,258</u>	<u>3,224,592</u>
NET POSITION				
Net investment in capital assets	17,134,562	203,055,618	220,190,180	-
Restricted for debt service	230,997	503,895	734,892	-
Restricted for capital projects	-	6,614,312	6,614,312	-
Unrestricted	<u>15,463,577</u>	<u>48,788,460</u>	<u>64,252,037</u>	<u>(1,054,136)</u>
Total net position	<u>\$ 32,829,136</u>	<u>\$ 258,962,285</u>	<u>\$ 291,791,421</u>	<u>\$ (1,054,136)</u>

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities			Governmental
	Norman Municipal Authority	Norman Utilities Authority	Total	Internal Service Fund
Operating revenues:				
Golf and pool fees	\$ 1,632,229	\$ -	\$ 1,632,229	\$ -
Water service, net	-	23,448,852	23,448,852	-
Wastewater service, net	-	15,984,512	15,984,512	-
Sanitation services, net	15,095,368	-	15,095,368	-
Self-insurance charges:				
Charges for services	-	-	-	13,997,065
Risk management administration	-	-	-	422,499
Workers' compensation	-	-	-	75,000
Unemployment compensation	-	-	-	22,220
Other	20,619	362,544	383,163	163,929
Total operating revenues	16,748,216	39,795,908	56,544,124	14,680,713
Operating expenses:				
Salaries and benefits	5,856,742	7,942,179	13,798,921	646,313
Supplies and materials	1,291,870	2,886,655	4,178,525	-
Services, maintenance and claims	6,180,224	11,363,630	17,543,854	15,046,612
Depreciation and amortization	2,155,893	14,166,443	16,322,336	-
Total operating expenses	15,484,729	36,358,907	51,843,636	15,692,925
Operating income (loss)	1,263,487	3,437,001	4,700,488	(1,012,212)
Nonoperating revenues (expenses):				
Excise tax revenue	-	1,283,126	1,283,126	-
Investment earnings	392,270	1,582,361	1,974,631	52,977
Interest and fiscal charges	(76,278)	(2,520,398)	(2,596,676)	-
Miscellaneous income (expense)	148,386	211,462	359,848	-
Net nonoperating revenues (expenses)	464,378	556,551	1,020,929	52,977
Income (loss) before capital contributions and transfers	1,727,865	3,993,552	5,721,417	(959,235)
Capital contributions - donated water and sewer distribution systems	-	2,786,305	2,786,305	-
Transfers in	602,561	-	602,561	410,683
Transfers out	-	(1,651,872)	(1,651,872)	(64,080)
Net capital contributions and transfers	602,561	1,134,433	1,736,994	346,603
Net income (loss)	2,330,426	5,127,985	7,458,411	(612,632)
Net position - beginning	30,498,710	253,834,300	284,333,010	(441,504)
Net position - ending	\$ 32,829,136	\$ 258,962,285	\$ 291,791,421	\$ (1,054,136)
See notes to financial statements				

THE CITY OF NORMAN, OKLAHOMA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities			Governmental Activities
	Norman Municipal Authority	Norman Utilities Authority	Total	Interal Service Fund
Cash flows from operating activities:				
Cash received from customers	\$ 17,028,473	\$ 39,358,163	\$ 56,386,636	\$ -
Cash received from interfund charges for health insurance	-	-	-	14,845,256
Cash paid to employees for services	(5,769,384)	(7,906,059)	(13,675,443)	(641,157)
Cash paid to suppliers	(7,278,273)	(13,615,840)	(20,894,113)	(14,410,115)
Other receipts (payments)	208,069	1,169,450	1,377,519	(238,929)
Net cash provided by (used for) operating activities	<u>4,188,885</u>	<u>19,005,714</u>	<u>23,194,599</u>	<u>(444,945)</u>
Cash flows from noncapital financing activities:				
Transfers in	602,561	-	602,561	410,683
Transfers out	-	(1,651,872)	(1,651,872)	(64,080)
Net cash provided by (used for) noncapital financing activities	<u>602,561</u>	<u>(1,651,872)</u>	<u>(1,049,311)</u>	<u>346,603</u>
Cash flows from capital and related financing activities:				
Proceeds from disposal of capital assets	55,941	30,225	86,166	-
Payments for the acquisition of capital assets	(2,057,021)	(20,531,398)	(22,588,419)	-
Proceeds from taxes	-	1,283,126	1,283,126	-
Principal payments on revenue bonds	(170,000)	-	(170,000)	-
Proceeds from notes payable	-	6,447,741	6,447,741	-
Principal payments on notes payable	(1,580,000)	(7,296,095)	(8,876,095)	-
Interest and fiscal charges paid	(87,670)	(2,389,106)	(2,476,776)	-
Net cash used for capital and related financing activities	<u>(3,838,750)</u>	<u>(22,455,507)</u>	<u>(26,294,257)</u>	<u>-</u>
Cash flows from investing activities:				
Proceeds from maturity of investments	8,566,636	34,956,820	43,523,456	1,912,749
Payments for purchases of investments	(4,610,244)	(17,532,273)	(22,142,517)	(663,339)
Investment earnings received	288,523	1,225,242	1,513,765	43,133
Net cash provided by investing activities	<u>4,244,915</u>	<u>18,649,789</u>	<u>22,894,704</u>	<u>1,292,543</u>
Net change in cash and cash equivalents	5,197,611	13,548,124	18,745,735	1,194,201
Cash and cash equivalents - beginning	5,237,380	32,585,168	37,822,548	1,242
Cash and cash equivalents - ending	<u>\$ 10,434,991</u>	<u>\$ 46,133,292</u>	<u>\$ 56,568,283</u>	<u>\$ 1,195,443</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 1,263,487	\$ 3,437,001	\$ 4,700,488	\$ (1,012,212)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Miscellaneous revenue	148,386	211,462	359,848	-
Bad debt expense	87,650	256,352	344,002	-
Depreciation and amortization	2,155,893	14,166,443	16,322,336	-
Loss on disposal of property, plant and equipment	(17,095)	516,680	499,585	-
(Increase) decrease in accounts receivable, net	183,565	(696,695)	(513,130)	164,543
(Increase) decrease in due from other funds	76,778	441,305	518,083	(9,838)
Increase (decrease) in accounts payable and accrued liabilities	193,821	(169,310)	24,511	136,497
Increase in payroll payable	73,686	45,641	119,327	1,626
Decrease in due to other funds	-	-	-	(229,091)
Increase in liability for incurred claims	-	-	-	500,000
Increase in retainage payable	-	803,755	803,755	-
Increase in guaranty deposits	9,042	2,601	11,643	-
Increase (decrease) in compensated absences	13,672	(9,521)	4,151	3,530
Net cash provided by (used for) operating activities	<u>\$ 4,188,885</u>	<u>\$ 19,005,714</u>	<u>\$ 23,194,599</u>	<u>\$ (444,945)</u>
NONCASH ACTIVITIES:				
Donated water and sewer distribution systems	\$ -	\$ 2,786,305	\$ 2,786,305	\$ -
Change in unrealized loss on investments	\$ (124,955)	\$ (468,720)	\$ (593,675)	\$ -

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS JUNE 30, 2020

	Pension Trust Fund	Centennial Agency Fund
ASSETS		
Cash and cash equivalents	\$ -	\$ 5,928
Investments		
Mutual funds	98,315,284	-
U.S. Agencies	-	3,782
Interest receivable	-	16
Loans to 401(a) Plan participants	<u>3,690,250</u>	<u>-</u>
Total assets	<u>\$ 102,005,534</u>	<u>\$ 9,726</u>
LIABILITIES AND NET POSITION		
Funds held for others	\$ -	\$ 9,726
Net position restricted for defined benefit pensions	162,027	-
Net position restricted for defined contribution pensions	<u>101,843,507</u>	<u>-</u>
Total liabilities and net position	<u>\$ 102,005,534</u>	<u>\$ 9,726</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, 2020

	Pension Trust Fund
ADDITIONS:	
Contributions:	
Employer	\$ 2,625,655
Employee	<u>2,346,816</u>
Total contributions	4,972,471
Investment income	<u>8,044,240</u>
Total additions	<u>13,016,711</u>
DEDUCTIONS:	
Pension benefits paid	8,482,530
Administration costs	<u>815</u>
Total deductions	<u>8,483,345</u>
NET INCREASE	4,533,366
Net position restricted for pension and retirement benefits, Beginning of year	<u>97,472,168</u>
End of year	<u>\$ 102,005,534</u>

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City of Norman, Oklahoma (the “City”) conform to accounting principles generally accepted in the United States of America for state and local governments. Generally accepted accounting principles for municipalities are defined as those principles promulgated by the Governmental Accounting Standards Board (“GASB”). The following represent the more significant accounting and reporting policies and practices of the City.

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

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

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

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

The Norman Economic Development Authority (“NEDA”) was established June 12, 2012. Activities of the NEDA include financing and operating economic development activities for the City. The governing body of the NEDA is the same as the City’s governing body. The City is the sole beneficiary of the NEDA and receives all trust properties upon termination. The City maintains all accounting records. As of June 30, 2019, NEDA had no transactions.

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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

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

The City reports the following non-major governmental funds:

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

- *Norman Room Tax Fund* - Established by City ordinance to receive revenues from the City hotel/motel occupancy tax. Tax receipts are required to be used for promoting and fostering convention and tourism development in the City.
- *Community Development Fund* - Established to account for the City’s Community Development Block Grants, Home Ownership Made Easy (“HOME”) Grants, Rental Rehabilitation and Emergency Shelter Grants received from the US Department of Housing and Urban Development (“HUD”).
- *Special Grants Fund* - Established to account for revenues and expenditures of other miscellaneous grants received from various sources.
- *Park Land Fund* - Established by City ordinance to receive revenues from developer fees dedicated to the acquisition of park land around the City.
- *Seizures and Restitutions Fund* - Established to account for the revenue available as a result of property seizures resulting from criminal investigations.
- *Cleet Fund* - Established to account for revenue derived by provision of State law to be utilized for law enforcement education and training.
- *Transit and Parking Fund* - Established to account for revenues and expenditures from transit and parking services.
- *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, 2020, to be the fair value of its investments.

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

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

- d. *Receivables and payables* – In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.
- 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 are recorded in the governmental funds and donated water and sewer distribution systems which are recorded in the proprietary funds, are recorded at acquisition value at the date of donation.

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

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

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

- h. *Inventory* – The City records parts and fuel inventory within the General fund. Parts inventory is valued at actual cost using the first-in/first out method. Fuel inventory is recorded using average cost. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.
- i. *Long-term Debt* – In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt is reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, and losses on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. 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, 2020, 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 the maximum number of hours that can be accumulated for vacation and sick leave are dependent upon an employee's years of service. Upon retirement, one-half of accumulated sick leave is converted to vacation time, subject to the above limitation for maximum compensation for unused compensated absences.

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

- m. *Fund Equity* – In the government-wide financial statements, equity is classified as net position and displayed in three components:
 1. *Net investment in capital assets* – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any notes or other borrowings attributable to those assets.
 2. *Restricted net position* – Consists of net position with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
 3. *Unrestricted net position* – All other assets that do not meet the definition of “restricted” or “net investment in capital assets.”

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

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

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

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

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

Cost Sharing Defined Benefit Pension Plans

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

Defined Benefit Other Postemployment Benefit Plan

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

Deferred outflows/inflows of resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City has a deferred outflow for a bond refunding, which is the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred or amortized to interest expense over the shorter of the life of the refunded or new debt. In addition, the City has deferred outflows related to pensions or other post employment benefits (OPEB), See Note 4(b) and 4(c) for additional information.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will be recognized as an inflow of resources (revenue) until then. The City has a

deferred inflow related to pensions and OPEB plans. See Note 4(b) and 4(c) for additional information.

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, 2020 in both the government-wide and fund financial statements.
- b. *Sales Taxes* - Sales taxes are collected by vendors and required to be remitted to the State of Oklahoma by the 20th of the month following collection. The tax is then paid to the City by the 10th of the next month. A two month lag exists between collection by the vendor and payment to the City by the State. Revenue received in July and August from sales made in May and June, respectively, is available for prior year expenses and is accrued in both the government-wide and fund financial statements.
- c. *Charges for Service* – Charges for services consist primarily of charges made by the General Fund for services such as motor pool usage, printing, accounting, data processing, facilities usage and other benefits provided to the other funds of the City.
- d. *Intergovernmental Revenues/Capital Grants Earned* - Revenues from Federal and State operating grants are recognized when expenditures are made. Similarly, capital grants are considered earned when the expenditures are made. The earned portion of capital grants in Proprietary Funds is treated as a capital contribution within the statement of revenues, expenses and changes in fund net position.
- e. *Investment Earnings* - Investment earnings on pooled cash and investments are allocated on a pro-rata basis to the City's funds based on the percentage of each fund's average month-end pooled cash balance.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position – The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable and net pension and OPEB liabilities (including related deferred outflows/inflows of resources), are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$210,636,152 difference are as follows:

General obligation bonds payable	\$ 67,812,055
Sales tax revenue notes payable	83,480,000
Notes payable	3,195,000
Compensated absences	8,907,329
Net OPEB obligation	8,762,331
Net pension liability	40,296,319
Deferred outflows of resources	(15,251,348)
Deferred inflow of resources	12,219,118
Accrued interest payable	<u>1,215,348</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 210,636,152</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 \$2,051,082 difference are as follows:

Capital outlay	\$ 24,521,323
Depreciation expense	<u>(22,470,241)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 2,051,082</u>

Another element of that reconciliation states that “Contributed capital assets (land, buildings, and infrastructure) and other miscellaneous capital asset transactions recorded in government-wide financial statements but not recorded in fund level financial statements.” The details of this \$5,737,159 difference are as follows:

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. \$ 6,285,918

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital asset sold. (54,317)

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. (494,442)

Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities \$ 5,737,159

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 \$394,356 difference are as follows:

Change in accrued interest payable	\$ (139,776)
Change in net pension and OPEB obligations	(71,904)
Change in debt issuance premium or discount	<u>(182,676)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (394,356)</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, 2020 amounted to \$12,503,493. 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, 2020, none of the City’s bank balance of \$113,114,326 was exposed to custodial credit risk. Approximately \$16,905,000 in uninvested cash was in trustee accounts and not considered to be uncollateralized. As of June 30, 2020, the City’s carrying balance of these deposits was \$111,129,705.

Interest Rate Risk – As of June 30, 2020, the City had the following investments subject to interest rate risk:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Money Market Mutual Funds	\$ 81,903,473	0.08
U.S. Treasury Notes	17,893,905	0.11
Federal Home Loan Bank	24,993,635	2.20
Federal Farm Credit Bank	1,530,340	1.22
Federal Agricultural Mortgage Corporation	4,584,420	0.80
Tennessee Valley Authority	3,323,645	0.63
Federal Home Loan Mortgage Corporation	747,036	3.67
Total fair value	<u>\$ 134,976,454</u>	
Portfolio weighted average maturity		0.67

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	\$ 111,129,705
Money market mutual funds	81,903,473
Less: Certificates of deposits classified as investments	<u>(3,977,613)</u>
	<u>\$ 189,055,565</u>

Cash as reported on the government-wide statement of net position -	
Cash and cash equivalents	\$ 75,282,042
Restricted cash and cash equivalents - current	107,027,811
Restricted cash and cash equivalents - long-term	<u>6,745,712</u>
	<u>\$ 189,055,565</u>

Carrying value of investments -	
Pooled and nonpooled funds	\$ 134,976,454
Site development certificate of deposits	3,977,613
Less: Money market mutual funds classified as cash equivalent	<u>(81,903,473)</u>
	<u>\$ 57,050,594</u>

As reported on the government-wide statement of net position -	
Investments	\$ 54,072,981
Restricted investments - current	<u>2,977,613</u>
	<u>\$ 57,050,594</u>

Credit Risk – The City’s investment policy does not cover credit risk. The City’s investments as of June 30, 2020 were rated by Moody’s Investor Service and Standard & Poor’s as follows:

	<u>Moody's</u>	<u>S & P</u>
Federal Farm Credit Bank	Aaa	AA+
Federal Home Loan Mortgage Corporation	Aaa	AA+
Federal Home Loan Bank	Aaa	AA+
Federal National Mortgage Association	Aaa	AA+
Federal Agricultural Mortgage Corporation	Aaa	AA+
Tennessee Valley Authority	Aaa	AA+
U.S. Treasury Notes	Unrated	Unrated
Money Market Mutual Funds	Unrated	Unrated

Concentration of Credit Risk – The City’s investment policy places no limit on the amount the City may invest in any one issuer. More than 5% of the City’s investments are in Federal Home Loan Bank and

United States Treasury Notes. These investments are 19% and 13%, respectively, of the City's total investments. Additionally, the City is invested in two money market mutual funds; the Federated Government Obligations Tax Managed Fund and the Cavanal Hill Government Securities Money Market Fund, which represents 32% and 28%, 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, 2020, the City's investment were not exposed to custodial credit risk as all of the City's investments were registered in the name of the City and held by a counterparty.

Investments Measured at Fair Value

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

The City has the following recurring fair value measurements as of June 30, 2020:

- US Treasury securities of \$17,893,905 are valued using quoted market prices (Level 2 inputs).
- Federal government agencies securities of \$35,179,076 are valued using quoted market prices of similar assets in an active market (Level 2 inputs).
- Money market mutual funds of \$81,903,473 are valued using quoted market prices (Level 1 inputs).
- Mutual funds of \$98,315,284 reported in the Statement of Fiduciary Net Position are valued using quoted market prices (Level 1 inputs).

Amount Due From Federal Government - The amount shown in both the government-wide and fund financial statements as due from the Federal government represents \$1,595,552 of allowable expenditures under various direct and pass through grants for which the City has requested reimbursement.

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

Interfund receivables and payables – Interfund receivables and payables for the year ended June 30, 2020:

Due To	Due From							Total Due From
	General Fund	Nonmajor Governmental Funds	Capital Fund	Norman Forward Fund	Debt Service Fund	Enterprise Fund	Internal Fund	
General Fund	\$ -	\$ 46,787	\$ 118,575	\$ 106,809	\$ 44,916	\$ 358,499	\$ 9,838	\$ 685,424
Public Safety Sales Tax Fund	710,142	-	-	-	-	-	-	710,142
Nonmajor Governmental Funds	25,374	-	-	-	-	-	-	25,374
Total Due To	<u>\$ 735,516</u>	<u>\$ 46,787</u>	<u>\$ 118,575</u>	<u>\$ 106,809</u>	<u>\$ 44,916</u>	<u>\$ 358,499</u>	<u>\$ 9,838</u>	<u>\$ 1,420,940</u>

Transfers - Transfers for the year ended June 30, 2020 consisted of the following:

Transfers Out	Transfers In							Total Transfers Out
	General Fund	Public Safety Sales Tax Fund	Capital Projects Fund	Norman Forward Fund	Nonmajor Governmental Fund	Enterprise Funds	Internal Service Fund	
General Fund	\$ -	\$ 1,522,032	\$ -	\$ -	\$ 5,215,823	\$ 280,736	\$ -	\$ 7,018,591
Nonmajor Governmental Funds	2,335,035	-	2,028,435	150,000	-	204,641	-	4,718,111
Debt Svs Fund	-	-	-	-	-	-	410,683	410,683
Capital Projects Fund	4,586,442	462,948	326,811	-	163,125	82,184	-	5,621,510
Norman Forward Fund	139,328	-	-	-	-	35,000	-	174,328
Internal Service Fund	64,080	-	-	-	-	-	-	64,080
Enterprise Funds	1,597,453	-	-	54,419	-	-	-	1,651,872
Total Transfers In	<u>\$ 8,722,338</u>	<u>\$ 1,984,980</u>	<u>\$ 2,355,246</u>	<u>\$ 204,419</u>	<u>\$ 5,378,948</u>	<u>\$ 602,561</u>	<u>\$ 410,683</u>	<u>\$ 19,659,175</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 \$3,512,432 to the General Fund to pay for the purchase of vehicles and equipment and fund street maintenance projects.
- The Community Development Fund transferred \$2,028,435 to the Capital Fund to reimburse for up-front payment of Community Development Block Grant – Disaster Recovery (CDBG-DR) grant fund expenses stemming from 2015 spring storms.

- The Debt Services Fund transferred \$410,683 to the Risk Management Internal Service Fund to pay for judgments awarded against the City and funded via the property tax rolls over a three year period.
- The Enterprise Funds transferred \$1,597,453 to the General Fund as a fee in lieu of franchise fees.
- The General Fund transferred \$5,215,823 to the Transportation and Parking Fund to cover startup costs. The Transportation and Parking Fund transferred the General Fund \$2,335,035 to return some of the startup costs.
- The General Fund transferred \$1,522,032 to the Public Safety Sales Tax Fund to cover operating costs.

Capital Assets – Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 66,574,164	\$ 1,786,550	\$ -	\$ 68,360,714
Construction in progress	69,089,640	20,468,421	(43,418,824)	46,139,237
Capital assets, being depreciated:				
Buildings	47,506,077	31,012,575	-	78,518,652
Improvements other than buildings	37,547,244	1,231,252	-	38,778,496
Machinery and equipment	39,832,004	4,565,839	(274,355)	44,123,488
Vehicles	22,889,503	2,845,058	(692,861)	25,041,700
Infrastructure	<u>618,527,757</u>	<u>12,316,372</u>	<u>-</u>	<u>630,844,129</u>
Totals at historical cost	<u>901,966,389</u>	<u>74,226,067</u>	<u>(44,386,040)</u>	<u>931,806,416</u>
Less accumulated depreciation				
Buildings	(18,259,145)	(1,694,292)	-	(19,953,437)
Improvements other than buildings	(15,415,872)	(1,658,416)	-	(17,074,288)
Machinery and equipment	(27,338,159)	(3,758,740)	270,789	(30,826,110)
Vehicles	(14,401,690)	(1,924,534)	147,666	(16,178,558)
Infrastructure	<u>(360,435,622)</u>	<u>(13,434,259)</u>	<u>-</u>	<u>(373,869,881)</u>
Total accumulated depreciation	<u>(435,850,488)</u>	<u>(22,470,241)</u>	<u>418,455</u>	<u>(457,902,274)</u>
Governmental activities capital assets, net	<u>\$ 466,115,901</u>	<u>\$ 51,755,826</u>	<u>\$ (43,967,585)</u>	<u>\$ 473,904,142</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 10,417,288	\$ -	\$ -	\$ 10,417,288
Construction in progress	39,439,672	20,043,562	(238,744)	59,244,490
Capital assets, being depreciated:				
Buildings and improvements	207,059,657	2,913,288	(1,853,536)	208,119,409
Machinery and equipment	<u>211,658,654</u>	<u>2,337,180</u>	<u>(619,503)</u>	<u>213,376,331</u>
Totals at historical cost	<u>468,575,271</u>	<u>25,294,030</u>	<u>(2,711,783)</u>	<u>491,157,518</u>
Less accumulated depreciation				
Buildings and improvements	(109,698,937)	(5,261,242)	1,600,169	(113,360,010)
Machinery and equipment	<u>(73,437,397)</u>	<u>(11,061,094)</u>	<u>606,557</u>	<u>(83,891,934)</u>
Total accumulated depreciation	<u>(183,136,334)</u>	<u>(16,322,336)</u>	<u>2,206,726</u>	<u>(197,251,944)</u>
Business-type activities capital assets, net	<u>\$ 285,438,937</u>	<u>\$ 8,971,694</u>	<u>\$ (505,057)</u>	<u>\$ 293,905,574</u>

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

Governmental activities:

General government	\$1,081,835
Planning	61,287
City controller	305,778
Parks and recreation	2,403,359
Public works	15,080,437
Public service	202
Public safety	<u>3,537,343</u>
Total depreciation expense – governmental activities	<u>\$22,470,241</u>

Business-type activities:

Westwood park	\$172,731
Utilities authority	14,166,443
Sanitation services	<u>1,983,162</u>
Total depreciation expense – business-type activities	<u>\$16,322,336</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.

Pension Plan

The City participates in three pension retirement plans:

- Employee Retirement System of the City of Norman – A single-employer employee retirement system.
- Oklahoma Firefighters Pension & Retirement System (OFPRS) – A statewide cost-sharing multiple-employer defined benefit pension plan.
- Oklahoma Police Pension & Retirement System (OPPRS) – A statewide cost-sharing multiple-employer defined benefit pension plan.

The aggregate total for all pension-related items for all defined benefit plans is as follows:

	<u>Governmental</u> <u>Activities</u>
Pension expense	
Employee Retirement System	\$51,474
OFPRS	6,107,376
OPPRS	<u>2,870,751</u>
	<u>\$9,029,601</u>
 Net pension liability (asset)	
Employee Retirement System	\$0
OFPRS	40,296,319
OPPRS	<u>(241,484)</u>
	<u>\$40,054,835</u>
 Deferred outflows of resources	
Employee Retirement System	\$0
OFPRS	9,177,780
OPPRS	<u>4,996,493</u>
	<u>\$14,174,273</u>
 Deferred inflows of resources	
Employee Retirement System	\$0
OFPRS	7,457,874
OPPRS	<u>1,200,617</u>
	<u>\$8,658,491</u>

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

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

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

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

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

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

As of June 30, 2020, and for the year ended, the ERS held no securities issued by the City or other related parties.

1. *Annuity Pool* - As of July 1, 2019, the date of the last actuarial study, the Annuity Pool participants included eight retirees and other beneficiaries who are entitled retirement benefits including a death benefit equal to a lump sum amount equal to the normal retirement as projected for a ten year period of time.

At July 1, 2019 the Actuarial Accrued Liability for the Annuity Pool was \$254,290 and the market value of assets in the Annuity Pool was \$206,350. The City’s actuary has suggested an annual contribution for a period of ten years commencing July 1, 2020. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses), (b) no projected salary increases, and (c) no cost of living increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The City did not make a contribution to the plan in 2020. 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, 2020 was \$30,890,059, and total City payroll was \$61,646,528.

Substantially all full-time, non-uniformed employees of the City are required to participate in the 401(a) Plan. At June 30, 2020, there were 588 plan participants. Participants are required to contribute 6.5% of their compensation to the 401(a) Plan each pay period. This contribution is matched by the City at a rate of 8.5% of payroll. Administrative costs are financed through investment earnings. Participants become vested in the City’s contribution as follows:

Years of Service**Vesting Percentage**

Less than 2	0%
2	25%
3	50%
4	75%
5	100%

The amount forfeited for the year ended June 30, 2020 was \$67,965. Contributions to the 401(a) Plan for 2020 were \$4,972,471. The contributions expressed in dollars and percent of covered payroll were: City - \$2,625,655, 8.5%, participants - \$2,346,816, 6.5%. The contribution requirements are in accordance with the City ordinance. Plan provisions and contribution requirements are established and may be amended by the City Council.

Trend Information

Fiscal Year	401(a) Plan	
	City's Required Contribution	City's Percentage Contributed
2018	2,520,077	100%
2019	2,566,797	100%
2020	2,625,655	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, 2020**

	Annuity Pool Fund	401(a) Plan Fund	Total
Assets			
Investments - mutual funds	\$ 162,027	\$ 98,153,257	\$ 98,315,284
Loans to 401(a) Plan participants	-	3,690,250	3,690,250
Total assets	<u>\$ 162,027</u>	<u>\$ 101,843,507</u>	<u>\$ 102,005,534</u>
Liabilities and Net Position			
Net position restricted for pension benefits	\$ 162,027	\$ 101,843,507	\$ 102,005,534
Total liabilities and net position	<u>\$ 162,027</u>	<u>\$ 101,843,507</u>	<u>\$ 102,005,534</u>

**Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2020**

	Annuity Pool Fund	401(a) Plan Fund	Total
Additions:			
Contributions - employer	\$ -	\$ 2,625,655	\$ 2,625,655
Contributions - employee	-	2,346,816	2,346,816
Investment income (loss)	7,596	8,036,644	8,044,240
Total additions	<u>7,596</u>	<u>13,009,115</u>	<u>13,016,711</u>
Deductions:			
Pension benefits paid	50,659	8,431,871	8,482,530
Administration costs	815	-	815
Total deductions	<u>51,474</u>	<u>8,431,871</u>	<u>8,483,345</u>
Net increase (decrease)	(43,878)	4,577,244	4,533,366
Net position restricted for pension and retirement benefits:			
Beginning of year	<u>205,905</u>	<u>97,266,263</u>	<u>97,472,168</u>
End of year	<u>\$ 162,027</u>	<u>\$ 101,843,507</u>	<u>\$ 102,005,534</u>

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

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

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

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

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

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

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

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

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

In the 2003 Legislative Session, Senate Bill 286 and House Bill 1464 created a "Back" DROP for members of the System effective July 1, 2003. The "Back" DROP is a modified deferred retirement option plan. The "Back" DROP allows the member flexibility by not having to commit to terminate employment within 5 years. Once a member has met their normal retirement period of 20 years for those hired prior to November 1, 2013, and 22 years for those hired after November 1, 2013, the member can choose, upon retirement, to be treated as if the member had entered into the Deferred Option Plan. A member, however, cannot receive credit to the Deferred Option Plan account based upon any years prior to when the member reached their normal retirement date. Once a member is ready to retire, the member can make the election to participate in the "Back" DROP and can receive a Deferred Option Plan benefit based upon up to 5 years of participation. The member's regular retirement benefit will not

take into account any years of service credited to the "Back" DROP. Firefighters with 20 years of service or who were receiving pension benefits as of May 26, 1983, are entitled to post-retirement adjustments equal to one-half the increase or decrease for top-step firefighters. Pensions will not be adjusted below the level at which the firefighter retired.

Contributions – The Board has the authority to establish and amend the contribution requirements of the City and active employees. Members of the OFPRS are required to pay 9% of their base pay to the pension plan until they reach 20 years of service, after which no contributions are required. The City is contractually required to pay 14% of base salary. For the year ended June 30, 2020, the total contribution to the system amounted to \$2,932,772 of which \$1,785,165 was made by the City and \$1,147,607 was made by the employees. These contributions represent 14% (City) and 9% (member) of covered payroll, actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability. The total amount contributed to the system by the State of Oklahoma on behalf of the City was approximately \$3,878,000 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, 2020, the City reported a liability of \$40,296,319, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2019, the City's proportion was 3.813534%

For the year ended June 30, 2020, the City recognized pension expense of \$6,107,376. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,747,604	\$ 819,643
Changes of assumptions or other inputs	-	1,035,189
Employer change in proportion and differences between contributions recognized and proportionate share of contributions	645,011	2,686,057
Net difference between projected and actual earnings on pension plan investments	-	2,916,985
City's contributions subsequent to the measurement date	<u>1,785,165</u>	<u>-</u>
Total	<u>\$ 9,177,780</u>	<u>\$ 7,457,874</u>

At June 30, 2020, the City reported \$1,785,165 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources totaling (\$65,259) related to pensions will be recognized as a (reduction) or increase in pension expense as follows:

2021	\$	906,420
2022		(628,508)
2023		222,180
2024		(246,847)
2025		<u>(318,504)</u>
	\$	<u>(65,259)</u>

Actuarial Assumptions -- The total pension liability in the July 1, 2019, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% (3.0% - 2018)
Salary increases	2.75% to 10.5%, average, including inflation (3.5% - 9.0% - 2018)
Ad hoc cost of living adjustments	Half of the dollar amount of a 2.75% (3.0% - 2018) 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

Mortality rates were based on the Pub-2010 Public Safety Table with generational mortality improvement using MP-2018 (RP-2000 Blue Collar Healthy Combined with generational mortality improvement using Scale AA for healthy lives and no mortality improvement for disabled lives in 2018).

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	20%	4.90%
Domestic Equity	42%	7.09%
International Equity	20%	9.19%
Real Estate	10%	7.99%
Other Assets	<u>8%</u>	5.57%
	100%	

Discount Rate – The single discount rate used to measure the total pension liability was 7.5% for the measurement period ended June 30, 2019. 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	\$ 52,033,895	\$ 40,296,319	\$ 27,407,335

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/.

c. *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, 2020, the total contribution to the system amounted to \$2,883,555 of which \$1,787,879 was made by the City and \$1,095,676 was made by the employees. These contributions represent 13% (City) and 8% (member) of covered payroll, actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The total amount contributed to the system by the State of Oklahoma on behalf of the City was approximately \$1,496,000 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, 2020, the City reported an asset of (\$241,484), for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension asset used to calculate the net pension liability (asset) was determined by an actuarial valuation as of July 1, 2019. The City’s proportion of the net pension liability (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, 2019, the City’s proportion was 3.7826%

For the year ended June 30, 2020, the City recognized pension expense of \$2,870,751. At June 30, 2020, 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	\$ 144,921	\$ 1,140,155
Change in assumptions or other inputs	616,607	-
Employer change in proportion and differences between contributions recognized and proportionate share of contributions	240,386	60,462
Net difference between projected and actual earnings on pension plan investments	2,206,700	-
City's contributions subsequent to the measurement date	<u>1,787,879</u>	<u>-</u>
Total	<u>\$ 4,996,493</u>	<u>\$ 1,200,617</u>

At June 30, 2020, the City reported \$1,787,879 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources totaling \$2,007,997 related to pensions will be recognized as a (reduction) or increase in pension expense as follows:

2021	\$ 1,086,988
2022	(294,043)
2023	396,776
2024	765,365
2025	<u>62,911</u>
	<u>\$ 2,007,997</u>

Actuarial Assumptions – The total pension liability in the July 1, 2019, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.5% to 12.2%, average, including inflation
Cost of living adjustments	Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary.
Investment rate of return	7.5%, net of pension plan investment expense.

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

The actuarial assumptions used in the July 1, 2019 valuation was based on the results of an actuarial experience study for the period July 1, 2012 through June 30, 2017.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	25%	4.79%
Domestic Equity	35%	5.74%
International Equity	15%	9.19%
Real Estate	10%	7.99%
Private Equity	10%	10.20%
Other Assets	<u>5%</u>	3.50%
	100%	

Discount Rate – The single discount rate used to measure the total pension liability was 7.5% for the measurement period ended June 30, 2019. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates,

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability (asset)	\$ 10,287,129	\$ (241,484)	\$ (9,143,560)

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, 2019, membership consisted of:

Retirees and beneficiaries currently receiving benefits	52
Terminated employees entitled to benefits but not yet receiving them	0
Active employees	<u>695</u>
Total	<u>747</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, 2020, no assets have been accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The net claims and expenses paid by the City are funded on a pay-as-you-go basis.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – At June 30, 2020, the City reported a liability of \$8,762,331. The total OPEB liability was measured as of June 30, 2020, the total OPEB liability was determined by an actuarial valuation as of July 1, 2019 calculated based on the discount rate and actuarial assumptions and was then projected forward to the measurement date. No actuarial experience study has been performed.

For the year ended June 30, 2020, the City recognized OPEB expense of \$253,136. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 718,074	\$ 1,610,759
Change in assumptions or other inputs	<u>265,615</u>	<u>1,949,868</u>
Total	<u>\$ 983,689</u>	<u>\$ 3,560,627</u>

At June 30, 2020, amounts reported as deferred outflows of resources and deferred inflows of resources totaling \$2,576,938 related to OPEB will be recognized as a (reduction) or increase in OPEB expense as follows:

2021	\$ (474,225)
2022	(474,225)
2023	(474,225)
2024	(530,566)
2025	(554,714)
Thereafter	<u>(68,983)</u>
	<u>\$ (2,576,938)</u>

Actuarial Assumptions – The total OPEB liability in the July 1, 2019, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Amortization method	
Level percent or level dollar	Level percent
Closed, open, or layered periods	Open
Amortization period at July 1, 2019	30 years

Amortization growth rate	2.50%
Inflation	2.20%
Discount rate for valuing liabilities	2.21%, based on the Bond Buyer 20 year General Obligation Index
Healthcare cost trend rates	8.4%/8.4% for non-Medicare/Medicare claims in 2019, gradually decreasing to an ultimate rate of 3.7%/3.7% for 2073 and beyond. 15.9% for dental claims in 2019 and 3.9% afterward
Mortality rates	for AFSCME and non-union participants: Pub-2010 General mortality tables for employees, retirees and contingent survivors, projected generationally using scale MP-2019. For FOP and IAAF participants: Pub-2010 Safety mortality tables for employees, retirees and contingent survivors, projected generationally using scale MP-2019.

	Changes in Total OPEB Liability
Balance, beginning of year, July 1, 2019	\$ 11,505,478
Changes for the year:	
Service Cost	382,009
Interest on total OPEB Liability	345,352
Effect of economic/demographic gains or losses	(1,929,650)
Effect of assumptions changes or inputs	(1,359,626)
Benefit payments	<u>(181,232)</u>
Net changes	<u>(2,743,147)</u>
Balance, end of year, June 30, 2020	<u>\$ 8,762,331</u>

Sensitivity of the City's Total OPEB Liability to Changes in the Discount Rate – The City's total OPEB liability has been calculated using a discount rate of 2.21%. The following presents the City's total OPEB liability calculated using a discount rate 1% higher and 1% lower than the current rate.

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 9,709,434	\$ 8,762,331	\$ 7,918,928

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

	1% Decrease	Current Rate	1% Increase
Total OPEB liability	\$ 7,636,123	\$ 8,762,331	\$ 10,114,799

Guaranty Deposits - At June 30, 2020, the guaranty deposit accounts of the City included the following deposit liabilities:

Governmental activities:

Oil and gas drilling escrow	\$239,600
Site improvements	6,535,569
Contractor's escrow	107,323
Park improvement	8,615
Court fines and bond deposits	46,554
Others	<u>316,069</u>
Total governmental activities	<u>\$7,253,730</u>

Business-type activities:

Utility deposits	<u>\$1,684,983</u>
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The above liabilities and related cash and cash equivalents have been presented as restricted assets in both the government-wide and fund financial statements.

Long-Term Debt

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

Bonds, backed by property taxes, whose proceeds are dedicated to streets, rights-of-way, and limited access facilities, together with outstanding judgments against the City, are limited in total by State statute to 10 percent of the net assessed valuation of taxable property in the City. At June 30, 2020, the net assessed valuation approximated \$1,073,000,000 or \$1 billion. The City had no such bonds outstanding at June 30, 2020. There is no such limit on the issuance of other types of general obligation bonds.

General obligation bonds outstanding as of June 30, 2020 are as follows:

\$20,050,000 2012D General Obligation bonds (publicly traded), 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)	\$ 13,720,000
\$22,525,000 2015 General Obligation bonds (publicly traded), 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)	17,785,000
\$7,775,000 2016A General Obligation bonds (publicly traded), due in annual installments of \$365,000 to \$795,000 beginning June 1, 2017 through July 1, 2027 at interest rates ranging from 4.0% to 5.0% (for refunding of the City's Series 2005A and 2007A Combined Purpose General Obligation Bonds)	4,700,000
\$10,000,000 2019A General Obligation bonds (publicly traded), due in annual installments of \$5,000,000 beginning June 1, 2021 through June 1, 2022 at an interest rate of 2.5% (for various street reconstruction projects)	10,000,000
\$20,000,000 2019B General Obligation bonds (publicly traded), due in annual installments of \$1,050,000 to \$1,100,000 beginning June 1, 2021 through June 1, 2039 at interest rates ranging from 2.0% to 3.0% (for various street reconstruction projects)	<u>20,000,000</u>
Total general obligation bonds	<u>\$ 66,205,000</u>

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

Fiscal Year	Principal	Interest	Total
2021	\$ 9,080,000	\$ 1,884,397	\$ 10,964,397
2022	9,085,000	1,654,097	10,739,097
2023	4,085,000	1,399,847	5,484,847
2024	4,085,000	1,278,547	5,363,547
2025	4,080,000	1,157,246	5,237,246
2026 – 2030	17,185,000	4,115,352	21,300,352
2031 – 2035	14,355,000	1,812,444	16,167,444
2036 - 2039	<u>4,250,000</u>	<u>321,000</u>	<u>4,571,000</u>
Total	<u>\$ 66,205,000</u>	<u>\$ 13,622,930</u>	<u>\$ 79,827,930</u>

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

The revenue bonds outstanding as of June 30, 2020 are as follows:

\$2,315,000 Norman Municipal Authority, Recreation Facilities Revenue Bonds, Series 2002 (publicly traded), due in annual installments of \$75,000 to \$195,000 from June 1, 2004 through June 1, 2022 at interest rates from 3.5% to 6.125%	<u>\$ 375,000</u>
Total revenue bonds	<u>\$ 375,000</u>

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

Fiscal Year	Principal	Interest	Total
2021	\$ 180,000	\$ 22,969	\$ 202,969
2022	<u>195,000</u>	<u>11,944</u>	<u>206,944</u>
Total	<u>\$ 375,000</u>	<u>\$ 34,913</u>	<u>\$ 409,913</u>

The Municipal Revenue Bonds Series 2002 (\$2,315,000) are collateralized by the revenues from the operation of the Westwood facility and room tax revenue collected by the City as defined in the bond indenture. Proceeds were used to complete capital project improvements to the golf course property. As stated above, the bonds are payable solely from Westwood facility operations and room tax collections and are payable through 2022. Annual principal and interest payments on the bonds are expected to require approximately 12 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$409,913. Principal and interest paid for the current year was \$203,381. Total Westwood revenues and room tax collections were \$3,570,970 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. In the event of a default, the bonds shall become due and payable on demand in an amount equal to the principal outstanding plus all interest accrued thereon and which will accrue thereon the date of payment, provided upon written concurrence of all the Credit Facility Providers, if any.

c. *Notes Payable* - Notes payable as of June 30, 2020 are as follows:

\$17,505,000 Norman Utilities Authority, Utility Revenue Notes, Refunding Series 2015 (direct placement), 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%	8,925,000
\$22,825,000 Norman Municipal Authority Revenue Note, Taxable Series 2015 (direct placement), due in annual payments ranging from \$900,000 to \$1,185,000 beginning September 1, 2016 through March 1, 2027. The loan has a 2.33% interest rate.	15,270,000
\$43,160,000 Norman Municipal Authority Revenue Note, Taxable Series 2015B (direct placement), due interest annual payments ranging from \$500,000 to \$5,845,000 beginning January 1, 2017 through January 1, 2029. The loan has a 2.98% interest rate.	39,260,000
\$30,950,000 Norman Municipal Authority Revenue Note, Taxable Series 2017 (direct placement), due in annual payments ranging from \$400,000 to \$3,450,000 beginning January 1, 2018 through July 1, 2030. The loan has a 3.00% interest rate.	28,950,000
\$9,380,000 Norman Utilities Authority Revenue Note, Refunding Series 2016, due in annual installments ranging from \$190,000 to \$755,000 beginning September 1, 2016 through September 1, 2030. The loan has a 2.23% interest rate.	7,160,000
\$6,105,000 Norman Municipal Authority Revenue Note, Taxable Series 2017B (direct placement), due in annual payments ranging from \$490,000 to \$655,000 beginning June 1, 2018 through December 1, 2022. The loan has a 2.16% interest rate.	3,195,000

Authorized, but not issued, \$8,250,000 Norman Tax Increment Finance Authority Norman University North Park Project Plan Tax Apportionment Revenue Note, Series 2011 (direct placement), due in annual installments beginning July 1, 2012 through June 30, 2031, at interest rates not to exceed 8%. -

Authorized, but not issued, \$8,250,000 Norman Tax Increment Finance Authority Norman University North Park Project Plan Revenue Note, Series 2011 (direct placement), due in annual installments beginning July 1, 2012 through June 30, 2031, at interest rates not to exceed 8%. -

Total notes payable \$ 102,760,000

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

Fiscal Year	Principal	Interest	Total
2021	\$ 8,938,964	\$ 2,699,857	\$ 11,638,821
2022	9,579,124	2,495,341	12,074,465
2023	10,514,318	2,269,782	12,784,100
2024	11,314,548	2,013,756	13,328,304
2025	12,294,812	1,730,921	14,025,733
2026 – 2030	54,264,246	4,084,486	58,348,732
2031 – 2035	8,021,202	274,259	8,295,461
2036 – 2040	4,332,786	87,040	4,419,826
Less unfunded notes *	<u>(16,500,000)</u>	<u>-</u>	<u>(16,500,000)</u>
Total	<u>\$ 102,760,000</u>	<u>\$ 15,655,442</u>	<u>\$ 118,415,442</u>

Certain of the bonds may be called for redemption prior to maturity at the option of NUA/NMA in accordance with the redemption terms stated in the bond indentures. In the event of a default, the bonds shall become due and payable on demand in an amount equal to the principal outstanding plus all interest accrued thereon and which will accrue thereon the date of payment, provided upon written concurrence of all the Credit Facility Providers, if any.

- d. *Oklahoma Water Resource Board (OWRB) Notes Payable* – OWRB notes payable as of June 30, 2020 are as follows:

\$4,964,024 Clean Water SRF direct borrowing loan payable to the OWRB due in annual installments ranging between \$212,595 and \$349,740 beginning September 15, 2013 through March 15, 2031. The loan has a 2.91% interest rate. \$ 3,404,543

\$50,300,000 Clean Water SRF direct borrowing 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, 2020 an additional \$7,785,168 was available for future drawdowns. 26,138,380

Authorized, but not fully issued, \$31,000,000 Drinking Water SRF direct borrowing loan payable to the OWRB due in annual payments ranging from \$1,140,000 to \$1,935,000 beginning October 1, 2019 through October 1, 2039. The loan has a 2.82% interest rate. As of June 30, 2020 an additional \$2,995,607 was available for future drawdowns. 26,454,393

\$12,000,000 Drinking Water direct borrowing loan payable to the OWRB due in annual payments ranging from \$300,000 to \$865,000 beginning October 1, 2019 through October 1, 2038. The loan has an interest rate ranging from 3.2% to 5.2%. 11,700,000

Total OWRB loans payable \$ 67,697,316

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

Fiscal Year	Principal	Interest	Total
2021	\$ 5,060,950	\$ 2,018,287	\$ 7,079,237
2022	5,193,706	2,020,887	7,214,593
2023	5,331,693	1,886,239	7,217,932
2024	5,464,723	1,743,045	7,207,768
2025	5,623,379	1,595,594	7,218,973
2026 – 2030	28,546,438	5,640,019	34,186,457
2031 – 2035	12,007,202	2,791,359	14,798,561
2036 – 2040	11,250,000	815,599	12,065,599
Less unfunded notes *	<u>(10,780,775)</u>	<u>-</u>	<u>(10,780,775)</u>
Total	<u>\$ 67,697,316</u>	<u>\$ 18,511,029</u>	<u>\$ 86,208,345</u>

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

* - Relates to \$31,000,000 Drinking Water SRF loan and \$16,500,000 of the Norman TIF Notes Payable.

Changes in Long-term Liabilities – Long-term liability activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 69,230,000	\$ -	\$ (3,025,000)	\$ 66,205,000	\$ 9,080,000
Issuance premium/ (discount)	1,803,501	-	(196,446)	1,607,055	-
Total bonds payable	71,033,501	-	(3,221,446)	67,812,055	9,080,000
Sales tax revenue notes	87,645,000	-	(4,165,000)	83,480,000	5,015,000
Notes payable	4,420,000	-	(1,225,000)	3,195,000	1,255,000
Liability for incurred claims	2,500,122	12,877,067	(12,377,067)	3,000,122	1,200,000
Net OPEB obligation	11,505,478	727,361	(3,470,508)	8,762,331	-
Net pension liability	46,271,359	-	(5,975,040)	40,296,319	-
Compensated absences	8,412,716	6,315,940	(5,777,359)	8,951,297	653,312
Government activity long-term liabilities	<u>\$ 231,788,176</u>	<u>\$ 19,920,368</u>	<u>\$ (36,211,420)</u>	<u>\$ 215,497,124</u>	<u>\$ 17,203,312</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 545,000	\$ -	\$ (170,000)	\$ 375,000	\$ 180,000
Less deferred amounts:					
For issuance premium and (discount)	(9,311)	3,104	-	(6,207)	-
Total bonds payable	535,689	3,104	(170,000)	368,793	180,000
Notes payable	19,667,812	-	(3,565,000)	16,102,812	1,895,000
Less deferred amounts:					
For issuance premium and (discount)	(14,262)	1,782	-	(12,480)	-
Total notes payable	19,653,550	1,782	(3,565,000)	16,090,332	1,895,000
OWRB loans payable	66,562,455	6,446,537	(5,311,676)	67,697,316	5,060,950
Compensated absences	1,378,965	1,009,358	(1,005,208)	1,383,115	112,470
Business-type activity long-term liabilities	<u>\$ 88,130,659</u>	<u>\$ 7,460,781</u>	<u>\$ (10,051,884)</u>	<u>\$ 85,539,556</u>	<u>\$ 7,248,420</u>

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

5. FUND BALANCE

The following table shows the fund balance classifications as shown on the governmental funds balance sheet as of June 30, 2020:

	General	Public Safety Sales Tax	Debt Service	Capital Projects	Norman Forward	Other Governmental Funds	Total Governmental Funds
FUND BALANCES							
Nonspendable:							
Inventory	\$ 14,065	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,065
Restricted:							
Debt service reserve	-	-	7,200,737	-	-	-	7,200,737
Arts and humanities	-	-	-	-	-	(250,147)	(250,147)
Grant activities	-	-	-	(218,847)	-	4,972,844	4,753,997
Bond capital projects	-	-	-	40,095,739	17,101,144	-	57,196,883
Other capital projects	-	-	-	36,326,858	21,447,977	1,165,240	58,940,075
Seizures	-	-	-	-	-	443,776	443,776
CLEET	-	-	-	-	-	3,467	3,467
Transit & Parking	-	-	-	-	-	1,241,477	1,241,477
Public safety	-	10,950,723	-	-	-	-	10,950,723
Committed:							
Economic stabilization	3,889,176	-	-	-	-	-	3,889,176
Assigned:							
Other capital projects	-	-	-	2,633,011	1,955,814	-	4,588,825
Grant activities	-	-	-	-	-	624,911	624,911
Orders on purchase	2,849,571	-	-	-	-	-	2,849,571
Unassigned:	<u>10,836,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,836,506</u>
Total fund balances	<u>\$ 17,589,318</u>	<u>\$ 10,950,723</u>	<u>\$ 7,200,737</u>	<u>\$ 78,836,761</u>	<u>\$ 40,504,935</u>	<u>\$ 8,201,568</u>	<u>\$ 163,284,042</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 one percent (1%) 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 four and a half percent (4.5%) 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, 2020 the Rainy Day Fund had a balance of \$3,889,176.

6. RISK MANAGEMENT

The City is self-insured against the following risks:

- Employee health claims to a maximum liability of \$250,000 per employee per year.
- Workers compensation claims.
- Unemployment benefits.
- General liability and property damage, except for buildings and contents and employee surety bonds for which the City has purchased commercial insurance.

Employee health claims in excess of the \$250,000 limit are covered by insurance. The City’s unpaid claims liability of \$3,000,122 reported at June 30, 2020 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, 2020, 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, 2020, the City maintained commercial insurance coverage for building and contents and employee theft. In the past three years, the City has had no losses that exceeded commercial insurance coverage. Changes in the reported liability are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
Fiscal year 2019	<u>\$ 2,500,122</u>	<u>\$ 11,068,146</u>	<u>\$ (11,068,146)</u>	<u>\$ 2,500,122</u>
Fiscal year 2020	<u>\$ 2,500,122</u>	<u>\$ 12,877,067</u>	<u>\$ (12,377,067)</u>	<u>\$ 3,000,122</u>

7. SEGMENT INFORMATION

The City operates various segments within its enterprise funds. Condensed financial statement information for these segments for the year ended June 30, 2020 was as follows:

	Norman Municipal Authority		
	Sanitation		
	Westwood Park	Services	Total
Current assets:			
Cash and cash equivalents	\$ 388,863	\$ 9,392,276	\$ 9,781,139
Restricted cash and cash equivalents	1,914	420,941	422,855
Investments	-	6,069,869	6,069,869
Receivables:			
Accounts, net of allowance	-	958,942	958,942
Due from other funds	-	80,807	80,807
Interest	-	26,289	26,289
Total current assets	<u>390,777</u>	<u>16,949,124</u>	<u>17,339,901</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	230,997	-	230,997
Capital assets, net	<u>7,017,641</u>	<u>10,491,921</u>	<u>17,509,562</u>
Total noncurrent assets	<u>7,248,638</u>	<u>10,491,921</u>	<u>17,740,559</u>
Total assets	<u>7,639,415</u>	<u>27,441,045</u>	<u>35,080,460</u>
Current liabilities:			
Accounts payable and accrued expenses	202,024	503,707	705,731
Payroll payable	110,628	133,039	243,667
Accrued interest payable	1,914	-	1,914
Guaranty deposits	-	420,941	420,941
Revenue bonds payable	180,000	-	180,000
Compensated absences	<u>9,023</u>	<u>32,471</u>	<u>41,494</u>
Total current liabilities	503,589	1,090,158	1,593,747
Non-current liabilities:			
Long-term debt and other liabilities	<u>290,728</u>	<u>366,849</u>	<u>657,577</u>
Total liabilities	<u>794,317</u>	<u>1,457,007</u>	<u>2,251,324</u>
Net investment in capital assets	6,642,641	10,491,921	17,134,562
Restricted for debt service	230,997	-	230,997
Unrestricted	<u>(28,540)</u>	<u>15,492,117</u>	<u>15,463,577</u>
Total net position	<u>\$ 6,845,098</u>	<u>\$ 25,984,038</u>	<u>\$ 32,829,136</u>

continued

Norman Municipal Authority			
	Westwood Park	Sanitation Services	Total
Charges for services and goods, net	1,632,229	15,095,368	16,727,597
Other	5,641	14,978	20,619
Total operating revenues	<u>1,637,870</u>	<u>15,110,346</u>	<u>16,748,216</u>
Operating expenses	1,898,578	11,430,258	13,328,836
Depreciation	172,731	1,983,162	2,155,893
Total operating expenses	<u>2,071,309</u>	<u>13,413,420</u>	<u>15,484,729</u>
Operating income (loss)	<u>(433,439)</u>	<u>1,696,926</u>	<u>1,263,487</u>
Investment earnings	6,315	385,955	392,270
Interest expense	(36,877)	(39,401)	(76,278)
Miscellaneous income (expense)	16,257	132,129	148,386
(expenses)	<u>(14,305)</u>	<u>478,683</u>	<u>464,378</u>
Income before capital			
contributions and transfers	(447,744)	2,175,609	1,727,865
Transfers, net	<u>602,561</u>	<u>-</u>	<u>602,561</u>
Change in net position	154,817	2,175,609	2,330,426
Total net position - beginning	<u>6,690,281</u>	<u>23,808,429</u>	<u>30,498,710</u>
Total net position - ending	<u><u>6,845,098</u></u>	<u><u>25,984,038</u></u>	<u><u>32,829,136</u></u>
Net cash provided (used) by:			
Operating activities	(206,776)	4,395,661	4,188,885
Noncapital financing activities	602,561	-	602,561
Capital and related financing activities	(265,869)	(3,572,881)	(3,838,750)
Investing activities	6,366	4,238,549	4,244,915
Beginning cash and cash equivalents	485,492	4,751,888	5,237,380
Ending cash and cash equivalents	<u>\$ 621,774</u>	<u>\$ 9,813,217</u>	<u>\$ 10,434,991</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, 2020, the City maintained a litigation reserve, including judgments that have been awarded but not yet paid, of approximately \$649,000.

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, 2020, rent expenditures approximated \$606,000 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, 2020, the City paid the District \$1,432,049.

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, 2020 is as follows:

	Total Construction In Progress	Total Project	Remaining To Complete
General Government	\$ 46,139,237	\$ 171,146,734	\$ 125,007,497
Norman Municipal Authority:			
Sanitation	536,582	4,736,857	4,200,275
Norman Utilities Authority:			
Water Fund	56,264,388	81,038,434	24,774,046
Wastewater Fund	<u>2,443,520</u>	<u>13,494,554</u>	<u>11,051,034</u>
	<u>\$ 105,383,727</u>	<u>\$ 270,416,579</u>	<u>\$ 165,032,852</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.

Pandemic – As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows, where applicable, of the City. The duration of these uncertainties, and the ultimate financial effects cannot be reasonably estimated at this time.

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, 2020 the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General fund	\$ 2,849,571
Public safety sales tax fund	2,753,085
Capital projects fund	12,340,732
Norman forward fund	7,825,882
Nonmajor governmental funds	<u>968,924</u>
Total	<u>\$ 26,738,194</u>

9. SUBSEQUENT EVENTS

On August 1, 2020, the City sold \$11,250,000 in general obligation bonds. The bonds are due in various amounts from \$590,000 to \$630,000 beginning August 2022 through August 2040.

10. RECENTLY ISSUED ACCOUNTING STANDARDS

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

GASB Statement No. 84 – *Fiduciary Activities* (GASB 84): GASB 84 provides for greater consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. This statement is effective for periods beginning after December 15, 2019 (effective for the City's June 30, 2021, year-end).

GASB Statement No. 87 – *Leases* (GASB 87): GASB 87 addresses the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognizing inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activity. This statement is effective for periods beginning after June 15, 2021 (effective for the City's June 30, 2022 year-end).

GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*: The primary objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. It also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this statement are effective for reporting periods beginning after December 15, 2020 (effective for the City's June 30, 2022 year-end).

GASB Statement No 90 – *Majority Equity Interest – an amendment of GASB Statements No. 14 and No. 61*: The primary objectives of this statement are to improve the consistency and comparability of reporting on a government's major equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements for this statement are effective for reporting periods beginning after December 15, 2019 (effective for the City's June 30, 2021 year-end).

GASB Statement No. 91 - *Conduit Debt Obligations*: The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement are

effective for reporting periods beginning after December 15, 2021 (effective for the City's June 30, 2023 year-end).

GASB Statement No. 92 – *Omnibus 2020*: The objectives of GASB Statement No. 92 are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. GASB Statement No. 92 addresses a variety of topics and includes specific provisions about the following:

- The effective date of GASB Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of GASB Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of GASB Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to AROs in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

GASB Statement No. 92 is effective for reporting periods beginning after June 15, 2021 (effective for the City's June 30, 2022, year-end).

GASB Statement No. 93 - *Replacement of Interbank Offered Rates*: Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

The objective of GASB Statement No. 93 is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. GASB Statement No. 93 achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate

- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in GASB Statement No. 53, as amended
- Providing an exception to the lease modifications guidance in GASB Statement No. 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after June 15, 2021 (effective for the City's June 30, 2022, year-end). All other requirements of GASB Statement No. 93 are effective for reporting periods beginning after June 15, 2020 (effective for the City's June 30, 2021, year-end).

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*: The primary objective of GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in GASB Statement No. 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which GASB defines in GASB Statement No. 94 as a PPP in which 1) the operator collects and is compensated by fees from third parties; 2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and 3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB Statement No. 94 is effective for reporting periods beginning after June 15, 2022 (effective for the City's June 30, 2023, year-end).

GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements* – This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). GASB Statement No. 96 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and 4) requires note disclosures regarding a SBITA. GASB Statement No. 96 is effective for reporting periods beginning after June 15, 2022 (effective for the City's June 30, 2023, year-end).

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* - The primary objectives of GASB Statement No. 97 are to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a

governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and 3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of GASB Statement No. 97 that 1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and 2) limit the applicability of the financial burden criterion in paragraph 7 of GASB Statement No. 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of GASB Statement No. 67 or paragraph 3 of GASB Statement No. 74, respectively, are effective immediately. The remaining requirements of GASB Statement No. 97 are effective for reporting periods beginning after June 15, 2021 (effective for the City's June 30, 2022, year-end).

The effect of these statements on the City has not been determined but could have a significant impact on its overall net position.

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Required Supplementary Information

THE CITY OF NORMAN, OKLAHOMA

**Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
Oklahoma Firefighters Pension and Retirement System (OFPRS)
Year Ended June 30, 2020**

	2015 *	2016 *	2017 *	2018 *	2019 *	2020 *
City's proportion of the net pension liability or asset	3.9342%	4.1552%	4.1283%	4.1388%	4.1106%	3.8135%
City's proportion share of the net pension liability or (asset)	\$ 40,457,734	\$ 44,103,551	\$ 50,436,541	\$ 52,055,202	\$ 46,271,359	\$ 40,296,319
City's covered payroll	\$ 10,791,880	\$ 11,330,342	\$ 11,538,401	\$ 11,772,620	\$ 12,226,118	\$ 12,240,790
City's proportion share of the net pension liability as a percentage of its covered payroll	374.891%	389.252%	437.119%	442.172%	378.463%	329.197%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%	72.85%

* - The amounts present for each fiscal year were determined as of the measurement date, June 30, 2014, 2015, 2016, 2017, 2018 and 2019, respectively.

Note to Schedule: Only fiscal years 2015, 2016, 2017, 2018, 2019 and 2020 are presented because 10 year data is not yet available.

THE CITY OF NORMAN, OKLAHOMA

**Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
Oklahoma Police Pension and Retirement System (OPPRS)
Year Ended June 30, 2020**

	2015 *	2016 *	2017 *	2018 *	2019 *	2020 *
City's proportion of the net pension liability or asset	3.8053%	3.8957%	4.0413%	4.0345%	4.2026%	3.7826%
City's proportion share of the net pension liability or (asset)	\$(1,281,185)	\$ 158,844	\$ 6,189,000	\$ 310,337	\$(2,001,892)	\$ (241,484)
City's covered payroll	\$10,645,515	\$11,172,374	\$11,918,115	\$12,064,110	\$12,359,354	\$12,802,792
City's proportion share of the net pension liability (asset) as a percentage of its covered payroll	-12.035%	1.422%	51.929%	2.572%	-16.197%	-1.886%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%

* - The amounts present for each fiscal year were determined as of the measurement date, June 30, 2014, 2015, 2016, 2017, 2018 and 2019, respectively.

Note to Schedule: Only fiscal years 2015, 2016, 2017, 2018, 2019 and 2020 are presented because 10 year data is not yet available.

THE CITY OF NORMAN, OKLAHOMA

**Schedule of the City's Contributions
Oklahoma Firefighters Pension and Retirement System (OFPRS)
Year Ended June 30, 2020**

	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 1,586,248	\$ 1,615,405	\$ 1,650,048	\$ 1,711,565	\$ 1,713,665	\$ 1,785,165
Contributions in relation to the contractually required contribution	<u>1,586,248</u>	<u>1,615,405</u>	<u>1,650,048</u>	<u>1,711,565</u>	<u>1,713,665</u>	<u>1,785,165</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 11,330,342	\$ 11,538,401	\$ 11,772,620	\$ 12,226,118	\$ 12,240,790	\$ 12,751,193
Contributions as a percentage of covered payroll	14%	14%	14%	14%	14%	14%

Note to Schedule: Only fiscal year 2015, 2016, 2017, 2018, 2019 and 2020 are presented because 10 year data is not yet available.

Changes of Assumptions:

For the fiscal year beginning July 1, 2019, certain changes in assumptions, the the OFPRS Plan, were made based on the Plan's most recent actuarial experience study covering the July 1, 2013 to June 30, 2018 period. In addition to updates for retirement rates and termination rates to better fit experience, the following significant assumptions were made:

Changes in Assumptions	Previous Assumption	New Assumption
<i>Economic Assumption Changes:</i>		
Salary Scale Rates	3.5% to 9.0%	2.75% to 10.5%
Price Inflation	3.00%	2.75%
COLA Basis (Baker Case Group Only)	3.00%	2.75%
<i>Demographic Assumption Changes:</i>		
Termination Rates	3.0% to .40%	5.0% to 1.00%
Disability Rates	0.05% to 9.00%	0.10% to 8.00%
Retirement Rates	10.00% to 100%	5.00% to 100%

Mortality Table Assumption Changes

Previous Assumptions:

Active Employees Pre-retirement: RP-2000 with Blue Collar Healthy Combined with general mortality improvement using Scale AA

Retired Members: RP-2000 with Blue Collar Healthy Combined with generational mortality using Scale AA

Disabled Members: RP-2000 with Blue Collar Healthy Combined

New Assumptions:

Active Employees Pre-retirement: RP-2010 Public Safety Table with general mortality improvement using Scale MP-2018

Retired Members: RP-2010 Public Safety Below Median Table with generational mortality using Scale MP-2018

Disabled Members: RP-2010 Public Safety Disabled Table set forward two years

THE CITY OF NORMAN, OKLAHOMA

**Schedule of the City's Contributions
Oklahoma Police Pension and Retirement System (OPPRS)
Year Ended June 30, 2020**

	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 1,452,409	\$ 1,550,235	\$ 1,568,335	\$ 1,606,716	\$ 1,664,363	\$ 1,787,879
Contributions in relation to the contractually required contribution	<u>1,452,409</u>	<u>1,550,235</u>	<u>1,568,335</u>	<u>1,606,716</u>	<u>1,664,363</u>	<u>1,787,879</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$11,172,374	\$11,918,115	\$12,064,110	\$12,359,354	\$12,802,792	\$13,753,405
Contributions as a percentage of covered payroll	13%	13%	13%	13%	13%	13%

Note to Schedule: Only fiscal year 2015, 2016, 2017, 2018, 2019 and 2020 are presented because 10 year data is not yet available.

Changes in Benefit Terms:

During the 2018 legislative session House Bill 1340 was passed to provide most OPRRS Plan retirees with a one-time, non-permanent benefit payment. This payment equaled 2.00% of a retiree's gross annual retirement benefit, subject to a cap of \$1,400 and a floor of \$350 if all eligibility requirements were met.

Changes of Assumptions:

For the fiscal year beginning July 1, 2019, certain changes in assumptions, to the OPRRS Plan, were made based on the Plan's most recent actuarial experience study covering the July 1, 2012 to June 30, 2018 period. In addition to updates for retirement rates and termination rates to better fit experience, the following significant changes in assumption were made:

Changes in Assumptions	Previous Assumption	New Assumption
<i>Economic Assumption Changes:</i>		
Salary Scale Rates	4.5% to 17.0%	3.5% to 10%
Price Inflation	3.00%	2.75%
Interest Credit on DOP Balances	7.75%	11.00%
Real Wage Growth	N/A	0.75%
COLA Basis (Baker Case Group Only)	3.00%	3.50%
<i>Demographic Assumption Changes:</i>		
Severity of Disability Aware Percentage	50.00%	75.00%
<i>Actuarial Assumption Changes:</i>		
Amortization of UAAL when in Surplus (Funded over 100%)	When the UAAL is a surplus, it is amortized over an open 30-year period	
Amortization of UAAL when in Deficit (Funded under 100%)	When the UAAL is a deficit, it is amortized over an open five-year period	

THE CITY OF NORMAN, OKLAHOMA

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

	2018	2019	2020
Total OPEB Liability			
Service cost	\$ 363,920	\$ 417,331	\$ 382,009
Interest	423,574	387,327	345,352
Differences between expected and actual experience	965,685	-	-
Changes of economic/demographic gains or losses	-	-	(1,929,650)
Changes of assumptions or other inputs	(1,095,942)	426,593	(1,359,626)
Benefit payments	(731,674)	(725,099)	(181,232)
Net Change in Total OPEB Liability	(74,437)	506,152	(2,743,147)
City's Total OPEB Liability - Beginning	<u>11,073,763</u>	<u>10,999,326</u>	<u>11,505,478</u>
City's Total OPEB Liability - Ending	<u>10,999,326</u>	<u>11,505,478</u>	<u>8,762,331</u>
Covered Payroll	\$ 49,743,998	\$ 49,142,598	\$ 47,776,487
City's Total OPEB Liability as a Percentage of Covered Payroll	22.11%	23.41%	18.34%

Notes to Schedule:

This schedule is presented as of the measurement date for the fiscal year and is intended to show a 10-year trend. Additional years will be reported as they become available.

Changes in Assumptions:

For each year presented, assumptions made for mortality rates and discount rates are updated using current year estimates

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, 2020

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
Taxes:							
Sales taxes	\$ 44,824,850	\$ -	\$ 44,824,850			\$ 40,182,876	\$ (4,641,974)
Franchise fees	7,806,785	-	7,806,785			6,556,326	(1,250,459)
State use taxes	4,788,276	-	4,788,276			6,281,369	1,493,093
Total taxes	<u>57,419,911</u>	<u>-</u>	<u>57,419,911</u>			<u>53,020,571</u>	<u>(4,399,340)</u>
Licenses and permits:							
Licenses	552,366	-	552,366			640,907	88,541
Permits	628,153	-	628,153			501,218	(126,935)
Total licenses and permits	<u>1,180,519</u>	<u>-</u>	<u>1,180,519</u>			<u>1,142,125</u>	<u>(38,394)</u>
State Shared Revenues:							
Alcoholic beverage	327,480	-	327,480			505,920	178,440
Cigarette	884,388	-	884,388			702,319	(182,069)
State motor fuel and vehicle registration	1,201,083	-	1,201,083			1,075,129	(125,954)
Total intergovern- mental revenues	<u>2,412,951</u>	<u>-</u>	<u>2,412,951</u>			<u>2,283,368</u>	<u>(129,583)</u>
Charges for services:							
Zoning & subdivision	129,568	-	129,568			132,839	3,271
Public safety	430,214	-	430,214			360,732	(69,482)
Health	222,099	-	222,099			120,656	(101,443)
Recreation fees	655,793	-	655,793			333,221	(322,572)
Credit card convenience fees	679,730	-	679,730			515,612	(164,118)
911 emergency fees	35,323	-	35,323			273,933	238,610
Total charges for services	<u>2,152,727</u>	<u>-</u>	<u>2,152,727</u>			<u>1,736,993</u>	<u>(415,734)</u>
Fines and forfeitures:							
Police court fines	1,869,544	-	1,869,544			1,778,279	(91,265)
Miscellaneous forfeitures	-	-	-			15,330	15,330
Total fines and forfeits	<u>1,869,544</u>	<u>-</u>	<u>1,869,544</u>			<u>1,793,609</u>	<u>(75,935)</u>
Investment earnings	178,500	-	178,500			17,163	(161,337)
Other revenue:							
Contributions	28,280	10,500	38,780			13,442	(25,338)
Rents and royalties	354,624	-	354,624			173,300	(181,324)
Cost allocations	9,943,917	-	9,943,917			9,234,708	(709,209)
Sale of fixed assets	164,630	-	164,630			66,875	(97,755)
Miscellaneous revenues	1,360,604	142,838	1,503,442			908,647	(594,795)
Total other revenue	<u>11,852,055</u>	<u>153,338</u>	<u>12,005,393</u>			<u>10,396,972</u>	<u>(1,608,421)</u>
Total revenues	<u>77,066,207</u>	<u>153,338</u>	<u>77,219,545</u>			<u>70,390,801</u>	<u>(6,828,744)</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, 2020

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
General government:							
City council	\$ 2,442,025	\$ (1,154,134)	\$ 1,287,891	\$ 490,462	\$ 23,942	\$ 514,404	\$ 773,487
City manager's office	443,761	(8,058)	435,703	416,816	1,487	418,303	17,400
Community relations	280,259	(90,852)	189,407	188,445	-	188,445	962
Communications	192,717	152,455	345,172	287,514	24,329	311,843	33,329
City clerk's office	615,904	(26,927)	588,977	565,517	332	565,849	23,128
Municipal court	1,308,443	(98,556)	1,209,887	1,151,029	13,333	1,164,362	45,525
Legal administration	1,286,725	(65,809)	1,220,916	1,077,851	3,038	1,080,889	140,027
Information Technology	2,591,651	307,211	2,898,862	2,342,231	183,671	2,525,902	372,960
Human resource admin	949,013	(65,131)	883,882	801,373	36,780	838,153	45,729
Safety administration	187,032	22,214	209,246	160,372	5,000	165,372	43,874
Building services admin	132,708	(6,432)	126,276	118,597	-	118,597	7,679
Custodial services	230,574	1,656	232,230	220,843	42,355	263,198	(30,968)
Building repair services	669,317	21,177	690,494	579,651	-	579,651	110,843
Human rights commission	230	-	230	210	-	210	20
Children's rights commission	176	-	176	80	-	80	96
Social & voluntary services	175,000	12,320	187,320	161,055	12,110	173,165	14,155
Norman public library	727,974	(162,553)	565,421	565,420	19,000	584,420	(18,999)
Firehouse art center	79,308	-	79,308	74,146	-	74,146	5,162
Historical museum	41,067	1	41,068	39,744	-	39,744	1,324
Sooner theatre	90,761	4,377	95,138	85,922	-	85,922	9,216
Juvenile services	40,282	968	41,250	28,973	-	28,973	12,277
Employee training	3,726	-	3,726	-	-	-	3,726
Employee assistance program	29,444	-	29,444	29,400	-	29,400	44
Special studies & contributions	5,000	89,844	94,844	34,513	-	34,513	60,331
Municipal elections	82,115	(36,420)	45,695	45,695	-	45,695	-
Sister cities program	1,000	-	1,000	-	-	-	1,000
Holiday decorations	26,730	(20,000)	6,730	-	-	-	6,730
Total general government	12,632,942	(1,122,649)	11,510,293	9,465,859	365,377	9,831,236	1,679,057
Planning:							
Planning commission	347	-	347	-	-	-	347
Historic district commission	2,812	35,000	37,812	20,827	14,867	35,694	2,118
Greenbelt commission	490	-	490	-	-	-	490
Planning administration	680,703	(15,474)	665,229	666,424	3,787	670,211	(4,982)
Geographic information	476,615	11,881	488,496	455,650	26,180	481,830	6,666
Development services	1,676,245	(7,670)	1,668,575	1,433,083	103,000	1,536,083	132,492
Revitalization	700,377	12,505	712,882	663,096	728	663,824	49,058
Current planning	214,231	-	214,231	102,812	-	102,812	111,419
Total planning	3,751,820	36,242	3,788,062	3,341,892	148,562	3,490,454	297,608

(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, 2020

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
City controller:							
Finance administration	\$ 318,108	\$ 34,617	\$ 352,725	\$ 339,248	\$ 209	\$ 339,457	\$ 13,268
Accounting services	729,511	11,744	741,255	727,792	865	728,657	12,598
Printing services	240,434	18,142	258,576	218,920	1,491	220,411	38,165
Budget services	196,347	(34,245)	162,102	156,906	402	157,308	4,794
Treasury services	788,512	41,272	829,784	822,455	1,714	824,169	5,615
Utility services	1,250,209	98,469	1,348,678	1,297,689	4,774	1,302,463	46,215
Total city controller	<u>3,523,121</u>	<u>169,999</u>	<u>3,693,120</u>	<u>3,563,010</u>	<u>9,455</u>	<u>3,572,465</u>	<u>120,655</u>
Parks and recreation:							
Parks board	767	-	767	-	-	-	767
Mosquito control program	24,177	(24,167)	10	10	-	10	-
Santa Fe Depot	8,471	78	8,549	5,361	234	5,595	2,954
Administration	634,708	25,680	660,388	644,950	-	644,950	15,438
Park maintenance	2,873,090	(60,773)	2,812,317	2,274,521	160,987	2,435,508	376,809
Forestry	199,373	(3,499)	195,874	105,723	52,946	158,669	37,205
Recreation little league	216,067	(182,388)	33,679	(752)	-	(752)	34,431
Recreation programs	1,540,174	231,738	1,771,912	1,414,776	77,346	1,492,122	279,790
Senior citizens center	173,132	26,945	200,077	196,032	-	196,032	4,045
Total parks & recreation	<u>5,669,959</u>	<u>13,614</u>	<u>5,683,573</u>	<u>4,640,621</u>	<u>291,513</u>	<u>4,932,134</u>	<u>751,439</u>
Public works:							
Public works administratic	423,629	57,240	480,869	360,146	38,179	398,325	82,544
Engineering department	1,228,282	25,667	1,253,949	1,092,289	16,728	1,109,017	144,932
Street maintenance	4,091,692	183,516	4,275,208	3,031,021	335,342	3,366,363	908,845
Stormwater drainage	3,075,397	132,734	3,208,131	2,362,898	292,358	2,655,256	552,875
Stormwater quality	455,128	7,304	462,432	379,627	2,928	382,555	79,877
Traffic control	4,186,864	38,188	4,225,052	3,660,364	250,707	3,911,071	313,981
Fleet maintenance admin	466,741	1,344	468,085	421,009	3,463	424,472	43,613
Fleet repair light duty	543,045	12,014	555,059	510,073	6,025	516,098	38,961
Fleet repair heavy duty	782,397	(2,190)	780,207	726,023	12,401	738,424	41,783
Fleet fuel and parts	2,796,582	25,645	2,822,227	2,178,700	215,154	2,393,854	428,373
CNG Station	448,100	41,808	489,908	232,056	40,399	272,455	217,453
Total public works	<u>18,497,857</u>	<u>523,270</u>	<u>19,021,127</u>	<u>14,954,206</u>	<u>1,213,684</u>	<u>16,167,890</u>	<u>2,853,237</u>
Public safety:							
Police department admin	983,351	(216,950)	766,401	691,030	26,643	717,673	48,728
Staff services	2,809,655	356,864	3,166,519	2,804,291	207,261	3,011,552	154,967
Criminal investigations	2,636,276	596,004	3,232,280	3,061,938	38,059	3,099,997	132,283
Patrol	11,492,530	314,336	11,806,866	11,328,559	196,205	11,524,764	282,102
Special Investigations	984,523	135,544	1,120,067	1,082,001	42	1,082,043	38,024
Animal control	1,436,009	40,730	1,476,739	1,328,640	44,439	1,373,079	103,660
911 services	2,008,225	(51,972)	1,956,253	1,799,550	142,786	1,942,336	13,917
Fire department admin	674,243	207,559	881,802	860,161	-	860,161	21,641
Training - fire department	327,975	31,068	359,043	214,459	1,824	216,283	142,760
Fire prevention	874,286	14,947	889,233	839,304	1,096	840,400	48,833
Fire suppression	14,074,116	498,955	14,573,071	13,778,294	157,878	13,936,172	636,899
Diaster preparedness servi	187,633	14,106	201,739	186,643	4,747	191,390	10,349
Total public safety	<u>38,488,822</u>	<u>1,941,191</u>	<u>40,430,013</u>	<u>37,974,870</u>	<u>820,980</u>	<u>38,795,850</u>	<u>1,634,163</u>
Total expenditures and encumbrances	<u>82,564,521</u>	<u>1,561,667</u>	<u>84,126,188</u>	<u>\$ 73,940,458</u>	<u>\$ 2,849,571</u>	<u>76,790,029</u>	<u>7,336,159</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, 2020

	Original Budget	Revisions	Revised Budget	Actual	Variance- Positive (Negative)
Excess (deficiency) of revenues over expendi- tures and encumbrances	<u>(5,498,314)</u>	<u>(1,408,329)</u>	<u>(6,906,643)</u>	<u>(6,399,228)</u>	<u>507,415</u>
OTHER FINANCING					
SOURCES (USES):					
Transfers in:					
Norman Utilities					
Authority	1,668,455	-	1,668,455	1,597,453	(71,002)
Capital Projects Fund	4,033,931	6,742	4,040,673	3,512,432	(528,241)
Norman Forward Fund	187,695	-	187,695	139,328	(48,367)
Transit & Parking Fund	-	1,943,392	1,943,392	2,335,035	391,643
UNP TIF Fund	-	843,807	843,807	1,074,010	230,203
Insurance Fund	<u>-</u>	<u>64,080</u>	<u>64,080</u>	<u>64,080</u>	<u>-</u>
Total transfers in	<u>5,890,081</u>	<u>2,858,021</u>	<u>8,748,102</u>	<u>8,722,338</u>	<u>(25,764)</u>
Transfers out:					
Westwood Fund	(575,800)	-	(575,800)	(280,736)	295,064
Capital Fund	-	(196,312)	(196,312)	-	196,312
Public Safety Sales Tax Fund	(1,129,316)	-	(1,129,316)	(1,522,032)	(392,716)
Transit & Parking Fund	<u>-</u>	<u>(5,215,823)</u>	<u>(5,215,823)</u>	<u>(5,215,823)</u>	<u>-</u>
Total transfers out	<u>(1,705,116)</u>	<u>(5,412,135)</u>	<u>(7,117,251)</u>	<u>(7,018,591)</u>	<u>98,660</u>
Net other financing sources (uses)	<u>4,184,965</u>	<u>(2,554,114)</u>	<u>1,630,851</u>	<u>1,703,747</u>	<u>72,896</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, 2020**

	Original Budget	Revisions	Revised Budget	Actual	Variance- Positive (Negative)
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances, and other uses	(1,313,349)	(3,962,443)	(5,275,792)	(4,695,481)	580,311
Fund balance, July 1, 2019 (Non-GAAP budgetary basis)	<u>5,740,137</u>	<u>-</u>	<u>5,740,137</u>	<u>5,740,137</u>	<u>-</u>
Fund balance, June 30, 2020 (Non-GAAP budgetary basis)	<u>\$ 4,426,788</u>	<u>\$ (3,962,443)</u>	<u>\$ 464,345</u>	<u>\$ 1,044,656</u>	<u>\$ 580,311</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, 2020

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Sales tax	\$ 9,939,431	\$ -	\$ 9,939,431			\$ 9,280,292	\$ (659,139)
Use tax	840,682	-	840,682			1,046,880	206,198
Total taxes	10,780,113	-	10,780,113			10,327,172	(452,941)
SRO reimbursement-NPS	658,792	-	658,792			492,964	(165,828)
Investment earnings	150,000	-	150,000			100,370	(49,630)
Miscellaneous income	-	-	-			-	-
Total revenues	11,588,905	-	11,588,905			10,920,506	(668,399)
EXPENDITURES AND ENCUMBRANCES:							
Public safety:							
Police staff services	50,027	196,287	246,314	\$ (139,681)	\$ 185,974	46,293	200,021
Police criminal investigations	624,081	90,753	714,834	701,388	-	701,388	13,446
Police patrol	5,346,776	(214,089)	5,132,687	4,736,549	104,865	4,841,414	291,273
SRO	-	717,595	717,595	684,018	-	684,018	33,577
911	124,613	12,690	137,303	133,481	-	133,481	3,822
Fleet Heavy Repair	337,005	(241,989)	95,016	58,833	81,763	140,596	(45,580)
Fire suppression	5,171,903	(192,022)	4,979,881	4,506,562	11,724	4,518,286	461,595
Capital projects	-	9,876,862	9,876,862	(1,637,010)	2,091,312	454,302	9,422,560
Debt services	2,357,717	-	2,357,717	2,357,675	-	2,357,675	42
Total expenditures and encumbrances	14,012,122	10,246,087	24,258,209	\$ 11,401,815	\$ 2,475,638	13,877,453	10,380,756
Excess (deficiency) of revenues over (under) expenditures and encumbrances	(2,423,217)	(10,246,087)	(12,669,304)			(2,956,947)	9,712,357
OTHER FINANCING SOURCES:							
Transfers in:							
General Fund	1,129,316	-	1,129,316			1,522,032	392,716
Capital Fund	462,943	-	462,943			462,948	5
Net other financing sources	1,592,259	-	1,592,259			1,984,980	392,721
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other sources (uses)	(830,958)	(10,246,087)	(11,077,045)			(971,967)	10,105,078
Fund balance, July 1, 2019 (Non-GAAP budgetary basis)	7,408,465	-	7,408,465			7,408,465	-
Fund balance, June 30, 2020 (Non-GAAP budgetary basis)	\$ 6,577,507	\$ (10,246,087)	\$ (3,668,580)			\$ 6,436,498	\$ 10,105,078

**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, 2020, are as follows:

	General Fund	Public Safety Sales Tax Fund
Fund balances - budgetary basis, June 30, 2020	\$ 1,044,656	\$ 6,436,498
Current year encumbrances included in expenditures	2,849,571	2,475,638
Prior year encumbrances outstanding	-	277,447
Current year revenue accrual	11,582,695	2,043,345
Current year expenditure accrual	(1,776,779)	(282,205)
Rainy Day Fund Balance	<u>3,889,175</u>	<u>-</u>
Fund balances - fund financial statements, June 30, 2020	<u>\$ 17,589,318</u>	<u>\$ 10,950,723</u>
Revenues - budgetary basis	\$ 70,390,800	\$ 10,920,506
Current year revenue accrual	11,582,695	2,043,345
Prior year revenue accrual	(8,857,289)	(1,681,334)
Interest earned within Rainy Day Fund	<u>94,756</u>	<u>-</u>
Revenues - fund financial statements	<u>\$ 73,210,962</u>	<u>\$ 11,282,517</u>
Expenditures - budgetary basis	\$ 76,790,029	\$ 13,877,453
Current year encumbrances included in expenditures	(2,849,571)	(2,475,638)
Prior year encumbrances paid	2,541,165	2,713,954
Current year expenditure accrual	1,776,779	282,205
Prior year expenditure accrual	<u>(1,341,276)</u>	<u>(223,304)</u>
Expenditures - fund financial statements	<u>\$ 76,917,126</u>	<u>\$ 14,174,670</u>



**Other Supplementary
Information**

THE CITY OF NORMAN, OKLAHOMA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Norman Room Tax Fund	Community Development Fund	Special Grants Fund	Park Land Fund	Seizures and Restitutions Fund	Cleet Fund	Transit & Parking Fund	Art in Public Places Fund	Total
ASSETS									
Cash and cash equivalents	\$ 8	\$ 2,957,045	\$ 1,894,125	\$ 486,612	\$ 393,499	\$ 3,220	\$ 185,730	\$ 1,427	\$ 5,921,666
Investments	67,298	168,657	91,412	386,389	104,319	1,465	1,345,470	-	2,165,010
Receivables:									
Taxes	77,231	-	-	-	-	-	433,813	-	511,044
Accounts	-	-	-	-	163	-	-	292	455
Interest	291	730	396	1,673	452	6	5,827	-	9,375
Due from Federal Government	-	47,978	229,765	-	-	-	-	-	277,743
Due from other funds	-	24,337	15,161	4,005	1,669	26	1,577	12	46,787
Total assets	<u>\$ 144,828</u>	<u>\$ 3,198,747</u>	<u>\$ 2,230,859</u>	<u>\$ 878,679</u>	<u>\$ 500,102</u>	<u>\$ 4,717</u>	<u>\$ 1,972,417</u>	<u>\$ 1,731</u>	<u>\$ 8,932,080</u>
LIABILITIES AND FUND BALANCE									
Liabilities:									
Accounts payable and other accrued liabilities	\$ 6,930	\$ 5,284	\$ 3,880	\$ -	\$ 500	\$ -	\$ 259,659	\$ -	\$ 276,253
Payroll payable	-	11,998	2,313	-	-	-	14,696	-	29,007
Retainage payable	-	-	-	-	-	-	399,878	-	399,878
Due to other funds	25,374	-	-	-	-	-	-	-	25,374
Total liabilities	32,304	17,282	6,193	-	500	-	674,233	-	730,512
Fund balance:									
Restricted	94,559	3,181,465	1,791,379	818,923	443,776	3,467	1,241,477	1,611	7,576,657
Assigned	17,965	-	433,287	59,756	55,826	1,250	56,707	120	624,911
Total fund balance	112,524	3,181,465	2,224,666	878,679	499,602	4,717	1,298,184	1,731	8,201,568
Total liabilities and fund balance	<u>\$ 144,828</u>	<u>\$ 3,198,747</u>	<u>\$ 2,230,859</u>	<u>\$ 878,679</u>	<u>\$ 500,102</u>	<u>\$ 4,717</u>	<u>\$ 1,972,417</u>	<u>\$ 1,731</u>	<u>\$ 8,932,080</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, 2020**

	Norman Room Tax Fund	Community Development Fund	Special Grants Fund	Park Land Fund	Seizures and Restitutions Fund	Cleet Fund	Transit & Parking Fund	Art in Public Places Fund	Total Nonmajor Governmental Total
Revenues:									
Taxes	\$ 1,307,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 626,223	\$ -	\$ 1,933,750
Intergovernmental revenues	-	903,285	309,343	-	-	21,082	2,142,625	-	3,376,335
Charges for services	-	-	-	72,165	-	-	-	-	72,165
Investment earnings	3,911	11,333	6,553	24,171	8,231	86	56,707	38	111,030
Other	-	-	-	-	187,173	21	57,042	7,660	251,896
Total revenues	<u>1,311,438</u>	<u>914,618</u>	<u>315,896</u>	<u>96,336</u>	<u>195,404</u>	<u>21,189</u>	<u>2,882,597</u>	<u>7,698</u>	<u>5,745,176</u>
Expenditures:									
Current:									
Parks and recreation	96,151	-	-	-	-	-	-	10,769	106,920
Public service	1,302,745	677,261	16,009	-	-	-	-	-	1,996,015
Public safety	-	-	167,467	-	133,214	22,648	-	-	323,329
Public works	-	-	10,400	-	-	-	3,698,021	-	3,708,421
Capital outlay	145,181	14,488	15,012	21,413	-	-	907,180	-	1,103,274
Total expenditures	<u>1,544,077</u>	<u>691,749</u>	<u>208,888</u>	<u>21,413</u>	<u>133,214</u>	<u>22,648</u>	<u>4,605,201</u>	<u>10,769</u>	<u>7,237,959</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(232,639)</u>	<u>222,869</u>	<u>107,008</u>	<u>74,923</u>	<u>62,190</u>	<u>(1,459)</u>	<u>(1,722,604)</u>	<u>(3,071)</u>	<u>(1,492,783)</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	23,125	-	5,355,823	-	5,378,948
Transfers out	<u>(204,641)</u>	<u>(2,028,435)</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>(2,335,035)</u>	<u>-</u>	<u>(4,718,111)</u>
Net other financing sources (uses)	<u>(204,641)</u>	<u>(2,028,435)</u>	<u>-</u>	<u>(150,000)</u>	<u>23,125</u>	<u>-</u>	<u>3,020,788</u>	<u>-</u>	<u>660,837</u>
Net change in fund balances	<u>(437,280)</u>	<u>(1,805,566)</u>	<u>107,008</u>	<u>(75,077)</u>	<u>85,315</u>	<u>(1,459)</u>	<u>1,298,184</u>	<u>(3,071)</u>	<u>(831,946)</u>
Fund balance - beginning	<u>549,804</u>	<u>4,987,031</u>	<u>2,117,658</u>	<u>953,756</u>	<u>414,287</u>	<u>6,176</u>	<u>-</u>	<u>4,802</u>	<u>9,033,514</u>
Fund balance - ending	<u>\$ 112,524</u>	<u>\$ 3,181,465</u>	<u>\$ 2,224,666</u>	<u>\$ 878,679</u>	<u>\$ 499,602</u>	<u>\$ 4,717</u>	<u>\$ 1,298,184</u>	<u>\$ 1,731</u>	<u>\$ 8,201,568</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, 2020

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Hotel/motel tax	\$ 1,917,152	\$ -	\$ 1,917,152			\$ 1,420,789	\$ (496,363)
Investment earnings	2,640	-	2,640			2,836	196
Total revenues	<u>1,919,792</u>	<u>-</u>	<u>1,919,792</u>			<u>1,423,625</u>	<u>(496,167)</u>
EXPENDITURES AND ENCUMBRANCES:							
Public service:							
Room tax	<u>1,549,042</u>	<u>351,034</u>	<u>1,900,076</u>	<u>\$ 1,430,899</u>	<u>\$ 108,874</u>	<u>1,539,773</u>	<u>360,303</u>
Total expenditures and encumbrances	<u>1,549,042</u>	<u>351,034</u>	<u>1,900,076</u>	<u>\$ 1,430,899</u>	<u>\$ 108,874</u>	<u>1,539,773</u>	<u>360,303</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	<u>370,750</u>	<u>(351,034)</u>	<u>19,716</u>			<u>(116,148)</u>	<u>(135,864)</u>
OTHER FINANCING USES:							
Transfers out:							
Westwood	<u>(205,882)</u>	<u>-</u>	<u>(205,882)</u>			<u>(204,641)</u>	<u>1,241</u>
Net other financing sources (uses)	<u>(205,882)</u>	<u>-</u>	<u>(205,882)</u>			<u>(204,641)</u>	<u>1,241</u>
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other uses	<u>164,868</u>	<u>(351,034)</u>	<u>(186,166)</u>			<u>(320,789)</u>	<u>(134,623)</u>
Fund balance, July 1, 2019 (Non-GAAP budgetary basis)	<u>245,522</u>		<u>245,522</u>			<u>245,522</u>	<u>-</u>
Fund balance, June 30, 2020 (Non-GAAP budgetary basis)	<u>\$ 410,390</u>	<u>\$ (351,034)</u>	<u>\$ 59,356</u>			<u>\$ (75,267)</u>	<u>\$ (134,623)</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, 2020

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Intergovernmental:							
Community development							
block grant ("CDBG")	\$ 850,844	\$ 1,587	\$ 852,431			\$ 861,890	\$ 9,459
CDBG-DR grant	-	-	-			2,028,424	2,028,424
Home grant	374,974	-	374,974			47,290	(327,684)
COC planning grant	-	-	-			12,088	12,088
Interest	-	-	-			7,109	7,109
Total revenues	<u>1,225,818</u>	<u>1,587</u>	<u>1,227,405</u>			<u>2,956,801</u>	<u>1,729,396</u>
EXPENDITURES AND ENCUMBRANCES:							
Public service:							
Community development	587,870	235,343	823,213	\$ 251,848	\$ 46,500	298,348	524,865
CDBG housing	262,974	394,036	657,010	335,715	-	335,715	321,295
CDBG-DR	-	3,086,944	3,086,944	(2,944,199)	-	(2,944,199)	6,031,143
CDBG-CV	-	534,636	534,636	2,391	1,774	4,165	530,471
Home grants	374,974	591,264	966,238	60,742	18,833	79,575	886,663
COC planning grants	-	12,088	12,088	4,988	-	4,988	7,100
Total expenditures and encumbrances	<u>1,225,818</u>	<u>4,854,311</u>	<u>6,080,129</u>	<u>\$ (2,288,515)</u>	<u>\$ 67,107</u>	<u>(2,221,408)</u>	<u>8,301,537</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	-	(4,852,724)	(4,852,724)			5,178,209	10,030,933
OTHER FINANCING SOURCES (USES):							
Operating transfers in:							
Capital Fund	-	-	-			-	-
Operating transfers out:							
Capital Fund	-	-	-			(2,028,435)	(2,028,435)
Excess (deficiency) of revenues over (under) expenditures, encumbrances and other uses	-	(4,852,724)	(4,852,724)			3,149,774	8,002,498
Fund balance (deficit),							
July 1, 2019 (Non-GAAP budgetary basis)	<u>(75,621)</u>	<u>-</u>	<u>(75,621)</u>			<u>(75,621)</u>	<u>-</u>
Fund balance (deficit),							
June 30, 2020 (Non-GAAP budgetary basis)	<u>\$ (75,621)</u>	<u>\$ (4,852,724)</u>	<u>\$ (4,928,345)</u>			<u>\$ 3,074,153</u>	<u>\$ 8,002,498</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, 2020

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Intergovernmental:							
County Court DUI	\$ 103,089	\$ -	\$ 103,089			\$ 25,872	\$ (77,217)
Public safety grants	-	195,053	195,053			168,942	(26,111)
Public service grants	-	16,767	16,767			11,072	(5,695)
Recreation grants	-	-	-			-	-
Public works grants	-	-	-			10,400	10,400
Total intergovernmental	103,089	211,820	314,909			216,286	(98,623)
Investment earnings	-	-	-			6,553	6,553
Total revenues	<u>103,089</u>	<u>211,820</u>	<u>314,909</u>			<u>222,839</u>	<u>(92,070)</u>
EXPENDITURES AND ENCUMBRANCES:							
DUI enforcement	103,089	1,290	104,379	\$ 45,899	\$ -	45,899	58,480
Traffic & alcohol enforcement	-	150,358	150,358	64,854	-	64,854	85,504
JAG grant	-	27,137	27,137	27,137	-	27,137	-
DOJ-BJA grant	-	69,301	69,301	8,568	12,300	20,868	48,433
Emergency management grant	-	7,500	7,500	2,366	-	2,366	5,134
Homeland security grant	-	15,880	15,880	15,880	-	15,880	-
SHPO / CLG grant	-	16,767	16,767	16,009	-	16,009	758
Firehouse art grant	-	25,000	25,000	-	-	-	25,000
Legacy trail improvement grant	-	7,277	7,277	(626)	-	(626)	7,903
Traffic grant	-	14,615	14,615	10,400	-	10,400	4,215
VOCA grant	<u>44,860</u>	<u>64,224</u>	<u>109,084</u>	<u>16,484</u>	<u>-</u>	<u>16,484</u>	<u>92,600</u>
Total expenditures and encumbrances	<u>147,949</u>	<u>399,349</u>	<u>547,298</u>			<u>219,271</u>	<u>328,027</u>

(Continued)

THE CITY OF NORMAN, OKLAHOMA

**SPECIAL GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances	<u>(44,860)</u>	<u>(187,529)</u>	<u>(232,389)</u>			<u>3,568</u>	<u>235,957</u>
OTHER FINANCING SOURCES (USES):							
Operating transfers in:							
Capital Fund	-	-	-			-	-
General Fund	-	-	-			-	-
Operating transfers out:							
General Fund	<u>-</u>	<u>-</u>	<u>-</u>			<u>-</u>	<u>-</u>
Net other financing sources	<u>-</u>	<u>-</u>	<u>-</u>			<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other sources	(44,860)	(187,529)	(232,389)			3,568	235,957
Fund balance (deficit), July 1, 2019 (Non-GAAP budgetary basis)	<u>1,981,330</u>	<u>-</u>	<u>1,981,330</u>			<u>1,981,330</u>	<u>-</u>
Fund balance (deficit), June 30, 2020 (Non-GAAP budgetary basis)	<u>\$1,936,470</u>	<u>\$ (187,529)</u>	<u>\$ 1,748,941</u>			<u>\$ 1,984,898</u>	<u>\$ 235,957</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, 2020

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Investment earnings	\$ 10,000	\$ -	\$ 10,000			\$ 16,285	\$ 6,285
Charges for services	<u>85,000</u>	<u>-</u>	<u>85,000</u>			<u>72,165</u>	<u>(12,835)</u>
Total revenues	<u>95,000</u>	<u>-</u>	<u>95,000</u>			<u>88,450</u>	<u>(6,550)</u>
EXPENDITURES AND ENCUMBRANCES:							
Parks and recreation	<u>-</u>	<u>129,190</u>	<u>129,190</u>	\$ 21,413	\$ -	<u>21,413</u>	<u>107,777</u>
Total expenditures and encumbrances	<u>-</u>	<u>129,190</u>	<u>129,190</u>	<u>\$ 21,413</u>	<u>\$ -</u>	<u>21,413</u>	<u>107,777</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	95,000	(129,190)	(34,190)			67,037	101,227
OTHER FINANCING SOURCES (USES):							
Transfers Out:							
Norman Forward Fund	<u>-</u>	<u>(150,000)</u>	<u>(150,000)</u>			<u>(150,000)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances and other financing sources (uses)	<u>95,000</u>	<u>(279,190)</u>	<u>(184,190)</u>			<u>(82,963)</u>	<u>101,227</u>
Fund balance, July 1, 2019 (Non-GAAP budgetary basis)	<u>951,961</u>	<u>-</u>	<u>951,961</u>			<u>951,961</u>	<u>-</u>
Fund balance, June 30, 2020 (Non-GAAP budgetary basis)	<u>\$ 1,046,961</u>	<u>\$ (279,190)</u>	<u>\$ 767,771</u>			<u>\$ 868,998</u>	<u>\$ 101,227</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, 2020

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Intergovernmental:							
State Seizure/Restitution	\$ 9,000	\$ -	\$ 9,000			\$ 159,242	\$ 150,242
Federal Seizure/Restitution	6,000	-	6,000			27,931	21,931
Investment earnings	500	-	500			5,947	5,447
Miscellaneous income	-	-	-			-	-
Total revenues	<u>15,500</u>	<u>-</u>	<u>15,500</u>			<u>193,120</u>	<u>177,620</u>
EXPENDITURES AND ENCUMBRANCES:							
Public Safety:							
State seizures	181,060	75,743	256,803	\$ 54,657	\$ 43,959	98,616	158,187
Federal seizures	<u>300</u>	<u>27,855</u>	<u>28,155</u>	<u>27,319</u>	<u>-</u>	<u>27,319</u>	<u>836</u>
Total expenditures and encumbrances	<u>181,360</u>	<u>103,598</u>	<u>284,958</u>	<u>\$ 81,976</u>	<u>\$ 43,959</u>	<u>125,935</u>	<u>159,023</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	<u>(165,860)</u>	<u>(103,598)</u>	<u>(269,458)</u>			<u>67,185</u>	<u>336,643</u>
OTHER FINANCING SOURCES (USES):							
Transfers in:							
General Fund	<u>-</u>	<u>-</u>	<u>-</u>			<u>23,125</u>	<u>23,125</u>
Net other financing sources	<u>-</u>	<u>-</u>	<u>-</u>			<u>23,125</u>	<u>23,125</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances and other financing sources (uses)	<u>(165,860)</u>	<u>(103,598)</u>	<u>(269,458)</u>			<u>90,310</u>	<u>359,768</u>
Fund balance, July 1, 2019 (Non-GAAP budgetary basis)	<u>362,667</u>	<u>-</u>	<u>362,667</u>			<u>362,667</u>	<u>-</u>
Fund balance, June 30, 2020 (Non-GAAP budgetary basis)	<u>\$ 196,807</u>	<u>\$ (103,598)</u>	<u>\$ 93,209</u>			<u>\$ 452,977</u>	<u>\$ 359,768</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, 2020

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Fines and forfeitures:							
Cleet training revenue	\$ 32,000	\$ -	\$ 32,000			\$ 21,082	\$(10,918)
Investment earnings	-	-	-			63	63
Miscellaneous revenue	-	-	-			20	20
Total revenues	<u>32,000</u>	<u>-</u>	<u>32,000</u>			<u>21,165</u>	<u>(10,835)</u>
EXPENDITURES AND ENCUMBRANCES:							
Public Safety:							
Court Cleet Training	1,500	-	1,500	\$ 941	\$ -	941	559
Police Cleet Training	<u>29,005</u>	<u>2,541</u>	<u>31,546</u>	<u>19,166</u>	<u>11</u>	<u>19,177</u>	<u>12,369</u>
Total expenditures and encumbrances	<u>30,505</u>	<u>2,541</u>	<u>33,046</u>	<u>\$ 20,107</u>	<u>\$ 11</u>	<u>20,118</u>	<u>12,928</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	1,495	(2,541)	(1,046)			1,047	2,093
Fund balance, July 1, 2019 (Non-GAAP budgetary basis)	<u>3,622</u>	<u>-</u>	<u>3,622</u>			<u>3,622</u>	<u>-</u>
Fund balance, June 30, 2020 (Non-GAAP budgetary basis)	<u>\$ 5,117</u>	<u>\$ (2,541)</u>	<u>\$ 2,576</u>			<u>\$ 4,669</u>	<u>\$ 2,093</u>

THE CITY OF NORMAN, OKLAHOMA

TRANSIT AND PARKING FUND SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Sales taxes	\$ -	\$ -	\$ -			\$ 166,148	\$ 166,148
Use taxes	-	-	-			26,263	26,263
Investment earnings	-	-	-			56,707	56,707
Grant revenue	-	2,218,433	2,218,433			2,142,625	(75,808)
Miscellaneous income	-	50,000	50,000			57,041	7,041
Total revenues	-	2,268,433	2,268,433			2,448,784	180,351
EXPENDITURES AND ENCUMBRANCES:							
Public Works:							
Fleet repair	-	2,045,530	2,045,530	\$ 1,577,035	\$ 508,182	2,085,217	(39,687)
Transit & parking administration	-	2,408,354	2,408,354	2,392,170	135,513	2,527,683	(119,329)
Capital projects	-	701,623	701,623	221,421	80,324	301,745	399,878
Total expenditures and encumbrances	-	5,155,507	5,155,507	\$ 4,190,626	\$ 724,019	4,914,645	240,862
Excess (deficiency) of revenues over (under) expenditures and encumbrances	-	(2,887,074)	(2,887,074)			(2,465,861)	421,213
OTHER FINANCING SOURCES (USES):							
Transfers in:							
General Fund	-	5,355,823	5,355,823			5,355,823	-
Transfers out:							
General Fund	-	(4,278,427)	(4,278,427)			(2,335,035)	1,943,392
Net other financing sources	-	1,077,396	1,077,396			3,020,788	1,943,392
Excess (deficiency) of revenues over (under) expenditures and encumbrances and other financing sources (uses)	-	(1,809,678)	(1,809,678)			554,927	2,364,605
Fund balance, July 1, 2019 (Non-GAAP budgetary basis)	-	-	-			-	-
Fund balance, June 30, 2020 (Non-GAAP budgetary basis)	\$ -	\$ (1,809,678)	\$ (1,809,678)			\$ 554,927	\$ 2,364,605

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, 2020

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Other revenue	\$ 16,000	\$ -	\$ 16,000			\$ 7,698	\$ (8,302)
Total revenues	<u>16,000</u>	<u>-</u>	<u>16,000</u>			<u>7,698</u>	<u>(8,302)</u>
EXPENDITURES AND ENCUMBRANCES:							
Parks & recreation							
Donation	<u>16,000</u>	<u>10,406</u>	<u>26,406</u>	\$ 363	\$ 12,602	<u>12,965</u>	<u>13,441</u>
Total expenditures and encumbrances	<u>16,000</u>	<u>10,406</u>	<u>26,406</u>	<u>\$ 363</u>	<u>\$ 12,602</u>	<u>12,965</u>	<u>13,441</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances and other financing sources (uses)	-	(10,406)	(10,406)			(5,267)	5,139
Fund balance, July 1, 2019 (Non-GAAP budgetary basis)	<u>(5,604)</u>	<u>-</u>	<u>(5,604)</u>			<u>(5,604)</u>	<u>-</u>
Fund balance, June 30, 2020 (Non-GAAP budgetary basis)	<u>\$ (5,604)</u>	<u>\$ (10,406)</u>	<u>\$ (16,010)</u>			<u>\$ (10,871)</u>	<u>\$ 5,139</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, 2020

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Property tax	\$ 6,972,443	\$ -	\$ 6,972,443			\$ 9,841,604	\$ 2,869,161
Sales tax	-	-	-			-	-
Total taxes	6,972,443	-	6,972,443			9,841,604	2,869,161
Investment earnings	25,000	-	25,000			71,271	46,271
Other revenue:							
Special assessments	-	-	-			-	-
Total revenues	6,997,443	-	6,997,443			9,912,875	2,915,432
EXPENDITURES AND ENCUMBRANCES:							
Debt service:							
Principal	4,025,000	-	4,025,000	\$ 3,025,000	\$ -	3,025,000	1,000,000
Interest and fiscal charges	1,790,422	-	1,790,422	1,981,445	-	1,981,445	(191,023)
Total expenditures and encumbrances	5,815,422	-	5,815,422	\$ 5,006,445	\$ -	5,006,445	808,977
Excess (deficiency) of revenues over (under) expenditures and encumbrances	1,182,021	-	1,182,021			4,906,430	3,724,409
OTHER FINANCING SOURCES (USES):							
Transfers out:							
Insurance fund	(825,000)	-	(825,000)			(410,683)	414,317
Net other financing sources (uses)	(825,000)	-	(825,000)			(410,683)	414,317
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other sources (uses)	357,021	-	357,021			4,495,747	4,138,726
Fund balance, July 1, 2019 (Non-GAAP budgetary basis)	2,662,623	-	2,662,623			2,662,623	-
Fund balance, June 30, 2020 (Non-GAAP budgetary (basis))	\$ 3,019,644	\$ -	\$ 3,019,644			\$ 7,158,370	\$ 4,138,726

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, 2020

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Sales tax	\$ 13,565,038	\$ -	\$ 13,565,038			\$ 12,229,572	\$ (1,335,466)
Sales tax - UNP TIF	-	-	-			3,269,855	3,269,855
Property tax - UNP TIF	2,000,000	-	2,000,000			2,100,339	100,339
Property tax - Center Cty TIF	-	-	-			120,956	120,956
Special assessment	150,000	-	150,000			94,588	(55,412)
Investment earnings	290,000	-	290,000			876,941	586,941
Miscellaneous	660,510	90,290	750,800			796,974	46,174
Total revenues	16,665,548	90,290	16,755,838			19,489,225	2,733,387
EXPENDITURES AND ENCUMBRANCES:							
Personnel costs	1,236,081	(98,769)	1,137,312	\$ 1,236,317	\$ -	1,236,317	(99,005)
Services and maintenance	144,855	241,918	386,773	276,410	-	276,410	110,363
Cost allocation charges	200	-	200	200	-	200	-
Capital equipment	2,500	-	2,500	2,222	-	2,222	278
Capital projects	29,850,907	39,003,151	68,854,058	7,649,487	7,396,226	15,045,713	53,808,345
Capital projects - UNP TIF	1,100,000	3,697,544	4,797,544	65,177	1,119,365	1,184,542	3,613,002
Debt service - UNP TIF	-	9,202,449	9,202,449	-	-	-	9,202,449
Debt service	1,316,384	-	1,316,384	1,315,134	-	1,315,134	1,250
Total expenditures and encumbrances	33,650,927	52,046,293	85,697,220	\$ 10,544,947	\$ 8,515,591	19,060,538	66,636,682
Excess (deficiency) of revenues over (under) expenditures and encumbrances	(16,985,379)	(51,956,003)	(68,941,382)			428,687	69,370,069
OTHER FINANCING SOURCES (USES):							
Transfers Out:							
General fund	(4,033,931)	(1,150,801)	(5,184,732)			(4,586,442)	598,290
Westwood fund	(83,000)	-	(83,000)			(82,184)	816
Transit & parking fund	-	(140,000)	(140,000)			(140,000)	-
Seizures fund	-	-	-			(23,125)	(23,125)
PSST fund	(462,943)	-	(462,943)			(462,948)	(5)
Transfers In:							
General fund	-	-	-			-	-
CDBG fund	-	2,028,435	2,028,435			2,028,435	-
Seizures fund	-	196,312	196,312			-	(196,312)
Debt proceeds	20,000,000	-	20,000,000			-	(20,000,000)
Net other financing sources (uses)	15,420,126	933,946	16,354,072			(3,266,264)	(19,620,336)
Excess (deficiency) of revenues over expenditures and encumbrances and other sources (uses)	(1,565,253)	(51,022,057)	(52,587,310)			(2,837,577)	49,749,733
Fund balance, July 1, 2019 (Non-GAAP budgetary basis)	67,382,451	-	67,382,451			67,382,451	-
Fund balance, June 30, 2020 (Non-GAAP budgetary basis)	\$ 65,817,198	\$ (51,022,057)	\$ 14,795,141			\$ 64,544,874	\$ 49,749,733

THE CITY OF NORMAN, OKLAHOMA

NORMAN FORWARD FUND SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Sales tax	\$ 9,634,945	\$ -	\$ 9,634,945			\$ 9,280,292	\$ (354,653)
Use tax	647,546	-	647,546			1,046,880	399,334
Investment earnings	15,000	-	15,000			570,925	555,925
Miscellaneous	-	-	-			52,980	52,980
Total revenues	<u>10,297,491</u>	<u>-</u>	<u>10,297,491</u>			<u>10,951,077</u>	<u>653,586</u>
EXPENDITURES AND ENCUMBRANCES:							
Services and maintenance	-	1,727,875	1,727,875	\$ 329,408	\$ 1,082,318	1,411,726	316,149
Capital projects	31,492,860	39,803,097	71,295,957	6,728,112	6,415,430	13,143,542	58,152,415
Debt service	<u>4,695,718</u>	<u>-</u>	<u>4,695,718</u>	<u>4,123,775</u>	<u>-</u>	<u>4,123,775</u>	<u>571,943</u>
Total expenditures and encumbrances	<u>36,188,578</u>	<u>41,530,972</u>	<u>77,719,550</u>	<u>\$ 11,181,295</u>	<u>\$ 7,497,748</u>	<u>18,679,043</u>	<u>59,040,507</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	<u>(25,891,087)</u>	<u>(41,530,972)</u>	<u>(67,422,059)</u>			<u>(7,727,966)</u>	<u>59,694,093</u>
OTHER FINANCING SOURCES (USES):							
Transfers Out:							
Capital fund	(222,695)	-	(222,695)			(174,328)	48,367
Transfers In:							
Water fund	-	-	-			54,419	54,419
Capital fund	-	150,000	150,000			150,000	-
Debt proceeds	<u>37,750,000</u>	<u>-</u>	<u>37,750,000</u>			<u>-</u>	<u>(37,750,000)</u>
Net other financing sources (uses)	<u>37,527,305</u>	<u>150,000</u>	<u>37,677,305</u>			<u>30,091</u>	<u>(37,647,214)</u>
Excess (deficiency) of revenues over expenditures and encumbrances and other sources (uses)	11,636,218	(41,380,972)	(29,744,754)			(7,697,875)	22,046,879
Fund balance, July 1, 2019 (Non-GAAP budgetary basis)	<u>38,350,999</u>	<u>-</u>	<u>38,350,999</u>			<u>38,350,999</u>	<u>-</u>
Fund balance, June 30, 2020 (Non-GAAP budgetary basis)	<u>\$ 49,987,217</u>	<u>\$ (41,380,972)</u>	<u>\$ 8,606,245</u>			<u>\$ 30,653,124</u>	<u>\$ 22,046,879</u>

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

Budget Reconciliations - Items required to adjust actual revenues, expenditures, and fund balances reported on the budgetary basis to those reported within the fund financial statements as of and for the year ended June 30, 2020, are as follows:

	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Norman Forward Fund
Fund balances, June 30, 2020 (Non-GAAP budgetary basis)	\$ 6,854,484	\$ 7,158,370	\$ 64,544,874	\$ 30,653,124
Current year encumbrances included in expenditures	968,872	-	8,515,591	7,497,748
Prior year encumbrances outstanding	62	-	3,825,124	328,133
Current year revenue accrual	807,028	42,367	2,756,147	2,080,691
Current year expenditure accrual	<u>(428,878)</u>	<u>-</u>	<u>(804,975)</u>	<u>(54,761)</u>
GAAP basis fund balances, June 30, 2020	<u>\$ 8,201,568</u>	<u>\$ 7,200,737</u>	<u>\$ 78,836,761</u>	<u>\$ 40,504,935</u>
Budgetary basis revenues	\$ 7,362,482	\$ 9,912,875	\$ 19,489,225	\$ 10,951,077
Current year revenue accrual	807,028	42,367	2,756,147	2,080,691
Prior year revenue accrual	<u>(2,424,334)</u>	<u>(11,106)</u>	<u>(2,835,843)</u>	<u>(1,711,439)</u>
GAAP basis revenues	<u>\$ 5,745,176</u>	<u>\$ 9,944,136</u>	<u>\$ 19,409,529</u>	<u>\$ 11,320,329</u>
Budgetary basis expenditures	\$ 4,632,712	\$ 5,006,445	\$ 19,060,538	\$ 18,679,043
Current year encumbrances included in expenditures	(968,872)	-	(8,515,591)	(7,497,748)
Prior year encumbrances paid	3,162,098	-	9,170,053	5,955,549
Current year expenditure accrual	428,878	-	804,975	54,761
Prior year expenditure accrual	<u>(16,857)</u>	<u>-</u>	<u>(271,679)</u>	<u>(1,281,069)</u>
GAAP basis expenditures	<u>\$ 7,237,959</u>	<u>\$ 5,006,445</u>	<u>\$ 20,248,296</u>	<u>\$ 15,910,536</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF NET POSITION ENTERPRISE FUND - NORMAN MUNICIPAL AUTHORITY JUNE 30, 2020

	Westwood Park	Sanitation Services	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 388,863	\$ 9,392,276	\$ 9,781,139
Restricted cash and cash equivalents	1,914	420,941	422,855
Investments	-	6,069,869	6,069,869
Receivables:			
Accounts, net of allowance for estimated uncollectible accounts	-	958,942	958,942
Interest	-	26,289	26,289
Due from other funds	-	80,807	80,807
Total current assets	<u>390,777</u>	<u>16,949,124</u>	<u>17,339,901</u>
Noncurrent assets:			
Restricted cash and cash equivalents	230,997	-	230,997
Capital assets, net	<u>7,017,641</u>	<u>10,491,921</u>	<u>17,509,562</u>
Total noncurrent assets	<u>7,248,638</u>	<u>10,491,921</u>	<u>17,740,559</u>
Total assets	<u>7,639,415</u>	<u>27,441,045</u>	<u>35,080,460</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	202,024	503,707	705,731
Payroll payable	110,628	133,039	243,667
Accrued interest payable	1,914	-	1,914
Guaranty deposits	-	420,941	420,941
Revenue bonds payable	180,000	-	180,000
Notes payable	-	-	-
Compensated absences	<u>9,023</u>	<u>32,471</u>	<u>41,494</u>
Total current liabilities	<u>503,589</u>	<u>1,090,158</u>	<u>1,593,747</u>
Noncurrent liabilities:			
Compensated absences	101,935	366,849	468,784
Revenue bonds payable, net	<u>188,793</u>	<u>-</u>	<u>188,793</u>
Total noncurrent liabilities	<u>290,728</u>	<u>366,849</u>	<u>657,577</u>
Total liabilities	<u>794,317</u>	<u>1,457,007</u>	<u>2,251,324</u>
NET POSITION			
Net invested in capital assets	6,642,641	10,491,921	17,134,562
Restricted for debt service	230,997	-	230,997
Unrestricted	<u>(28,540)</u>	<u>15,492,117</u>	<u>15,463,577</u>
Total net position	<u>\$ 6,845,098</u>	<u>\$ 25,984,038</u>	<u>\$ 32,829,136</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION ENTERPRISE FUND - NORMAN MUNICIPAL AUTHORITY FOR THE YEAR ENDED JUNE 30, 2020

	Westwood Park	Sanitation Services	Total
Operating revenues:			
Golf and pool fees	\$ 1,632,229	\$ -	\$ 1,632,229
Sanitation services, net	-	15,095,368	15,095,368
Other	5,641	14,978	20,619
	<u>1,637,870</u>	<u>15,110,346</u>	<u>16,748,216</u>
Total operating revenues			
Operating expenses:			
Salaries and benefits	1,296,851	4,559,891	5,856,742
Supplies and materials	338,695	953,175	1,291,870
Services and maintenance	263,032	5,917,192	6,180,224
Depreciation and amortization	172,731	1,983,162	2,155,893
	<u>2,071,309</u>	<u>13,413,420</u>	<u>15,484,729</u>
Total operating expenses			
Operating income (loss)	<u>(433,439)</u>	<u>1,696,926</u>	<u>1,263,487</u>
Nonoperating revenues (expenses):			
Investment earnings	6,315	385,955	392,270
Interest and fiscal charges	(36,877)	(39,401)	(76,278)
Miscellaneous income (expense)	16,257	132,129	148,386
	<u>(14,305)</u>	<u>478,683</u>	<u>464,378</u>
Net nonoperating revenues (expenses)			
Income (loss) before transfers	<u>(447,744)</u>	<u>2,175,609</u>	<u>1,727,865</u>
Transfers in (out):			
Transfers in	602,561	-	602,561
Transfers out	-	-	-
	<u>602,561</u>	<u>-</u>	<u>602,561</u>
Net transfers			
Net income	154,817	2,175,609	2,330,426
Net position - beginning	<u>6,690,281</u>	<u>23,808,429</u>	<u>30,498,710</u>
Net position - ending	<u>\$ 6,845,098</u>	<u>\$ 25,984,038</u>	<u>\$ 32,829,136</u>

THE CITY OF NORMAN, OKLAHOMA
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUND - NORMAN MUNICIPAL AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2020

	Westwood Park	Sanitation Services	Total
Cash flows from operating activities:			
Cash received from customers	\$ 1,637,870	\$ 15,390,603	\$ 17,028,473
Cash paid to employees for services	(1,269,709)	(4,499,675)	(5,769,384)
Cash paid to suppliers	(574,937)	(6,703,336)	(7,278,273)
Other payments	-	208,069	208,069
Net cash provided by (used for) operating activities	<u>(206,776)</u>	<u>4,395,661</u>	<u>4,188,885</u>
Cash flows from noncapital financing activities:			
Transfers in	602,561	-	602,561
Net cash provided by noncapital financing activities	<u>602,561</u>	<u>-</u>	<u>602,561</u>
Cash flows from capital and related financing activities:			
Proceeds from disposal of capital assets	29,203	26,738	55,941
Payments for the acquisition of capital assets	(90,431)	(1,966,590)	(2,057,021)
Principal payments on revenue bonds payable	(170,000)	-	(170,000)
Principal payments on notes payable	-	(1,580,000)	(1,580,000)
Interest and fiscal charges paid	(34,641)	(53,029)	(87,670)
Net cash used for capital and related financing activities	<u>(265,869)</u>	<u>(3,572,881)</u>	<u>(3,838,750)</u>
Cash flows from investing activities:			
Proceeds from maturity of investments	-	8,566,636	8,566,636
Payments for purchases of investments	-	(4,610,244)	(4,610,244)
Investment earnings received	6,366	282,157	288,523
Net cash provided by investing activities	<u>6,366</u>	<u>4,238,549</u>	<u>4,244,915</u>
Net change in cash and cash equivalents	136,282	5,061,329	5,197,611
Cash and cash equivalents - beginning	<u>485,492</u>	<u>4,751,888</u>	<u>5,237,380</u>
Cash and cash equivalents - ending	<u>\$ 621,774</u>	<u>\$ 9,813,217</u>	<u>\$ 10,434,991</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (433,439)	\$ 1,696,926	\$ 1,263,487
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Miscellaneous revenue	16,257	132,129	148,386
Bad debt expense	-	87,650	87,650
Depreciation and amortization	172,731	1,983,162	2,155,893
Gain on disposal of property, plant and equipment	(16,257)	(838)	(17,095)
Decrease in accounts receivable, net	-	183,565	183,565
Decrease in due from other funds	-	76,778	76,778
Increase in accounts payable and accrued liabilities	26,790	167,031	193,821
Increase in payroll payable	43,282	30,404	73,686
Increase in guaranty deposits	-	9,042	9,042
Increase (decrease) in compensated absences	(16,140)	29,812	13,672
Net cash provided by (used for) operating activities	<u>\$ (206,776)</u>	<u>\$ 4,395,661</u>	<u>\$ 4,188,885</u>
NONCASH ACTIVITIES:			
Change in unrealized gain on investments	<u>\$ -</u>	<u>\$ (124,955)</u>	<u>\$ (124,955)</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF NET POSITION ENTERPRISE FUND - NORMAN UTILITIES AUTHORITY JUNE 30, 2020

ASSETS	Water	Wastewater	Total
Current assets:			
Cash and cash equivalents	\$ 14,936,018	\$ 10,915,050	\$ 25,851,068
Restricted cash and cash equivalents	13,260,570	506,939	13,767,509
Investments	12,761,447	10,321,628	23,083,075
Receivables:			
Accounts, net of allowance for estimated uncollectible accounts	2,126,180	1,060,992	3,187,172
Interest	55,372	44,703	100,075
Due from other funds	130,961	146,731	277,692
Total current assets	<u>43,270,548</u>	<u>22,996,043</u>	<u>66,266,591</u>
Noncurrent assets:			
Restricted cash and cash equivalents	-	6,514,715	6,514,715
Capital assets, net	<u>138,971,522</u>	<u>137,424,490</u>	<u>276,396,012</u>
Total noncurrent assets	<u>138,971,522</u>	<u>143,939,205</u>	<u>282,910,727</u>
Total assets	<u>182,242,070</u>	<u>166,935,248</u>	<u>349,177,318</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred charge on refunding	<u>599,665</u>	<u>4,236</u>	<u>603,901</u>
Total deferred outflows of resources	<u>599,665</u>	<u>4,236</u>	<u>603,901</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	2,441,886	571,824	3,013,710
Payroll payable	166,623	55,569	222,192
Accrued interest payable	395,106	202,058	597,164
Retainage payable	1,027,464	33,876	1,061,340
Guaranty deposits	852,976	411,066	1,264,042
Notes payable	3,475,000	3,480,951	6,955,951
Compensated absences	<u>42,076</u>	<u>28,901</u>	<u>70,977</u>
Total current liabilities	<u>8,401,131</u>	<u>4,784,245</u>	<u>13,185,376</u>
Noncurrent liabilities:			
Notes payable, net	50,830,984	26,000,713	76,831,697
Compensated absences	<u>475,354</u>	<u>326,507</u>	<u>801,861</u>
Total noncurrent liabilities	<u>51,306,338</u>	<u>26,327,220</u>	<u>77,633,558</u>
Total liabilities	<u>59,707,469</u>	<u>31,111,465</u>	<u>90,818,934</u>
NET POSITION			
Net invested in capital assets	95,146,667	107,908,951	203,055,618
Restricted for debt service	503,895	-	503,895
Restricted for capital projects	-	6,614,312	6,614,312
Unrestricted	<u>27,483,704</u>	<u>21,304,756</u>	<u>48,788,460</u>
Total net position	<u>\$ 123,134,266</u>	<u>\$ 135,828,019</u>	<u>\$ 258,962,285</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION ENTERPRISE FUND - NORMAN UTILITIES AUTHORITY FOR THE YEAR ENDED JUNE 30, 2020

	Water	Wastewater	Total
Operating revenues:			
Water service, net	\$ 23,448,852	\$ -	\$ 23,448,852
Wastewater service, net	-	15,984,512	15,984,512
Other	<u>362,544</u>	<u>-</u>	<u>362,544</u>
Total operating revenues	<u>23,811,396</u>	<u>15,984,512</u>	<u>39,795,908</u>
Operating expenses:			
Salaries and benefits	4,389,482	3,552,697	7,942,179
Supplies and materials	2,392,919	493,736	2,886,655
Services and maintenance	6,733,530	4,630,100	11,363,630
Depreciation and amortization	<u>4,930,396</u>	<u>9,236,047</u>	<u>14,166,443</u>
Total operating expenses	<u>18,446,327</u>	<u>17,912,580</u>	<u>36,358,907</u>
Operating income	<u>5,365,069</u>	<u>(1,928,068)</u>	<u>3,437,001</u>
Nonoperating revenues (expenses):			
Tax revenue	-	1,283,126	1,283,126
Investment earnings	931,490	650,871	1,582,361
Interest and fiscal charges	(1,692,674)	(827,724)	(2,520,398)
Miscellaneous income (expense)	<u>151,297</u>	<u>60,165</u>	<u>211,462</u>
Net nonoperating revenues (expenses)	<u>(609,887)</u>	<u>1,166,438</u>	<u>556,551</u>
Income before capital contributions and operating transfers	<u>4,755,182</u>	<u>(761,630)</u>	<u>3,993,552</u>
Capital contributions - donated water and sewer distribution systems	1,760,720	1,025,585	2,786,305
Transfers out	<u>(1,083,577)</u>	<u>(568,295)</u>	<u>(1,651,872)</u>
Net capital contributions and transfers	<u>677,143</u>	<u>457,290</u>	<u>1,134,433</u>
Net income	5,432,325	(304,340)	5,127,985
Net position - beginning	<u>117,701,941</u>	<u>136,132,359</u>	<u>253,834,300</u>
Net position - ending	<u>\$ 123,134,266</u>	<u>\$ 135,828,019</u>	<u>\$ 258,962,285</u>

THE CITY OF NORMAN, OKLAHOMA
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUND - NORMAN UTILITIES AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2020

	Water	Wastewater	Total
Cash flows from operating activities:			
Cash received from customers	\$ 23,381,603	\$ 15,976,560	\$ 39,358,163
Cash paid to employees for services	(4,300,283)	(3,605,776)	(7,906,059)
Cash paid to suppliers	(8,832,103)	(4,783,737)	(13,615,840)
Other payments	955,503	213,947	1,169,450
Net cash provided by (used for) operating activities	<u>11,204,720</u>	<u>7,800,994</u>	<u>19,005,714</u>
Cash flows from noncapital financing activities:			
Transfers out	<u>(1,083,577)</u>	<u>(568,295)</u>	<u>(1,651,872)</u>
Net cash used for noncapital financing activities	<u>(1,083,577)</u>	<u>(568,295)</u>	<u>(1,651,872)</u>
Cash flows from capital and related financing activities:			
Proceeds from disposal of capital assets	30,225	-	30,225
Payments for the acquisition of capital assets	(19,388,236)	(1,143,162)	(20,531,398)
Proceeds from taxes	-	1,283,126	1,283,126
Proceeds from notes payable	6,447,741	-	6,447,741
Principal payments on notes payable	(3,710,000)	(3,586,095)	(7,296,095)
Interest and fiscal charges paid	<u>(1,569,107)</u>	<u>(819,999)</u>	<u>(2,389,106)</u>
Net cash provided by (used for) capital and related financing activities	<u>(18,189,377)</u>	<u>(4,266,130)</u>	<u>(22,455,507)</u>
Cash flows from investing activities:			
Proceeds from maturity of investments	20,613,317	14,343,503	34,956,820
Payments for purchases of investments	(9,692,693)	(7,839,580)	(17,532,273)
Investment earnings received	<u>752,611</u>	<u>472,631</u>	<u>1,225,242</u>
Net cash provided by investing activities	<u>11,673,235</u>	<u>6,976,554</u>	<u>18,649,789</u>
Net change in cash and cash equivalents	3,605,001	9,943,123	13,548,124
Cash and cash equivalents - beginning	<u>24,591,587</u>	<u>7,993,581</u>	<u>32,585,168</u>
Cash and cash equivalents - ending	<u>\$ 28,196,588</u>	<u>\$ 17,936,704</u>	<u>\$ 46,133,292</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 5,365,069	\$ (1,928,068)	\$ 3,437,001
Adjustments to reconcile operating income to net cash provided by operating activities:			
Miscellaneous income	151,297	60,165	211,462
Bad debt expense	155,619	100,733	256,352
Depreciation and amortization	4,930,396	9,236,047	14,166,443
Gain on disposal of property, plant and equipment	497,864	18,816	516,680
Increase in accounts receivable, net	(579,686)	(117,009)	(696,695)
Decrease due from other funds	306,342	134,963	441,305
Increase (decrease) in accounts payable and accrued liabilities	(534,482)	365,172	(169,310)
Increase (decrease) in payroll payable	69,410	(23,769)	45,641
Increase (decrease) in retainage payable	828,828	(25,073)	803,755
Increase (decrease) in guaranty deposits	(5,726)	8,327	2,601
Increase (decrease) in compensated absences	<u>19,789</u>	<u>(29,310)</u>	<u>(9,521)</u>
Net cash provided by (used for) operating activities	<u>\$ 11,204,720</u>	<u>\$ 7,800,994</u>	<u>\$ 19,005,714</u>
NONCASH ACTIVITIES:			
Donated water and sewer distribution systems	<u>\$ 1,760,720</u>	<u>\$ 1,025,585</u>	<u>\$ 2,786,305</u>
Change in unrealized gain on investments	<u>\$ (255,631)</u>	<u>\$ (213,089)</u>	<u>\$ (468,720)</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2020

	Annuity Pool Fund	401(a) Plan Fund	Total
ASSETS			
Investments - mutual funds	\$ 162,027	\$ 98,153,257	\$ 98,315,284
Loans to 401(a) Plan participants	<u>-</u>	<u>3,690,250</u>	<u>3,690,250</u>
Total assets	<u>\$ 162,027</u>	<u>\$ 101,843,507</u>	<u>\$ 102,005,534</u>
LIABILITIES AND NET POSITION			
Net position:			
Restricted for pension benefits	\$ 162,027	\$ -	\$ 162,027
Restricted for retirement benefits	<u>-</u>	<u>101,843,507</u>	<u>101,843,507</u>
Total liabilities and net position	<u>\$ 162,027</u>	<u>\$ 101,843,507</u>	<u>\$ 102,005,534</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED JUNE 30, 2020

ADDITIONS:	Annuity Pool Fund	401(a) Fund	Total
Contributions:			
Employer	\$ -	\$ 2,625,655	\$ 2,625,655
Employee	-	2,346,816	2,346,816
	<u>-</u>	<u>4,972,471</u>	<u>4,972,471</u>
Total contributions	-	4,972,471	4,972,471
Investment income (loss)	<u>7,596</u>	<u>8,036,644</u>	<u>8,044,240</u>
Total additions	<u>7,596</u>	<u>13,009,115</u>	<u>13,016,711</u>
DEDUCTIONS:			
Pension benefits paid	50,659	8,431,871	8,482,530
Administration costs	<u>815</u>	<u>-</u>	<u>815</u>
Total deductions	<u>51,474</u>	<u>8,431,871</u>	<u>8,483,345</u>
NET (DECREASE) INCREASE	(43,878)	4,577,244	4,533,366
Net position restricted for pension and retirement benefits, Beginning of year	<u>205,905</u>	<u>97,266,263</u>	<u>97,472,168</u>
End of year	<u>\$ 162,027</u>	<u>\$ 101,843,507</u>	<u>\$ 102,005,534</u>

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	Balance			Balance
	July 1, 2019	Additions	Deletions	June 30, 2020
CENTENNIAL AGENCY FUND:				
ASSETS				
Cash	\$ 2,751	\$ 3,177	\$ -	\$ 5,928
Investments	6,707	-	(2,925)	3,782
Interest receivable	<u>32</u>	<u>-</u>	<u>(16)</u>	<u>16</u>
Total assets	<u>\$ 9,490</u>	<u>\$ 3,177</u>	<u>\$ (2,941)</u>	<u>\$ 9,726</u>
LIABILITIES				
Funds held for others	<u>\$ 9,490</u>	<u>\$ 3,177</u>	<u>\$ (2,941)</u>	<u>\$ 9,726</u>



Statistical Section

STATISTICAL SECTION

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

Contents	Page
Financial Trends	116-121
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	122-124
These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.	
Debt Capacity	125-129
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	130-131
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	132-134
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

THE CITY OF NORMAN, OKLAHOMA

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities										
Net investment in capital assets	\$ 404,269,078	\$ 343,501,122	\$ 313,981,902	\$ 256,880,446	\$ 283,831,364	\$ 282,047,232	\$ 244,461,034	\$ 230,316,125	\$ 226,301,248	\$ 206,982,527
Restricted	55,892,634	104,620,414	90,270,821	128,695,200	86,079,582	62,156,755	59,573,841	59,450,003	46,103,535	42,431,883
Unrestricted	(34,422,332)	(29,730,368)	(38,717,191)	(44,522,535)	(43,098,736)	(48,153,075)	(6,068,605)	(6,704,318)	(2,190,465)	(1,500,859)
Total governmental activities net position	\$ 425,739,380	\$ 418,391,168	\$ 365,535,532	\$ 341,053,111	\$ 326,812,210	\$ 296,050,912	\$ 297,966,270	\$ 283,061,810	\$ 270,214,318	\$ 247,913,551
Business-type activities										
Net investment in capital assets	\$ 220,190,180	\$ 210,610,975	\$ 212,565,194	\$ 211,414,863	\$ 198,638,260	\$ 183,385,272	\$ 159,760,362	\$ 153,645,303	\$ 149,661,248	\$ 149,829,383
Restricted	7,349,204	10,621,197	16,958,115	6,629,187	1,067,921	10,023,153	23,214,855	23,764,771	23,888,626	22,568,084
Unrestricted	64,252,037	63,100,838	44,400,215	42,813,500	48,149,794	34,949,967	30,864,543	31,874,629	29,032,825	22,177,807
Total business-type activities net position	\$ 291,791,421	\$ 284,333,010	\$ 273,923,524	\$ 260,857,550	\$ 247,855,975	\$ 228,358,392	\$ 213,839,760	\$ 209,284,703	\$ 202,582,699	\$ 194,575,274
Primary government										
Net investment in capital assets	\$ 624,459,258	\$ 554,112,097	\$ 526,547,096	\$ 468,295,309	\$ 482,469,624	\$ 465,432,504	\$ 404,221,396	\$ 383,961,428	\$ 375,962,496	\$ 356,811,910
Restricted	63,241,838	115,241,611	107,228,936	135,324,387	87,147,503	72,179,908	82,788,696	83,214,774	69,992,161	64,999,967
Unrestricted	29,829,705	33,370,470	5,683,024	(1,709,035)	5,051,058	(13,203,108)	24,795,938	25,170,311	26,842,360	20,676,948
Total primary government net position	\$ 717,530,801	\$ 702,724,178	\$ 639,459,056	\$ 601,910,661	\$ 574,668,185	\$ 524,409,304	\$ 511,806,030	\$ 492,346,513	\$ 472,797,017	\$ 442,488,825

THE CITY OF NORMAN, OKLAHOMA

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
EXPENSES										
Governmental activities:										
General government	\$ 17,378,592	\$ 13,738,006	\$ 12,859,373	\$ 10,763,028	\$ 7,999,471	\$ 8,500,923	\$ 11,353,764	\$ 10,067,554	\$ 10,443,931	\$ 6,904,076
Planning	3,228,429	3,367,244	3,477,364	3,315,422	3,320,979	3,297,788	3,208,350	3,334,674	3,063,260	2,944,363
City controller	2,207,900	2,093,411	2,449,352	1,231,508	893,000	706,793	3,337,932	3,256,464	2,404,401	2,299,619
Parks and recreation	8,539,967	7,509,979	6,502,407	7,087,981	5,936,777	5,194,010	5,555,796	5,251,598	5,076,388	4,951,495
Public works	39,467,992	25,614,539	26,682,973	30,953,789	25,389,053	22,130,634	21,530,165	21,126,808	19,810,834	17,384,501
Public service	1,995,214	4,118,076	2,627,283	3,892,316	2,976,064	2,875,451	2,841,186	2,242,861	2,368,850	2,777,749
Public safety	53,536,220	45,140,356	55,817,838	53,613,442	50,921,384	47,480,003	47,819,597	46,133,723	44,528,493	41,050,651
Interest on long-term debt	4,248,252	4,137,314	4,937,107	4,734,646	5,277,210	2,325,103	1,901,483	1,812,032	1,715,040	1,306,589
Total governmental activities expenses	130,602,566	105,718,925	115,353,697	115,592,132	102,713,938	92,510,705	97,548,273	93,225,714	89,411,197	79,619,043
Business-type activities:										
Westwood Park	2,124,443	2,026,461	1,500,752	1,256,295	1,340,514	1,352,050	1,456,266	1,451,959	1,477,312	1,475,445
Water	18,435,089	16,505,700	16,321,995	14,535,092	14,843,372	13,258,111	13,261,728	13,776,395	13,630,489	10,479,592
Wastewater	18,627,217	16,628,468	14,627,959	15,448,412	17,222,233	15,477,741	15,658,935	12,229,767	11,846,247	12,736,928
Sanitation	13,479,559	13,494,028	12,878,886	12,005,272	12,135,886	12,298,641	13,580,465	12,325,246	11,679,875	11,055,474
Total business-type activities expenses	52,666,308	48,654,657	45,329,592	43,245,071	45,542,005	42,386,543	43,957,394	39,783,367	38,633,923	35,747,439
Total primary government expenses	\$ 183,268,874	\$ 154,373,582	\$ 160,683,289	\$ 158,837,203	\$ 148,255,943	\$ 134,897,248	\$ 141,505,667	\$ 133,009,081	\$ 128,045,120	\$ 115,366,482

THE CITY OF NORMAN, OKLAHOMA

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 3,337,660	\$ 3,002,995	\$ 2,767,032	\$ 2,730,336	\$ 2,612,495	\$ 2,644,776	\$ 2,554,566	\$ 2,431,538	\$ 2,297,341	\$ 186,094
Planning	913,979	844,712	992,383	1,061,776	1,353,411	1,369,582	1,376,330	1,213,106	1,123,524	1,009,561
City controller	515,612	670,685	683,215	661,162	642,726	624,135	214,838	165,969	155,226	66,093
Parks and recreation	405,547	520,044	497,538	530,140	653,613	609,175	587,433	506,358	568,817	592,238
Public works	497,224	-	-	-	-	-	-	-	-	-
Public safety	3,254,865	2,136,384	3,256,469	2,912,640	3,097,858	3,296,808	3,125,456	3,040,640	3,208,642	3,066,665
Operating grants and contributions	10,767,930	10,388,169	14,570,508	12,379,368	10,375,508	7,758,836	7,533,947	6,893,726	8,241,861	6,771,145
Capital grants and contributions	6,333,788	30,404,175	9,476,361	3,813,991	15,614,024	29,958,311	5,501,318	5,754,538	13,944,754	30,934,491
Total governmental activities	26,026,605	47,967,164	32,243,506	24,089,413	34,349,635	46,261,623	20,893,888	20,005,875	29,540,165	42,626,287
Business-type activities:										
Charges for services										
Westwood Park	1,632,229	1,661,792	1,264,059	933,853	1,098,470	1,065,318	1,102,085	1,141,661	1,167,227	1,143,973
Water	22,217,540	20,498,886	21,843,184	21,735,237	21,496,086	16,050,007	14,053,978	14,817,012	15,460,504	14,185,492
Wastewater	15,984,512	15,992,294	15,781,490	15,767,530	15,923,396	15,715,128	13,906,530	11,383,549	11,451,634	11,075,566
Sanitation	15,243,633	14,791,863	14,549,273	14,584,853	14,338,856	13,991,281	14,006,612	13,546,341	13,501,474	11,820,912
Capital grants and contributions	2,786,305	2,569,510	5,263,425	2,324,230	10,525,831	7,703,017	3,721,838	5,006,692	4,291,238	4,474,408
Total business-type activities	57,864,219	55,514,345	58,701,431	55,345,703	63,382,639	54,524,751	46,791,043	45,895,255	45,872,077	42,700,351
program revenues	\$ 83,890,824	\$ 103,481,509	\$ 90,944,937	\$ 79,435,116	\$ 97,732,274	\$ 100,786,374	\$ 67,684,931	\$ 65,901,130	\$ 75,412,242	\$ 85,326,638
Total primary government revenues										
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (104,575,961)	\$ (57,751,761)	\$ (83,110,191)	\$ (91,502,719)	\$ (68,364,303)	\$ (46,249,082)	\$ (76,654,385)	\$ (73,219,839)	\$ (59,871,032)	\$ (36,992,756)
Business-type activities	5,197,911	6,859,688	13,371,839	12,100,632	17,840,634	12,138,208	2,833,649	6,111,888	7,238,154	6,952,912
Total primary government net expense	\$ (99,378,050)	\$ (50,892,073)	\$ (69,738,352)	\$ (79,402,087)	\$ (50,523,669)	\$ (34,110,874)	\$ (73,820,736)	\$ (67,107,951)	\$ (52,632,878)	\$ (30,039,844)

THE CITY OF NORMAN, OKLAHOMA

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
GENERAL REVENUE AND OTHER CHANGES IN NET ASSETS										
Governmental activities:										
Sales taxes	\$ 75,811,863	\$ 74,419,538	\$ 73,967,709	\$ 73,345,458	\$ 70,981,084	\$ 65,778,553	\$ 63,580,323	\$ 60,558,342	\$ 58,777,068	\$ 56,146,152
Franchise taxes	6,531,339	6,625,971	7,094,490	6,807,860	6,743,712	7,155,689	6,782,746	6,572,686	6,584,853	6,228,264
Property taxes	12,062,899	11,395,748	11,971,525	14,739,604	9,794,490	11,620,098	12,481,940	11,532,189	7,931,992	7,684,537
Use taxes	9,017,696	7,196,831	5,148,317	3,797,125	3,467,863	2,864,048	2,504,136	2,428,484	2,393,708	2,187,289
Hotel/Motel taxes	1,307,527	1,878,249	1,879,453	1,759,851	1,825,087	1,785,788	1,648,452	1,352,311	1,130,488	1,068,000
Alcoholic beverage taxes	498,318	441,456	324,252	316,013	306,225	301,618	272,697	285,339	271,359	247,014
Cigarette taxes	704,411	657,982	834,649	894,092	839,492	771,946	746,900	764,653	845,149	816,503
Investment earnings	2,489,875	3,198,922	1,586,732	513,238	1,965,790	323,863	379,805	208,763	701,524	396,095
Miscellaneous	2,450,934	3,762,651	3,627,956	2,275,838	1,943,106	2,196,990	2,458,091	2,319,411	2,761,766	962,203
Transfers	1,049,311	1,030,049	1,157,529	1,294,541	1,258,752	1,085,283	703,755	734,795	773,892	781,772
Total governmental activities	111,924,173	110,607,397	107,592,612	105,743,620	99,125,601	93,883,876	91,558,845	86,756,973	82,171,799	76,517,829
Business-type activities:										
Sales taxes	1,283,126	1,236,361	1,319,885	1,530,490	1,709,914	2,149,079	1,769,195	1,432,321	1,597,960	1,038,715
Excise taxes	1,974,631	3,046,291	472,025	163,961	515,716	250,382	342,984	187,837	278,751	355,657
Investment earnings	52,054	297,195	(940,246)	501,033	690,071	1,066,246	312,984	241,978	(333,548)	187,358
Miscellaneous	(1,049,311)	(1,030,049)	(1,157,529)	(1,294,541)	(1,258,752)	(1,085,283)	(703,755)	(734,795)	(773,892)	(781,772)
Transfers	2,260,500	3,549,798	(305,865)	900,943	1,656,949	2,380,424	1,721,408	1,127,341	769,271	799,958
Total business-type activities	\$ 114,184,673	\$ 114,157,195	\$ 107,286,747	\$ 106,644,563	\$ 100,782,550	\$ 96,264,300	\$ 93,280,253	\$ 87,884,314	\$ 82,941,070	\$ 77,317,787
CHANGE IN NET POSITION										
Governmental activities	\$ 7,348,212	\$ 52,855,636	\$ 23,282,421	\$ 14,240,901	\$ 30,761,298	\$ 47,634,794	\$ 14,904,460	\$ 13,537,134	\$ 22,300,767	\$ 39,525,073
Business-type activities	7,458,411	10,409,486	13,065,974	13,001,575	19,497,583	14,518,632	4,555,057	7,239,229	8,007,425	7,752,870
Total primary government	\$ 14,806,623	\$ 63,265,122	\$ 36,348,395	\$ 27,242,476	\$ 50,258,881	\$ 62,153,426	\$ 19,459,517	\$ 20,776,363	\$ 30,308,192	\$ 47,277,943

THE CITY OF NORMAN, OKLAHOMA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	14,065	32,402	24,898	29,473	20,896	26,642	47,131	337,642	320,512	334,339
Restricted	-	-	-	-	-	-	-	-	-	14,307
Committed	3,889,176	3,794,419	3,331,295	3,302,656	3,226,149	3,191,393	2,554,596	1,510,323	1,503,429	-
Assigned	2,849,571	2,541,165	2,503,122	2,298,057	2,281,428	2,890,768	2,152,746	2,169,071	1,467,574	1,037,294
Unassigned	10,836,506	13,223,749	13,046,521	7,166,425	8,861,932	8,290,555	8,384,756	8,405,617	10,184,006	12,283,864
Total general fund	\$ 17,589,318	\$ 19,591,735	\$ 18,905,836	\$ 12,796,611	\$ 14,390,405	\$ 14,399,358	\$ 13,139,229	\$ 12,422,653	\$ 13,475,521	\$ 13,669,804
All other governmental funds										
Restricted	\$ 140,480,988	\$ 147,577,408	\$ 155,984,942	\$ 180,115,682	\$ 162,761,288	\$ 123,475,384	\$ 86,328,836	\$ 95,384,952	\$ 68,041,077	\$ 48,791,046
Assigned	5,213,736	3,994,574	4,540,592	3,712,781	3,436,379	2,148,078	1,834,631	1,350,473	1,059,369	587,163
Total all other governmental funds	\$ 145,694,724	\$ 151,571,982	\$ 160,525,534	\$ 183,828,463	\$ 166,197,667	\$ 125,623,462	\$ 88,163,467	\$ 96,735,425	\$ 69,100,446	\$ 49,378,209

THE CITY OF NORMAN, OKLAHOMA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

(Dollars in Thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
REVENUES										
Taxes	\$ 104,731	\$ 101,516	\$ 100,061	\$ 100,450	\$ 92,812	\$ 89,204	\$ 86,998	\$ 82,444	\$ 76,818	\$ 73,314
Licenses & permits	1,142	1,129	1,104	1,162	1,399	1,393	1,426	1,212	1,190	1,086
Intergovernmental revenues	6,622	5,740	10,501	8,358	6,396	4,553	8,773	8,637	9,370	9,608
Charges for services	11,046	11,694	11,657	10,427	10,966	11,484	10,918	10,684	10,268	11,775
Fines and forfeitures	1,794	1,473	2,366	2,300	2,425	2,644	2,461	2,352	2,554	2,490
Investment earnings	2,254	2,898	1,330	278	334	278	365	194	517	389
Special assessment revenue	-	-	-	-	-	-	-	-	26	38
Other	3,324	2,737	3,466	2,652	1,762	2,403	2,424	1,424	2,381	1,006
Total revenues	<u>130,913</u>	<u>127,187</u>	<u>130,485</u>	<u>125,627</u>	<u>116,094</u>	<u>111,959</u>	<u>113,365</u>	<u>106,947</u>	<u>103,124</u>	<u>99,706</u>
EXPENDITURES										
General government	10,015	10,993	10,681	10,022	9,742	9,431	10,218	7,963	8,571	8,036
Planning	3,394	3,528	3,637	3,429	3,454	3,416	3,379	3,387	3,261	3,112
City controller	3,623	3,378	3,503	3,353	3,141	2,940	4,492	4,957	4,405	6,009
Parks & recreation	6,239	5,293	5,249	5,999	5,167	4,665	4,930	4,520	4,598	4,760
Public works	28,266	17,147	18,907	22,634	18,572	18,137	18,054	17,481	17,240	15,863
Public service	1,996	4,120	2,662	3,892	2,963	2,920	2,803	2,239	2,401	2,772
Public safety	48,638	43,009	45,765	43,913	46,079	43,780	45,846	42,780	40,310	37,997
Capital Outlay	24,521	47,788	43,097	31,375	32,910	22,358	20,897	18,152	16,449	16,150
Debt Service:										
Principal	8,415	27,269	16,245	11,671	9,668	9,542	22,949	5,655	4,319	3,750
Interest and fiscal charges	4,388	4,265	4,545	4,839	3,905	2,180	2,400	1,578	1,315	1,223
Total expenditures	<u>139,495</u>	<u>166,790</u>	<u>154,291</u>	<u>141,127</u>	<u>135,601</u>	<u>119,369</u>	<u>135,968</u>	<u>108,712</u>	<u>102,869</u>	<u>99,672</u>
Excess of revenues over (under) expenditures	<u>(8,582)</u>	<u>(39,603)</u>	<u>(23,806)</u>	<u>(15,500)</u>	<u>(19,507)</u>	<u>(7,410)</u>	<u>(22,603)</u>	<u>(1,765)</u>	<u>255</u>	<u>34</u>
OTHER FINANCING SOURCES (USES)										
Bonds issued	-	30,000	6,105	30,950	65,935	45,909	14,971	28,175	19,861	7,559
Premium on issuance of debt	-	585	-	-	1,426	-	-	179	19,861	7,559
Payment to refunded bond escrow agent	-	-	-	-	(7,707)	-	-	-	-	-
Transfers in	18,646	5,736	16,729	10,533	35,034	7,456	5,486	8,863	7,404	9,564
Transfers out	(17,943)	(4,986)	(16,222)	(9,946)	(34,616)	(7,235)	(5,710)	(8,870)	(7,992)	(8,782)
Total other financing sources (uses)	<u>703</u>	<u>31,335</u>	<u>6,612</u>	<u>31,537</u>	<u>60,072</u>	<u>46,130</u>	<u>14,747</u>	<u>28,347</u>	<u>39,134</u>	<u>15,900</u>
Net change in fund balances	\$ (7,879)	\$ (8,268)	\$ (17,194)	\$ 16,037	\$ 40,565	\$ 38,720	\$ (7,856)	\$ 26,582	\$ 39,389	\$ 15,934
Debt service as a percentage of noncapital expenditures	11.14%	26.50%	18.70%	15.04%	13.22%	12.08%	22.03%	7.99%	6.52%	5.95%

THE CITY OF NORMAN, OKLAHOMA

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General merchandise	\$ 18,579	\$ 17,864	\$ 17,324	\$ 16,869	\$ 15,678	\$ 15,047	\$ 14,991	\$ 10,174	\$ 14,697	\$ 14,515
Eating and drinking establishments	12,657	13,189	12,558	12,011	11,366	10,708	10,096	10,372	9,350	8,973
Miscellaneous retail	9,865	9,540	9,253	9,063	9,060	8,518	7,899	17,001	6,177	5,696
Building materials and farm tools	6,050	5,257	5,133	5,241	5,948	4,487	4,742	2,708	3,985	3,421
Electric, gas & sanitary services	3,820	3,986	4,242	3,864	3,460	3,586	3,512	3,393	3,538	3,304
Home furnishings and appliances	3,410	3,668	3,704	3,785	3,480	3,507	3,166	1,963	3,156	3,246
Food stores	3,843	3,849	4,019	4,158	4,062	3,849	4,058	2,430	3,470	3,136
Apparel and accessory stores	2,914	3,437	3,527	3,547	3,642	3,549	3,531	2,423	3,050	2,983
Communications	2,205	2,482	2,503	2,585	2,429	2,349	2,322	1,494	2,480	2,463
Wholesale trade-durable goods	4,855	4,539	4,571	4,657	4,392	4,042	3,341	2,487	2,018	1,687
All other outlets	7,028	7,141	7,204	8,097	7,377	6,327	6,484	5,477	7,267	7,043
Total	\$ 75,226	\$ 74,952	\$ 74,038	\$ 73,877	\$ 70,894	\$ 65,969	\$ 64,142	\$ 59,922	\$ 59,188	\$ 56,467

City direct sales tax rate 4.125% 4.00% 4.00% 4.00% 4.00% 4.00% 3.50% 3.50% 3.50% 3.50%

Sources: Oklahoma Tax Commission

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

THE CITY OF NORMAN, OKLAHOMA

DIRECT AND OVERLAPPING SALES TAX RATES LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rate	State of Oklahoma	Cleveland County
2020	4.125 %	4.5 %	0.125 %
2019	4.000 %	4.5 %	0.250 %
2018	4.000 %	4.5 %	0.250 %
2017	4.000 %	4.5 %	0.250 %
2016	4.000 %	4.5 %	0.250 %
2015	3.500 %	4.5 %	0.250 %
2014	3.500 %	4.5 %	0.250 %
2013	3.500 %	4.5 %	0.250 %
2012	3.500 %	4.5 %	0.250 %
2011	3.500 %	4.5 %	0.250 %
2010	3.500 %	4.5 %	0.250 %

Source: Oklahoma Tax Commission

Note: Voters approved a .125% City sales tax for transit operations effective April 1, 2020. Voters approved a 0.5% City sales tax for Norman Forward quality of life projects effective January 1, 2016. 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 2020 AND 2011
(Dollars in Thousands)**

	Fiscal Year 2020			Fiscal Year 2011			
	Number of Filers	Percentage of Total	Tax Liability	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail trade	1,177	38.0 %	\$ 44,661	1,353	49.0 %	\$ 43,347	76.8 %
Accommodation and food service	268	8.7 %	13,938	-	0.0 %	-	0.0 %
Real estate and rental and leasing	198	6.4 %	1,065	-	0.0 %	-	0.0 %
Wholesale trade	506	16.3 %	4,855	468	17.0 %	1,999	3.5 %
Manufacturing	263	8.5 %	1,435	164	5.9 %	1,053	1.9 %
Information	173	5.6 %	2,205	-	0.0 %	-	0.0 %
Other services (except public administration)	119	3.8 %	870	-	0.0 %	-	0.0 %
Professional, scientific, and technical services	76	2.5 %	222	459	16.6 %	3,797	6.7 %
Arts, entertainment, and recreation	32	1.0 %	493	-	0.0 %	-	0.0 %
Admin, support, waste mgmt and remediation services	49	1.6 %	103	-	0.0 %	-	0.0 %
Construction	25	0.8 %	108	15	0.5 %	28	0.0 %
Transportation and warehousing	24	0.8 %	182	152	5.5 %	5,797	10.3 %
Finance and insurance	21	0.7 %	95	16	0.6 %	17	0.0 %
Utilities	9	0.3 %	3,820	-	0.0 %	-	0.0 %
Agricultural, forestry, fishing and hunting	6	0.2 %	45	16	0.6 %	93	0.2 %
Educational services	6	0.2 %	894	-	0.0 %	-	0.0 %
Health care and social assistance	14	0.5 %	19	-	0.0 %	-	0.0 %
Mining, quarrying, and oil and gas extraction	4	0.1 %	8	3	0.1 %	7	0.0 %
Public administration	1	0.0 %	(1)	1	(0.0)%	110	0.2 %
Nonclassifiable	126	4.1 %	210	113	4.1 %	219	0.4 %
Total	3,097	100.0 %	\$ 75,227	2,760	100.0 %	\$ 56,467	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 Bonds	Term Loans	Capital Leases	Term Loans	Capital Leases			
	Obligation	Revenue Bonds	Assessment Debt	Capital Leases	Term Loans								
2011	\$ 28,495	-	\$ 239	-	\$ 5,789	\$ 26,480	\$ 20,088	-	\$	81,091	0.9 %	733.26	
2012	43,140	-	-	-	6,925	24,570	22,025	-	-	96,660	1.1 %	853.34	
2013	58,790	-	-	-	13,965	22,632	22,868	-	-	118,255	1.2 %	915.95	
2014	49,657	-	-	491	14,356	20,593	21,243	-	-	106,340	1.0 %	899.68	
2015	64,196	-	-	226	36,411	18,597	41,009	-	-	160,439	1.3 %	1,211.08	
2016	71,419	-	-	-	78,650	981	54,470	-	-	205,520	1.8 %	1,708.66	
2017	63,101	-	-	819	106,440	839	55,677	-	-	226,876	1.9 %	1,843.48	
2018	51,788	-	-	414	107,790	693	65,138	-	-	225,823	1.9 %	1,838.31	
2019	71,034	-	-	-	92,065	536	86,230	-	-	249,865	2.1 %	2,023.67	
2020	67,812	-	-	-	86,675	369	83,788	-	-	238,644	1.9 %	1,911.08	

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 130 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
2011	\$ 28,495	\$ 3,669	\$ 24,826	3.21%	222.86
2012	43,140	4,817	38,323	4.85%	338.32
2013	58,790	9,121	49,669	6.13%	429.80
2014	49,657	8,967	40,690	4.81%	344.26
2015	64,196	8,847	55,349	6.34%	468.90
2016	71,419	6,552	64,867	6.97%	539.28
2017	63,101	8,638	54,463	5.48%	432.21
2018	51,788	5,769	46,019	4.49%	362.99
2019	71,034	2,674	68,360	6.58%	553.65
2020	67,812	7,201	60,611	5.65%	485.35

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 128 for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics on page 130.

THE CITY OF NORMAN, OKLAHOMA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2020

(dollars in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Debt repaid with property taxes: County	\$ -	0.00%	\$ -
Debt repaid with property taxes: Norman Public Schools	106,740	94.29%	100,645
Debt repaid with property taxes: McLoud Public Schools	720	0.03%	0
Debt repaid with property taxes: Robin Hill Public Schools	215	0.10%	0
Debt repaid with property taxes: Noble Public Schools	5,100	0.65%	33
Debt repaid with property taxes: Mid Del Public Schools	52,985	0.02%	11
Debt repaid with property taxes: Little Axe Public Schools	995	0.19%	2
Debt repaid with property taxes: Moore Public Schools	<u>112,300</u>	3.14%	<u>3,526</u>
Subtotal, overlapping debt	279,055		104,217
City of Norman direct debt			<u>154,487</u>
Total direct and overlapping debt			<u>\$ 258,704</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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Assessed value of property	\$ 1,073,220	\$ 1,038,922	\$ 993,913	\$ 963,371	\$ 930,798	\$ 873,553	\$ 843,440	\$ 807,370	\$ 790,324	\$ 773,094
Debt limit ¹ , 10% of assessed value	107,322	103,892	99,391	96,337	93,080	87,355	84,344	80,737	79,032	77,309
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	\$ 107,322	\$ 103,892	\$ 99,391	\$ 96,337	\$ 93,080	\$ 87,355	\$ 84,344	\$ 80,737	\$ 79,032	\$ 77,309
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	\$ 321,966	\$ 311,677	\$ 298,174	\$ 289,011	\$ 279,239	\$ 262,066	\$ 253,032	\$ 242,211	\$ 237,097	\$ 231,928
Amount of debt applicable to limit:										
General Obligation Bonds	66,205	69,230	50,360	61,445	71,419	64,196	49,495	58,620	43,140	28,495
Less: Resources restricted to paying principal	(7,201)	(2,674)	(5,769)	(8,638)	(6,552)	(8,847)	(8,967)	(9,121)	(4,817)	(3,669)
Total net debt applicable to limit	59,004	66,556	44,591	52,807	64,867	55,349	40,528	49,499	38,323	24,826
Legal debt margin	\$ 262,962	\$ 245,121	\$ 253,583	\$ 236,204	\$ 214,372	\$ 206,717	\$ 212,504	\$ 192,712	\$ 198,774	\$ 207,102
Total net debt applicable to the limit as a percentage of debt limit	18.33%	21.35%	14.95%	18.27%	23.23%	21.12%	16.02%	20.44%	16.16%	10.70%

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			Net Available Revenue			Less: Operating Expenses ²			Gross Revenue ¹			Net Available Revenue			Less: Operating Expenses ²			Special Assessment Collections											
	Revenue	Principal	Debt Service Interest	Revenue	Principal	Debt Service Interest	Revenue	Principal	Debt Service Interest	Revenue	Principal	Debt Service Interest	Revenue	Principal	Debt Service Interest	Revenue	Principal	Debt Service Interest	Revenue	Principal	Debt Service Interest	Revenue	Principal	Debt Service Interest	Revenue	Principal	Debt Service Interest	Coverage		
2011	\$ 30,345	\$ 1,807	\$ 1,354	\$ 18,552	\$ 1,807	\$ 1,354	\$ 13,382	\$ 587	5.87	\$ 11,243	\$ 2,139	\$ 204	\$ 4.29	\$ 38	\$ 80	\$ 14	\$ 0.40													
2012	31,347	3,153	1,667	16,986	3,153	1,667	15,124	3.52	11,800	3,324	310	291	5.53	32	239	37	0.12													
2013	31,037	3,163	1,430	14,036	3,163	1,430	15,057	3.06	12,459	2,598	325	231	4.67	-	-	-	-													
2014	31,562	3,150	1,709	14,466	3,150	1,709	15,632	2.98	13,474	2,158	575	203	2.77	-	-	-	-													
2015	32,212	4,447	2,544	17,831	4,447	2,544	15,476	2.55	12,075	3,401	665	189	3.98	-	-	-	-													
2016	37,308	6,508	1,287	25,651	6,508	1,287	16,021	3.29	11,781	4,240	680	171	4.98	-	-	-	-													
2017	33,834	5,943	1,053	15,779	5,943	1,053	16,315	2.26	11,603	4,712	705	151	5.50	-	-	-	-													
2018	34,050	5,508	1,262	16,303	5,508	1,262	16,624	2.41	12,346	4,278	725	131	5.00	-	-	-	-													
2019	35,355	5,631	2,156	28,953	5,631	2,156	17,918	3.72	13,294	4,624	580	108	6.72	-	-	-	-													
2020	35,946	7,296	2,389	17,769	7,296	2,389	17,891	1.83	12,950	4,941	1,750	88	2.69	-	-	-	-													

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

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

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

THE CITY OF NORMAN, OKLAHOMA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal year	Population ¹	Personal Income (billions of dollars) ⁵	Per Capita Income ²	Median Age ²	School Enrollment ³	Unemployment Rate ⁴
2011	111,398	\$8.7	24,586	30.4	14,644	5.00%
2012	113,273	9.1	26,058	29.6	15,022	4.40%
2013	115,562	9.6	27,343	29.7	15,510	5.00%
2014	118,197	10.4	26,267	29.9	15,739	4.20%
2015	118,040	10.6	27,749	30.2	15,745	3.80%
2016	120,284	11.2	28,273	30.1	15,944	4.20%
2017	122,180	11.9	28,458	30.3	16,363	4.20%
2018	122,843	11.8	30,168	30.3	16,162	3.50%
2019	123,471	12.1	28,977	30.1	16,289	3.20%
2020	124,880	12.7	30,449	30.4	14,419	6.70%

Data Sources

¹ Years 2010 estimated by the City of Norman Planning Department. Years 2011- 19 obtained from census data

² U.S. Census Bureau, American Community Survey 2010-2019 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	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
The University of Oklahoma	11,649	1	18.80%	11,732	1	22.73%
Norman Regional Hospital	3,147	2	5.08%	2,751	2	5.33%
Norman Public Schools	1,972	3	3.18%	1,842	3	3.57%
York International/Johnson Controls	1,225	4	1.98%	1,118	4	2.17%
Walmart	1,170	5	1.89%			
City of Norman	887	6	1.43%	830	5	1.61%
Department of Mental Health & Substance Abuse	500	7	0.81%	584	6	1.13%
Hitachi	400	8	0.65%			
NOAA National Severe Storm Laboratory	400	9	0.65%	500	8	0.97%
Target	380	10	0.61%			
USPS National Center for Employee Development				558	7	1.08%
Oklahoma Veteran's Center				361	10	0.70%
ClientLogic/Site1	-		-	410	9	0.79%
Total	<u>21,730</u>		<u>35.08%</u>	<u>20,686</u>		<u>40.08%</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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government	62	64	60	64	61	59	40	38	36	36
Planning	34	38	36	38	37	36	37	36	36	37
City controller	34	32	30	30	29	28	35	37	38	38
Parks & recreation	52	55	59	58	53	52	47	52	54	53
Public works	118	115	116	119	112	112	110	108	106	104
Public safety										
Police	260	259	262	259	245	235	231	240	229	237
Fire	169	171	171	173	163	162	163	157	142	137
Westwood	34	37	18	16	17	17	18	18	19	18
Water	49	49	48	50	49	47	49	49	49	48
Wastewater	44	45	45	46	43	43	42	42	40	41
Sanitation	59	59	58	60	58	55	58	57	55	56
Total	915	924	903	913	867	846	830	834	804	805

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Planning										
Building permits issued	1,704	1,552	1,540	1,575	2,418	2,493	3,437	1,997	1,661	1,212
Building inspections conducted	24,719	23,216	23,799	25,846	26,556	29,348	26,699	26,410	21,572	24,001
Police										
Physical arrests	5,172	6,478	6,076	5,594	5,709	5,637	6,529	5,922	5,740	6,005
Parking violations	6,576	12,029	14,836	17,438	13,433	15,616	12,422	10,053	5,883	4,848
Traffic violations	13,422	15,509	14,985	16,988	16,249	16,330	16,803	16,295	17,531	19,102
Non-traffic violations	2,421	3,585	3,792	4,704	4,012	4,444	4,619	4,423	4,996	4,260
Fire										
Calls answered	16,071	15,925	15,491	14,425	13,761	12,650	12,234	11,560	11,129	11,198
Inspections	1,967	2,440	2,331	2,972	2,983	3,456	2,083	2,700	2,814	2,623
Sanitation										
Refuse collected (tons per day)	319	321	288	272	316	286	286	298	279	292
Recyclables collected (tons per day)	18	20	22	28	32	32	27	28	22	11
Highways and streets										
Street resurfacing (miles)	17	13	19	8	17	16	15	19	26	19
Street patching (tons of asphalt used)	523	1,091	1,611	2,502	2,767	1,814	2,364	1,178	792	2,651
Parks and recreation										
Athletic field permits issued	135,485	189,663	150,173	119,904	146,641	143,878	154,596	159,817	170,291	174,268
Community center admissions	77,539	105,455	127,239	129,705	127,522	138,650	121,791	138,109	142,738	145,828
Water										
New connections	478	441	407	458	496	649	504	919	364	649
Water main breaks	163	133	166	160	159	185	191	268	308	177
Average daily consumption (thousands of gallons)	13,440	12,080	13,250	12,730	12,180	12,500	12,470	12,390	13,220	13,060
Peak daily consumption (thousands of gallons)	22,200	21,290	20,560	22,290	19,870	21,800	20,610	24,820	23,940	22,290
Wastewater										
Average daily sewage treatment (thousands of gallons)	11,200	12,300	11,000	9,700	9,800	9,500	9,800	10,300	9,500	10,500

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public safety										
Police										
Stations	2	2	2	2	2	2	2	1	1	1
Patrol units	122	115	117	116	117	116	119	120	118	108
Fire stations	9	9	9	9	9	9	9	8	8	8
Sanitation										
Collection trucks	54	44	43	40	41	45	41	41	41	41
Highways and streets										
Streets (miles)	773	773	768	765	763	783	753	752	749	745
Streetlights	6,626	6,609	6,605	6,565	6,478	6,339	6,296	6,191	6,115	5,585
Traffic signals	257	256	256	256	250	246	241	189	185	176
Parks and recreation										
Acreage	1,158	1,158	1,158	1,158	1,158	1,158	1,156	1,150	1,150	1,142
Playgrounds	55	54	53	53	52	52	52	52	52	51
Swimming pools	6	6	6	6	5	5	5	5	5	5
Tennis courts	26	26	24	24	24	24	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
Disc golf courses	5	4	4	4	4	4	4	4	4	4
Skateparks/Skate spots	4	3	1	1	1	1	1	1	1	1
Bike parks	1	1	-	-	-	-	-	-	-	-
Fishing lakes	7	7	7	7	7	7	7	7	7	6
Water										
Water mains (miles)	619	606	600	600	597	593	576	566	562	547
Fire hydrants	6,351	6,071	5,986	5,988	5,921	5,860	5,618	5,498	5,392	5,337
Water towers	5	5	5	5	5	4	4	4	4	4
Maximum daily capacity (thousands of gallons)	23,500	23,300	23,300	23,300	23,500	23,500	23,500	22,600	22,600	20,300
Wastewater										
Sanitary sewers (miles)	516	515	508	511	500	494	491	485	479	476
Manholes	12,147	12,097	11,927	11,928	11,656	11,625	11,530	11,387	11,228	11,154
Maximum daily treatment capacity (thousands of gallons)	36,000	36,000	36,000	36,000	30,000	30,000	30,000	30,000	24,000	24,000

Sources: Various city departments.

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



