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forvis.com

December 29, 2023

Oklahoma State Auditor and Inspector
2300 N. Lincoln Blvd., Room 100
Oklahoma City, OK 73105

Accompanying this submission, you will find a copy of the following:

- Annual Comprehensive Financial Report of the City of Norman, Oklahoma, which also includes the following public trusts:
 - Norman Municipal Authority
 - Norman Utilities Authority
 - Norman Tax Increment Finance Authority – blended within the Capital Projects Fund
 - Norman Economic Development Authority – no transactions were made during the year

Sincerely,

FORVIS, LLP

S. Joel Haaser, CPA

PFX: 575.010

CITY OF NORMAN



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDING: JUNE 30, 2023



ON THE COVER: JAMES GARNER LEGACY

"I don't think you could find anyone more proud of being from Norman, Oklahoma than James Scott Bumgarner."

- Terry Bumgarner (James Garner's Nephew) -

James Scott Bumgarner was born in Norman, Oklahoma on April 7, 1928. He was born in east Norman's Denver community, which is now under Lake Thunderbird, and grew up in central Norman. He served in the U.S. Merchant Marine and U.S. Army National Guard during World War II and the Korean War, earning numerous commendations and medals. He achieved great fame over his career as an actor, appearing in over 50 theatrical films and several network television series, including starring roles in the very successful "Maverick" (1957-1962) and "The Rockford Files" (1974-1980) TV series. He was nominated for Academy Awards for his movie roles in Murphy's Romance (1985) and The Notebook (2004), and received numerous Emmy Awards for his television roles, including a Best Leading Actor Award in 1977 for The Rockford Files. In 2004, he was given the Screen Actors Guild Lifetime Achievement Award.

Garner was an avid golfer and car driver, and performed most of his own stunts in his "Rockford Car", a 1978 Pontiac Firebird (actually 3-4 specially-equipped cars per season were used on the set of The Rockford Files), which is depicted on the cover. Many viewers considered "the car the star" of the show. Garner also drove the "pace car" in the Indianapolis 500 car race on two occasions.

Garner returned to Norman often to visit family, and in 2006, the former Front Street, running parallel to the BNSF railroad tracks in downtown Norman was named for him, along with the unveiling of a statue commemorating his "Support Your Local Sheriff" movie roles. James Garner Avenue is being extended and widened as a part of the NORMAN FORWARD program (a voter-approved, temporary ½ percent sales tax approved in 2015 for quality of life improvements throughout Norman), from Main Street north to a modern roundabout that will connect with Flood Street to form a new vehicle and pedestrian access to downtown Norman. The James Garner Avenue road project is also an extension of Legacy Trail, a widened, paved pedestrian trail adjacent to the railroad tracks throughout Norman.

The James Garner Avenue overpass of Robinson Street will feature backlit artwork commemorating "the Rockford Car" and James Garner's signature, and the middle of the roundabout will form the plinth for an attractive public art piece, "Revolutions" by Oklahoma artist Paul Bagley (pending Council approval). Architectural design drawings of the James Garner Avenue widening project are included in this document. Construction of the widened and extended James Garner Avenue is expected to be completed in the summer of 2024.

Jim Garner, née James Scott Bumgarner of Norman, Oklahoma, died on July 19, 2014 in Los Angeles, California.

Family Photos Courtesy of Scott Bumgarner

Family Photos Courtesy of Terry Bumgarner

Photos Courtesy of Visit Norman

Photos Courtesy of the University of Oklahoma Western Heritage Collection

"Revolutions" Schematic Drawings Courtesy of the Norman Arts Council (pending approval)

Graphic Art by The City of Norman Office Services Division



The City of Norman, Oklahoma



Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2023

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

THE CITY OF NORMAN, OKLAHOMA

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INTRODUCTORY SECTION



The City of **NORMAN**

225 N. Webster Ave. • P.O. Box 370
Norman, Oklahoma 73069 • 73070

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

December 6, 2023

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, 2023.

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.

Forvis, LLP has issued an unmodified (“clean”) opinion on the City of Norman (“City”) financial statements for the year ended June 30, 2023. 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 128,000 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.

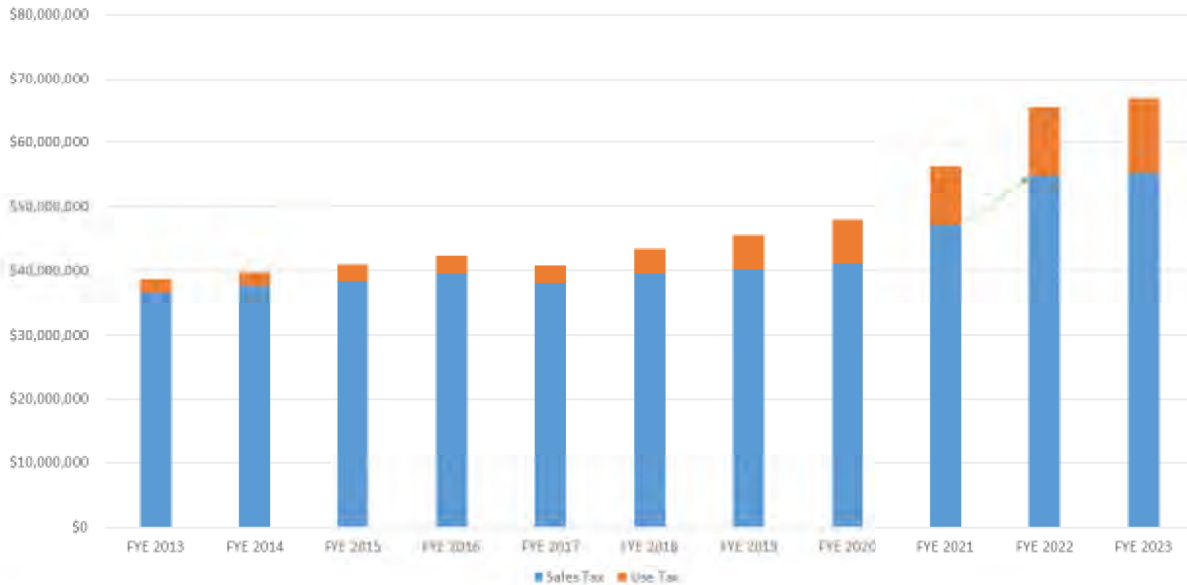
Local Economy; Relevant Financial Policies

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 78% 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 increased by 1.1% from FYE 2022 levels. This slight increase is due to slowing down of the economy as the federal government continues to fight inflation. 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, increased 13.2% from FYE 2022 levels.

Sales + Use Tax Revenue, FYE 2013 – FYE 2023

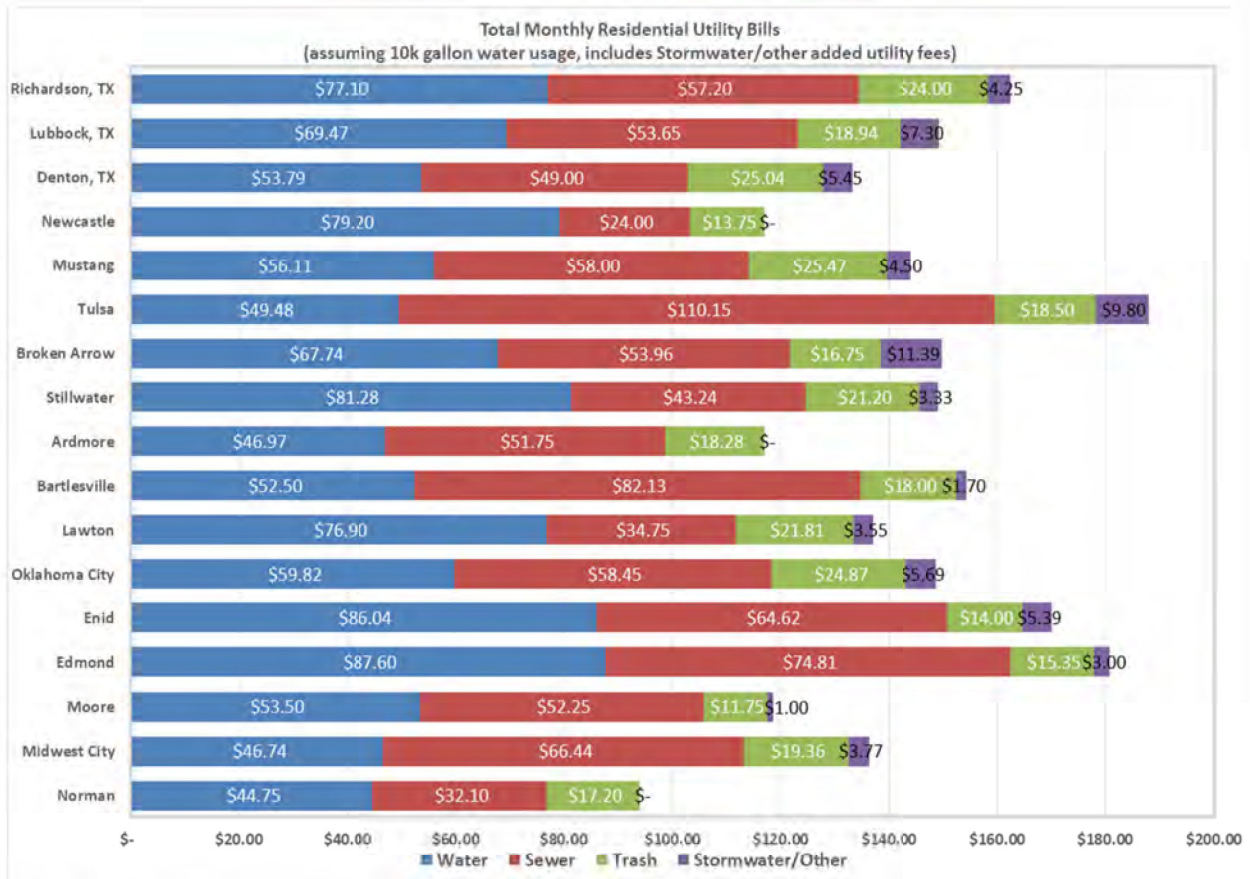


Since sales and use taxes and building permit revenues are a primary source of the City’s general governmental revenue, are by nature volatile, and because Norman is subject to extreme weather conditions which can necessitate significant unexpected expenditures during the course of the budget year, the 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, 2023.

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. For the first time since 2015, the voters of Norman approved a water rate increase on June 13, 2023, primarily to fund capital improvements to the water treatment and distribution systems. The voters have not approved a wastewater reclamation rate increase since 2013 nor a sanitation rate increase since 2011. The ongoing operations of these utilities will depend on the approval of adequate rate structures. 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 Council allocated funding for several strategic planning initiatives in fiscal year 2022-2023, including a new comprehensive land use plan. The initiative, titled “AIM Norman” (Area and Infrastructure Master Plan), includes planning components for land use, water supply, wastewater reclamation, stormwater management, housing, transportation and parks. Separate studies for public safety resource allocation and central service cost allocation are also being undertaken.

The Council has allocated over \$42 million in American Recovery Plan Act entitlement funds received, in concert with guidelines established by the U.S. Treasury Department. A major area of emphasis for the funding in fiscal year 2022-2023 is in the provision of affordable housing.

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 nearing completion, including the new Westwood Family Aquatic Center; the new Norman Public Library, Central and East Branches; the expanded Westwood Tennis Center; the Griffin Park Soccer Complex; the Reaves Park Baseball and Softball Complex; the new Ruby Grant Community Park and adult football facility; a new Adult Wellness and Education Center; and the Young Family Athletic Center, a major indoor sports complex in the University North Park retail and hotel area bordering the Norman/University of Oklahoma Airport; and community and neighborhood park improvements city-wide. Also under construction currently is an extension of James Garner Boulevard, which will form a major new access to downtown Norman, while honoring Hollywood Screen Actors Guild Lifetime Achievement Awardee and Norman native James Garner (depicted on the cover and tab pages of this document).


Awards and Acknowledgements

The Government Finance Officers Association ("GFOA") awarded a *Certificate of Achievement* for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report ("ACFR") for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. 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.

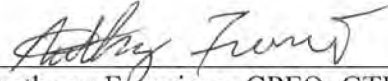
Preparation of an ACFR is a complex task and one that requires considerable expertise and experience. More important, the ongoing maintenance and reporting of the City's financial condition at the level to which Norman has been accustomed requires professionalism and dedication far beyond what could 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 Forvis, 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 2023 ACFR.

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**

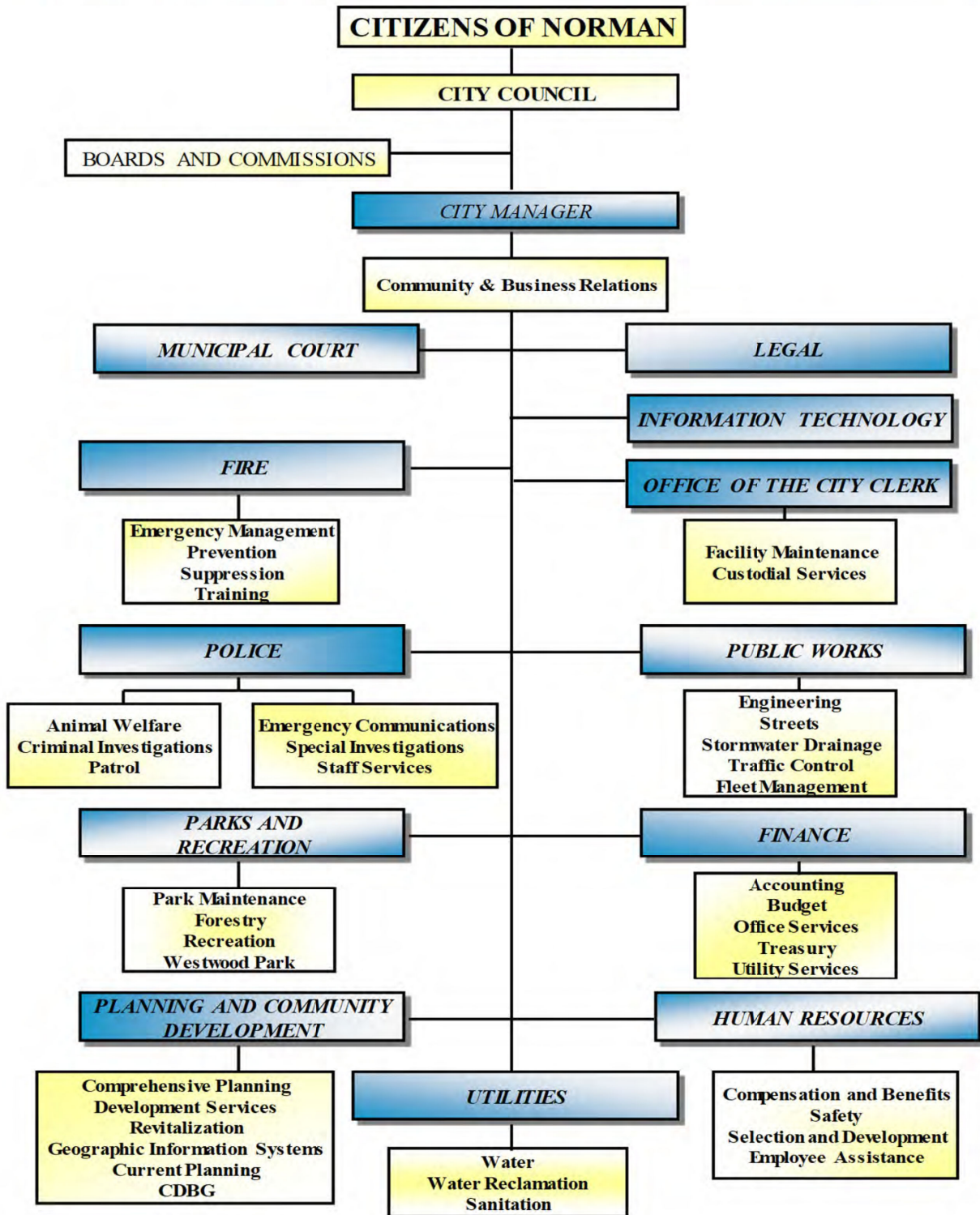
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

City Of Norman Organization Chart



CITY OFFICIALS

MAYOR
Larry Heikkila

Ward 1	Austin Ball	Ward 5	Rarchar Tortorello
Ward 2	Lauren Schueler	Ward 6	Elizabeth Foreman
Ward 3	Bree Montoya	Ward 7	Stephen Holman
Ward 4	Helen Grant	Ward 8	Matthew Peacock

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

Kim Coffman
Budget Manager

Lisa Woods
Municipal Accountant I

Kori Cogburn
Municipal Accountant I

This document was prepared by the City of Norman Finance Department
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R

**JAMES GARNER
FILMS**

FRI 2&7:30

SAT 7:30

Photo courtesy of Visit Norman

FINANCIAL SECTION



Two Leadership Square South Tower, 211 N. Robinson Avenue, Suite 600 / Oklahoma City, OK 73102

P 405.606.2580 / F 405.600.9799

forvis.com

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying 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, 2023 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 is the responsibility of management and, 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 GAAS, 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 Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated December 6, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

FORVIS,LLP

Oklahoma City, Oklahoma
December 6, 2023

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, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vi of this report.

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 \$807,584,235 (net position).
- The City's total net position increased by \$23,499,426.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$184,308,957, a decrease of \$16,245,160 in comparison with the prior year. Approximately 87% or \$161,584,070 was nonspendable, restricted, committed or assigned for specific purposes. Approximately 13% or \$22,724,887 was unassigned at fiscal year end.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$22,724,887 or 24% of total general fund expenditures.
- The City's total debt increased by \$14,719,828 (6 percent) during the current fiscal year. Key factors of this change were issuance of General Obligation Bonds, Series 2023A in the amount of \$26,000,000 and General Obligation Bonds, Series 2023B in the amount of \$13,500,000. Also, the City made its normally scheduled payments.

Overview of the Financial Statements

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

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

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

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

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

activities). The governmental activities of the City include general government, planning, city controller, parks and recreation, public works, public service and public safety. The business-type activities of the City include the Norman Municipal Authority (the “NMA”), the Norman Utilities Authority (the “NUA”) and the Norman Economic Development Authority (the “NEDA”). The NMA operates the City’s sanitation services. 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 fourteen 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, special grants 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 major 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 statements 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 27-74 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 75-90 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 91-109 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 \$808,584,235 at the close of the most recent fiscal year.

**Net Position
As of June 30**

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 226,845,087	\$ 241,553,150	\$ 79,738,586	\$ 81,109,071	\$ 306,583,673	\$ 322,662,221
Capital assets, net	563,065,748	508,618,945	294,345,024	294,206,599	857,410,772	802,825,544
Noncurrent assets	3,077,337	18,792,771	6,270,204	7,820,402	9,347,541	26,613,173
Total assets	792,988,172	768,964,866	380,353,814	383,136,072	1,173,341,986	1,152,100,938
Deferred outflows	22,735,095	16,914,228	348,634	429,563	23,083,729	17,343,791
Total assets & deferred outflows	815,723,267	785,879,094	380,702,448	383,565,635	1,196,425,715	1,169,444,729
Long-term liabilities	243,400,046	197,732,322	59,612,026	66,818,901	303,012,072	264,551,223
Other liabilities	65,263,624	61,607,772	12,521,169	14,789,948	77,784,793	76,397,720
Total liabilities	308,663,670	259,340,094	72,133,195	81,608,849	380,796,865	340,948,943
Deferred inflows	7,616,284	43,798,050	428,331	612,927	8,044,615	44,410,977
Total liabilities & deferred inflows	316,279,954	303,138,144	72,561,526	82,221,776	388,841,480	385,359,920
Net position:						
Net investment in capital assets	428,738,811	419,320,944	233,526,892	225,662,267	662,265,703	644,983,211
Restricted	83,440,209	104,378,534	11,946,477	14,632,159	95,386,686	119,010,693
Unrestricted	(12,735,707)	(40,958,528)	62,667,553	61,049,433	49,931,846	20,090,905
Total net position	\$ 499,443,313	\$ 482,740,950	\$ 308,140,922	\$ 301,343,859	\$ 807,584,235	\$ 784,084,809

By far the largest portion of the City's net position (82 percent) reflect its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure), less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (12 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 \$6.8 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 \$16.7 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**

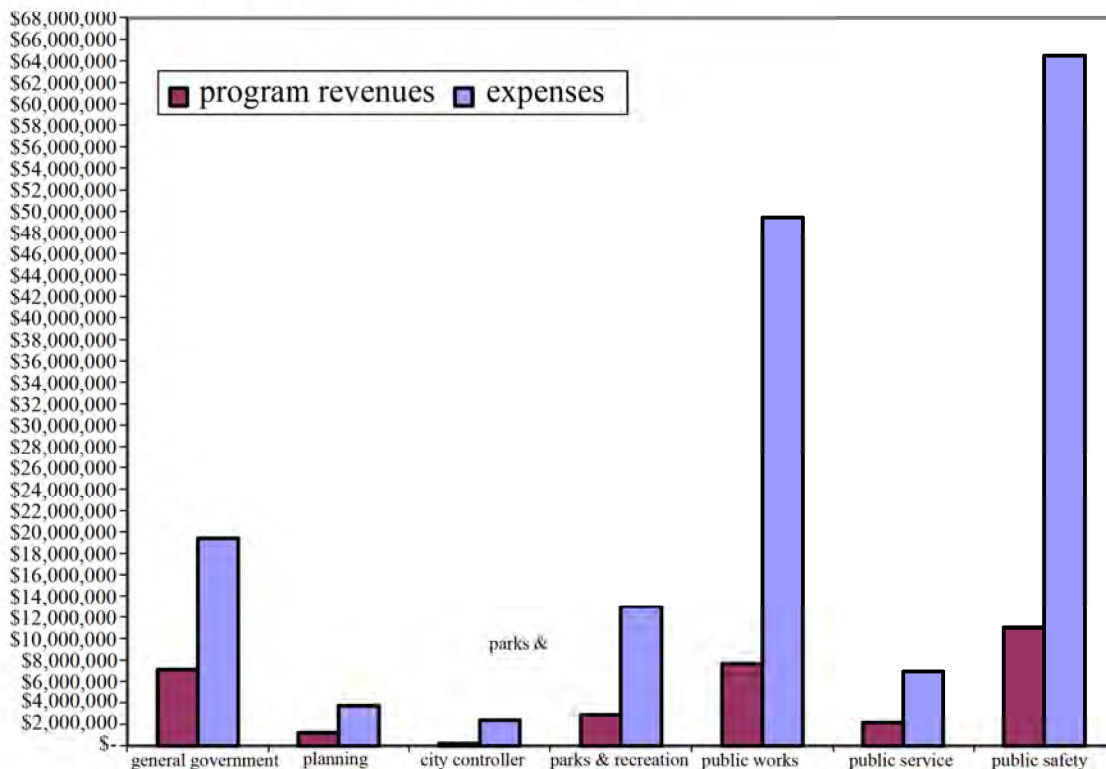
	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Program Revenues:						
Charges for services	\$ 10,445,542	\$ 11,102,425	\$ 59,067,979	\$ 56,061,767	\$ 69,513,521	\$ 67,164,192
Operating grants & contributions	20,341,333	9,679,746	-	-	20,341,333	9,679,746
Capital grants & contributions	1,488,513	8,244,353	4,791,771	3,511,824	6,280,284	11,756,177
General revenues:						
Sales and excise taxes	99,514,777	98,398,676	1,037,712	1,758,833	100,552,489	100,157,509
Franchise taxes	8,256,119	7,294,416	-	-	8,256,119	7,294,416
Property taxes	9,650,382	13,887,375	-	-	9,650,382	13,887,375
Use taxes	15,909,739	14,628,785	-	-	15,909,739	14,628,785
Other taxes	3,501,676	3,173,927	-	-	3,501,676	3,173,927
Investment earnings	3,512,616	(535,003)	1,613,383	(764,489)	5,125,999	(1,299,492)
Miscellaneous	6,301,733	3,863,587	144,459	43,237	6,446,192	3,906,824
Total revenues	178,922,430	169,738,287	66,655,304	60,611,172	245,577,734	230,349,459
Expenses:						
General government	19,410,645	22,116,186	-	-	19,410,645	22,116,186
Planning	3,739,028	3,574,817	-	-	3,739,028	3,574,817
City controller	2,391,399	1,544,569	-	-	2,391,399	1,544,569
Parks and recreation	13,000,150	13,719,291	-	-	13,000,150	13,719,291
Public works	49,472,283	40,833,147	-	-	49,472,283	40,833,147
Public service	6,909,435	3,055,832	-	-	6,909,435	3,055,832
Public safety	64,521,693	50,530,408	-	-	64,521,693	50,530,408
Interest on long-term debt	4,571,464	4,689,880	-	-	4,571,464	4,689,880
Water	-	-	22,317,666	23,293,028	22,317,666	23,293,028
Wastewater	-	-	19,020,441	19,076,169	19,020,441	19,076,169
Sanitation	-	-	16,724,104	14,696,179	16,724,104	14,696,179
Total expenses	164,016,097	140,064,130	58,062,211	57,065,376	222,078,308	197,129,506
Change in net position before transfers						
Transfers	14,906,333	29,674,157	8,593,093	3,545,796	23,499,426	33,219,953
Transfers	1,796,030	2,319,413	(1,796,030)	(2,319,413)	-	-
Change in net position	16,702,363	31,993,570	6,797,063	1,226,383	23,499,426	33,219,953
Net position, beginning	482,740,950	443,718,985	301,343,859	307,150,360	784,084,809	750,869,345
Beginning balance adjustment	-	7,028,395	-	(7,032,884)	-	(4,489)
Revised net position, beginning	482,740,950	450,747,380	301,343,859	300,117,476	784,084,809	750,864,856
Net position, ending	\$ 499,443,313	\$ 482,740,950	\$ 308,140,922	\$ 301,343,859	\$ 807,584,235	\$ 784,084,809

Governmental activities –Governmental activities increased the City’s net position by \$16.7 million. In the prior year, governmental activities increased the City’s net position by \$31.9 million. Key elements of this change are as follows:

- Sales tax revenue within the governmental activities (the City’s primary fund source) increased by \$1,116,101 or 1.1% over the prior fiscal year. The Federal government continues to raise interest rates to fight inflation which has significantly slowed sales within the City.

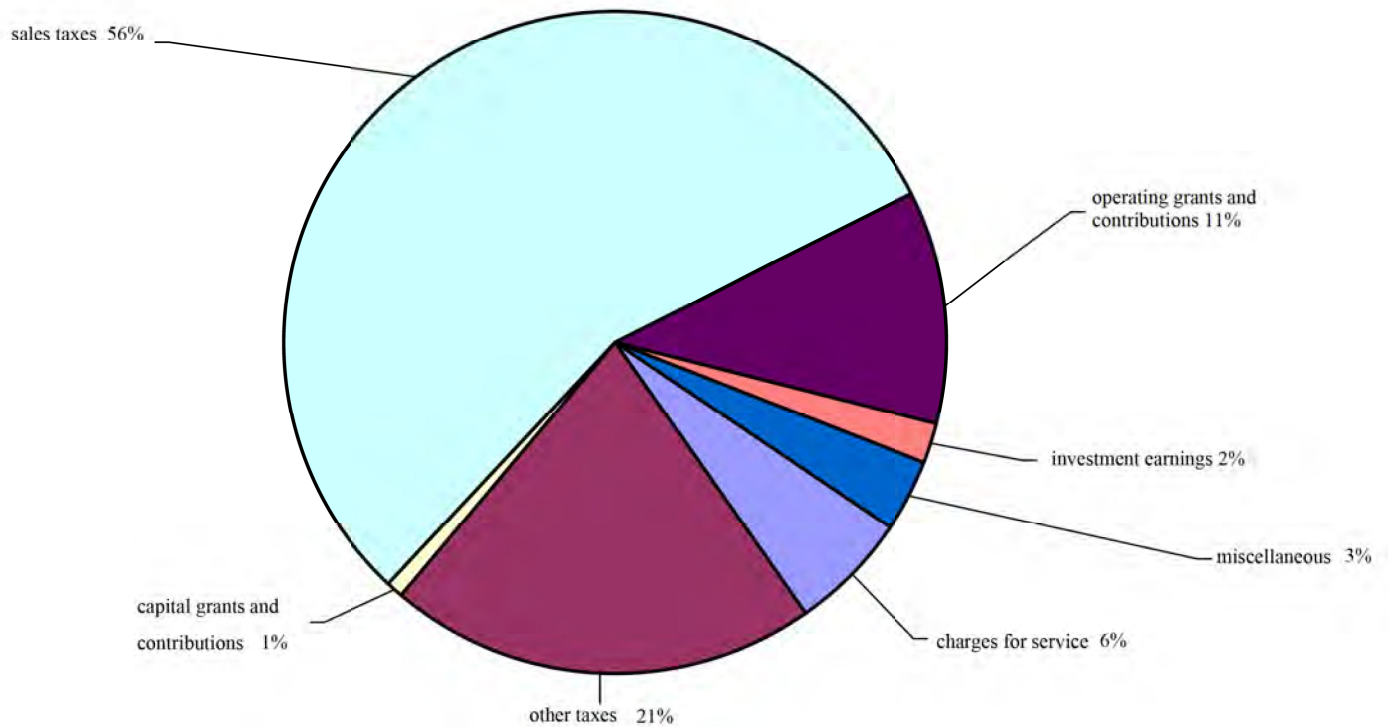
- Use tax revenue has increased \$1,280,954 or 8.8% over the prior fiscal year. This increase seems to indicate that on-line sales have not suffered to the extent in-store shopping has given the Federal government’s policies to curb inflation.
- Property tax revenue has decreased \$4,236,993 or 30.5% from the prior fiscal year. Property taxes are collected to fund payment of general obligation bonds and judgements awarded against the City. These amounts decreased in the current fiscal year due to the maturity of the Series 2019A general obligations bonds which reduced the tax levy.
- Operating grants and contributions increased \$10,661,587 or 110.1% from the prior fiscal year. The City earned more American Rescue Plan Act (ARPA) funding (\$4,695,350) and various Federal Transportation Agency (FTA) grants (increase of \$1,765,992) during the current fiscal year.
- Capital grants and contributions decreased \$6,755,840 or 81.9% 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 and the decrease is a direct reflection of a reduction in that activity.
- Public safety expenses increased \$13,991,285 or 28% from the prior year. A good portion of this increase was due to increases in salary and benefits. The City granted a 6% increase in the current fiscal year plus upper steps in the pay scale were increased from 2% to 4%.
- Public works expenses increased \$13,167,787 or 26% from the prior year. This increase was due to several factors including the salary and benefits increase mentioned above (6%); increased fuel and parts costs (14%) and debris removal from a February 2023 storm.

Expenses and Program Revenues – Governmental Activities



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

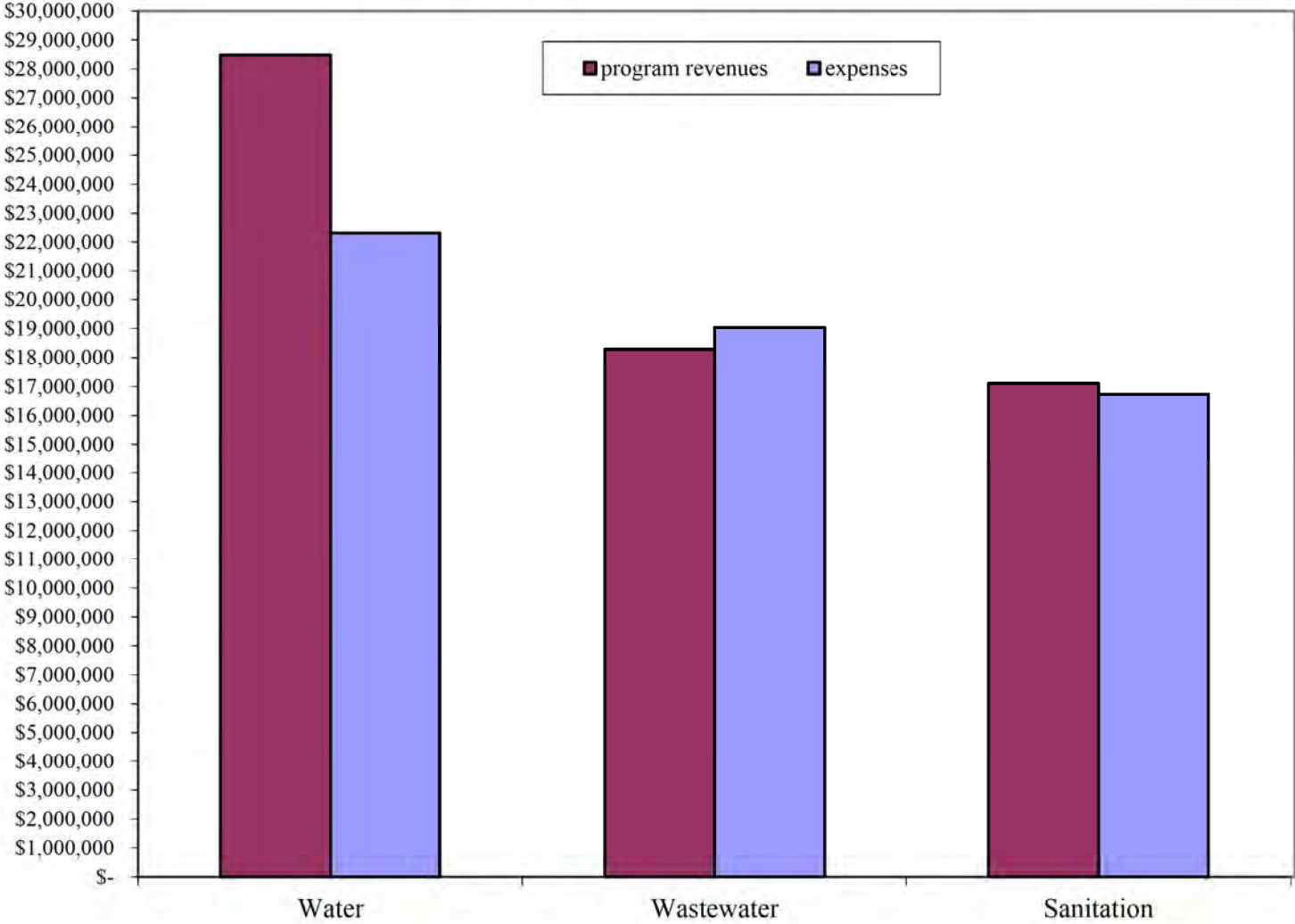
Revenues by Source - Governmental Activities



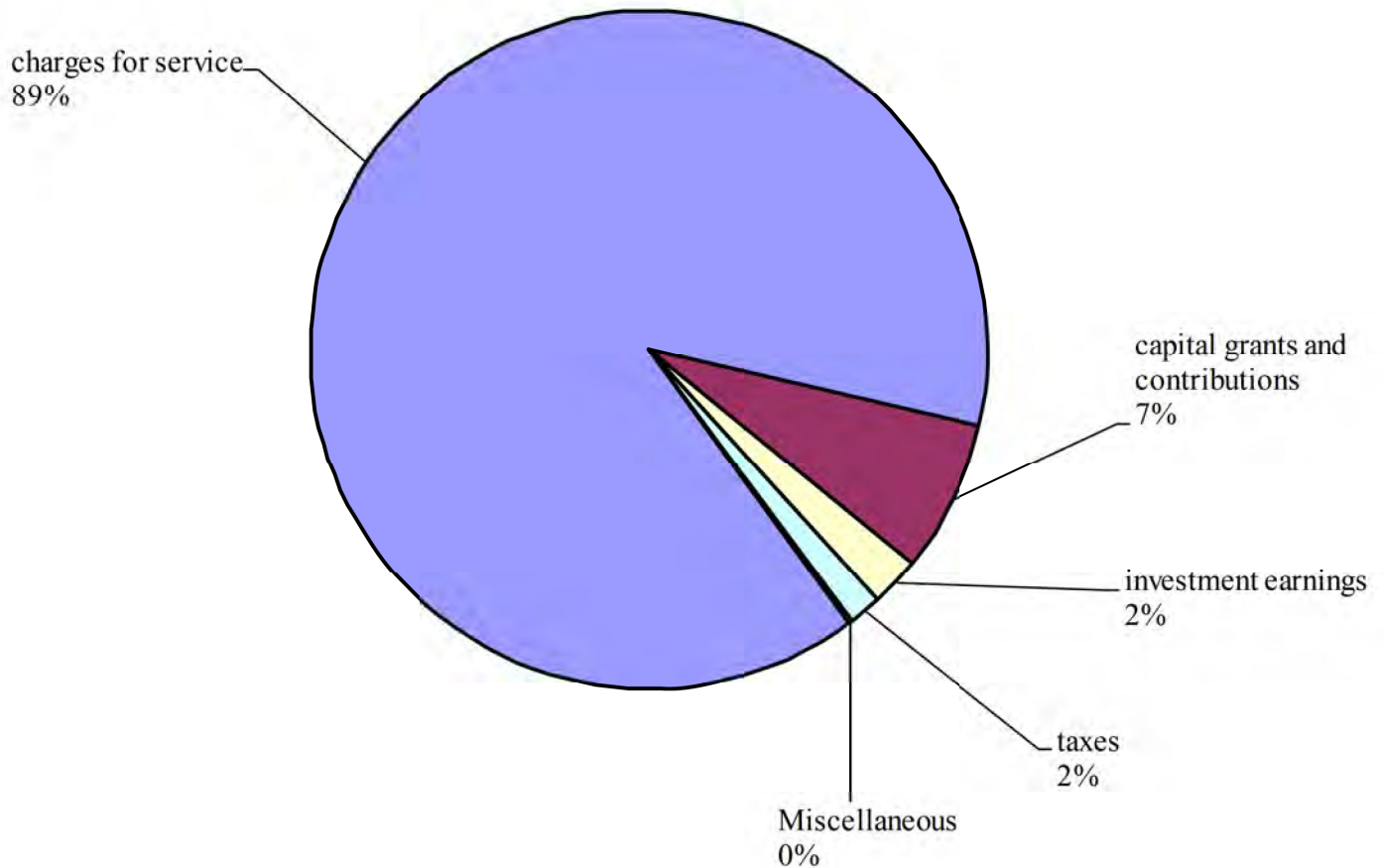
Business-type activities – Business-type activities increased the City’s net position by \$6.8 million. In the prior year, business-type activities increased the City’s net position by \$1.2 million. Key elements of this change are as follows:

- Charges for services increased \$3,006,212 or 5.4% from the prior fiscal year. Water and sewer charges are dependent on weather conditions. Overall, the current fiscal year was slightly dryer than the previous fiscal year.
- Investment earnings revenue increased \$2,377,872 or 311% from the prior fiscal year. This increase is the result of higher yields on funds available for investment given that interest rates increased during the fiscal year.
- Water expense decreased \$975,362 or 4.2% from the prior fiscal year. This was the result of targeted program to reduce maintenance projects.
- Sanitation expenses increased \$2,027,928 or 14% from the prior fiscal year. A portion of the increase was due to an increase in contracted recycling services; increased (80%) use of temporary employment; and an increase in overhead costs.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the Government's Funds

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

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

As of end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$184,308,957 a decrease of \$16,245,160) from the prior year. Approximately 12 percent of this total amount (\$22,724,887) 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 \$22,724,887 while total fund balance reached \$32,753,439. 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 24 percent of total General Fund expenditures, while total fund balance represents 35 percent of that same amount.

The fund balance of the City's General Fund increased by \$6,004,550 during the current fiscal year compared to an increase of \$8,035,757 in the previous year. Key factors in the current year change are as follows:

- Sales tax revenues within the General Fund increased \$622,311 or 1.1% from the prior fiscal year. As noted previously above, sales taxes were very flat this past fiscal year due to national policies used to fight inflation.
- Use tax revenues within the General Fund increased \$931,602 or 8.8% from the prior fiscal year. As noted previously above, use taxes increased more than sales taxes but slower than the previous year.
- Public safety expenditures within the General Fund increased \$4,948,214 or 12% from the prior fiscal year. Most of this increase was in salary and benefits. The City granted a 6% increase in the current fiscal year plus upper steps in the pay scale were increased from 2% to 4%.
- Public works expenditures increased \$1,835,561 or 11% from the prior year. Most of this increase was also due to increases in salary and benefits.

The Public Safety Sales Tax Fund has a total fund balance of \$9,459,588 all of which is restricted for public safety activities. The net decrease in fund balance during the current year was (\$1,551,156). Construction of the Emergency Communications and Operations Center began late in the current fiscal year and will continue to draw down loan funds held for this purpose.

The Special Grants Fund has a total fund balance of \$7,024,030 all of which is restricted by grant agreements. The net increase in the fund balance during the current year was \$6,729,466 due to grant activity mostly related to various ARPA grants.

The Capital Projects Fund has a total fund balance of \$102,260,210. The net increase in fund balance during the current year was \$20,618,808. This net increase was due to the issuance of the Series 2023A and 2023B general obligation bonds and spending down of general obligation bond monies received in previous years for major capital projects.

The NORMAN FORWARD Fund has a total fund balance of \$18,421,260. The net decrease in fund balance during the current year was (\$45,598,890). This net decrease was due to the spending down of previous note proceeds received in the previous years for major capital projects including the Young Family Athletic Center and the Adult Wellness and Education Center.

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

Unrestricted net position of the NMA and NUA funds were \$11,894,248 and \$50,773,305 respectively. The total growth in net position for these funds was \$1,038,244 and \$5,758,819, 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 \$4,285,865 increase in appropriations between the original and final amended budget. Following are the main components of the increase:

- \$476,903 in increases to the CARES Program budget. Funds were budgeted to have a contractor operate a homeless shelter.
- \$2,136,888 in increases to the Fire Suppression budget. Transfers were budgeted to cover salary and benefit costs.
- \$1,619,461 in increases to the Police Patrol budget. Transfers were budgeted to cover salary and benefit costs and well as equipment purchases.

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, 2023 the Rainy Day Fund had a balance of \$4,517,987 which represents 4.8% 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 above expectations by \$1,692,028.
 - Sales taxes were above expectations by \$1,234,994. See explanation above.
 - Use taxes were above expectations by \$575,478. See explanation above.
 - Franchise fees were above expectations by \$1,375,280, mainly within the electric and gas franchises. These services closely follow weather conditions.
 - Charges for services were below expectations by \$1,574,132, the most significant being within the credit card convenience fees category. This was the case in the prior fiscal year also.
- General Fund expenditures and encumbrances were above expectations by \$1,066,173.
 - Patrol expenditures were \$491,937 above expectation mainly for cars/equipment that were encumbered at fiscal year-end.
 - Street maintenance expenditures were \$275,061 above expectation mainly for heavy equipment that was encumbered at fiscal year-end.
 - Fleet fuel and parts expenditures were \$254,333 above expectation due to fuel costs encumbered at fiscal year-end.
 - City manager’s office expenditures were \$296,666 above expectation due encumbered funds to purchase a bus to transport homeless persons.
- Net General Fund transfers were \$3,183,461 less than expected.
 - The General Fund budgets to subsidize the Transit and Parking Fund, however, this was not needed in the current fiscal year
 - The General Fund also funds shortages resulting from self-insurance activities that was less than anticipated in the current fiscal year.

The City closed the year with a fund balance that was higher than what was budgeted by \$3,809,316.

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, 2023, amounted to \$856,514,243 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, highways and bridges. The total increase in the City’s investment in capital assets for the current fiscal year was 6.7% (10.5% increase for governmental activities and a .4% decrease for business-type activities). As noted previously, Westwood Fund was relocated to a special revenue fund in the current fiscal year.

Capital Assets As of June 30

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 75,725,662	\$ 75,568,562	\$ 5,192,120	\$ 4,592,767	\$ 80,917,782	\$ 80,161,329
Buildings and improvements	139,149,269	132,549,296	239,555,411	234,211,346	378,704,680	366,760,642
Machinery and equipment	94,185,623	90,431,919	257,272,257	250,207,578	351,457,880	340,639,497
Infrastructure	687,582,517	674,360,868	-	-	687,582,517	674,360,868
Construction in progress	96,891,043	42,684,010	32,559,292	28,916,575	129,450,335	71,600,585
Less: Accumulated depreciation	(531,364,895)	(506,975,710)	(240,234,056)	(223,721,667)	(771,598,951)	(730,697,377)
Total	\$ 562,169,219	\$ 508,618,945	\$ 294,345,024	\$ 294,206,599	\$ 856,514,243	\$ 802,825,544

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

- The renovation of the Development Center was completed at a cost of \$6,822,818.
- The Reaves Park Improvement project was completed at a cost of \$9,983,111.
- The Water Treatment Plant and Water Reclamation Plant solar projects were completed at a cost of \$4,948,017.
- 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 \$66,751,171.
- 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 \$20,012,106.
- A variety of water and sewer projects were underway; NUA construction in progress as of the end of the current fiscal year was \$28,914,668.

Additional information on the City’s capital assets can be found in note 4 on pages 44-45 of this report.

Long-term debt – At the end of the current fiscal year, the City had total bonded debt outstanding of \$106,358,538. All of this amount comprises debt backed by the full faith and credit of the government. The City also had notes payable outstanding of \$152,721,642 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	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 106,358,538	\$ 74,404,265	\$ -	\$ -	\$ 106,358,538	\$ 74,404,265
Revenue bonds	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-
Notes payable	87,885,000	97,733,000	64,836,642	72,223,087	152,721,642	169,956,087
Total	\$ 194,243,538	\$ 172,137,265	\$ 64,836,642	\$ 72,223,087	\$ 259,080,180	\$ 244,360,352

The City’s total debt increased by \$14,719,828 (6 percent) during the current fiscal year. Key factors of this change were issuance of General Obligation Bonds, Series 2023A in the amount of \$26,000,000 and General Obligation Bonds, Series 2023B in the amount of \$13,500,000. Also, the City made its normally scheduled payments.

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

Additional information on the City’s long-term debt can be found in note 4 on pages 62-69 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 2.7 percent. The state’s average unemployment rate was 3.2 percent and the national average rate was 3.6 percent.
- Inflationary trends in the region continue to be high in conjunction with national averages.
- The City’s major source of revenue is sales and use tax revenue. Sales tax and use tax revenue increased 1.1% and 8.8%, respectively, over the prior year total.

All of these factors were considered in preparing the City’s budget for the 2024 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, 2023

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 77,336,209	\$ 24,613,827	\$ 101,950,036
Restricted cash and cash equivalents	82,394,523	8,457,149	90,851,672
Investments	39,317,792	38,271,909	77,589,701
Restricted investments	3,208,863	-	3,208,863
Receivables:			
Taxes	20,011,295	-	20,011,295
Accounts, net of allowance for estimated uncollectible Business-Type accounts of \$967,155	2,134,642	7,806,727	9,941,369
Interest	196,796	184,899	381,695
Other	58,837	-	58,837
Due from Federal Government	2,536,372	-	2,536,372
Leases receivable	-	180,068	180,068
Internal balances	(447,682)	447,682	-
Inventory	97,440	-	97,440
Total current assets	<u>226,845,087</u>	<u>79,962,261</u>	<u>306,807,348</u>
Non-current assets:			
Restricted cash and cash equivalents	-	4,953,967	4,953,967
Leases receivable	-	271,264	271,264
Net pension asset	3,077,337	-	3,077,337
Capital assets not subject to depreciation	172,616,705	37,751,412	210,368,117
Capital assets, net	389,552,514	256,393,612	646,146,126
Lease assets, net	896,529	821,298	1,717,827
Total non-current assets	<u>566,143,085</u>	<u>300,391,553</u>	<u>866,534,638</u>
Total assets	<u>792,988,172</u>	<u>380,353,814</u>	<u>1,173,341,986</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred resources related to pensions	21,884,915	-	21,884,915
Deferred resources related to OPEB	795,066	-	795,066
Deferred charge on refunding	55,114	348,634	403,748
Total deferred outflows of resources	<u>22,735,095</u>	<u>348,634</u>	<u>23,083,729</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other accrued liabilities	11,004,634	1,389,749	12,594,383
Payroll payable	3,695,324	575,130	4,270,454
Accrued interest payable	1,510,553	517,877	2,028,430
Unearned revenue	17,823,735	-	17,823,735
Retainage payable	2,573,568	304,514	2,878,082
Guaranty deposits	7,448,939	1,892,544	9,341,483
Leases payable	169,457	53,227	222,684
Current portion of long-term debt	21,037,414	7,588,128	28,625,542
Total current liabilities	<u>65,263,624</u>	<u>12,321,169</u>	<u>77,784,793</u>
Non-current liabilities:			
Leases payable	748,170	801,361	1,549,531
Long-term debt and other liabilities	242,651,876	58,810,665	301,462,541
Total non-current liabilities	<u>243,400,046</u>	<u>59,612,026</u>	<u>303,012,072</u>
Total liabilities	<u>308,663,670</u>	<u>72,133,195</u>	<u>380,796,865</u>
DEFERRED INFLOW OF RESOURCES			
Deferred resources related to pensions	3,885,912	-	3,885,912
Deferred resources related to OPEB	3,730,372	-	3,730,372
Deferred resources related to leases	-	428,331	428,331
Total deferred inflows of resources	<u>7,616,284</u>	<u>428,331</u>	<u>8,044,615</u>
NET POSITION			
Net investment in capital assets	428,738,811	233,526,892	662,265,703
Restricted for:			
Debt service	4,282,165	6,992,510	11,274,675
Capital improvements	51,279,655	4,953,967	56,233,622
Public safety	15,350,602	-	15,350,602
Public parks and recreation	1,647,212	-	1,647,212
Public service	5,101,237	-	5,101,237
Public works	5,779,338	-	5,779,338
Unrestricted (deficit)	(12,735,707)	62,667,553	49,931,846
Total net position	<u>\$ 499,443,313</u>	<u>\$ 308,140,922</u>	<u>\$ 807,584,235</u>

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Business-Type Activities	Total
					Governmental Activities	Business-Type Activities		
Primary government								
Governmental activities:								
General government	\$ 19,410,645	\$ 2,850,501	\$ 4,239,243	\$ -	\$ (12,320,901)	\$ -	\$ (12,320,901)	
Planning	3,739,028	1,229,377	8,647	-	(2,501,004)	-	(2,501,004)	
City controller	2,391,399	210,550	-	-	(2,180,849)	-	(2,180,849)	
Parks and recreation	13,000,150	2,865,262	31,182	-	(10,103,706)	-	(10,103,706)	
Public works	49,472,283	482,635	5,656,594	1,488,513	(41,844,541)	-	(41,844,541)	
Public service	6,909,435	-	2,188,469	-	(4,720,966)	-	(4,720,966)	
Public safety	64,521,693	2,807,217	8,217,198	-	(53,497,278)	-	(53,497,278)	
Interest on long-term debt	4,571,464	-	-	-	(4,571,464)	-	(4,571,464)	
Total governmental activities	<u>164,016,097</u>	<u>10,445,542</u>	<u>20,341,333</u>	<u>1,488,513</u>	<u>(131,740,709)</u>	<u>-</u>	<u>(131,740,709)</u>	
Business-type activities:								
Water	22,317,666	24,847,978	-	3,631,084	-	6,161,396	6,161,396	
Wastewater	19,020,441	17,121,748	-	1,160,687	-	(738,006)	(738,006)	
Sanitation	16,724,104	17,098,253	-	-	-	374,149	374,149	
Total business-type activities	<u>58,062,211</u>	<u>59,067,979</u>	<u>-</u>	<u>4,791,771</u>	<u>-</u>	<u>5,797,539</u>	<u>5,797,539</u>	
Total primary government	<u>\$ 222,078,308</u>	<u>\$ 69,513,521</u>	<u>\$ 20,341,333</u>	<u>\$ 6,280,284</u>	<u>(131,740,709)</u>	<u>5,797,539</u>	<u>(125,943,170)</u>	
General revenues:								
Taxes (unrestricted unless otherwise noted):								
Sales taxes					55,487,028	-	55,487,028	
Sales taxes - restricted					44,027,749	-	44,027,749	
Excise taxes - restricted					-	1,037,712	1,037,712	
Franchise taxes					8,256,119	-	8,256,119	
Property taxes - restricted					9,650,382	-	9,650,382	
Use taxes					11,570,719	-	11,570,719	
Use taxes - restricted					4,339,020	-	4,339,020	
Hotel/Motel taxes					2,209,418	-	2,209,418	
Alcoholic beverage taxes					607,987	-	607,987	
Cigarette taxes					684,271	-	684,271	
Investment earnings (losses)					3,512,616	1,613,383	5,125,999	
Miscellaneous					6,301,733	144,459	6,446,192	
Transfers					1,796,030	(1,796,030)	-	
Total general revenues and transfers					<u>148,443,072</u>	<u>999,524</u>	<u>149,442,596</u>	
Change in net position					16,702,363	6,797,063	23,499,426	
Net position - beginning					482,740,950	301,343,859	784,084,809	
Net position - ending					<u>\$ 499,443,313</u>	<u>\$ 308,140,922</u>	<u>\$ 807,584,235</u>	

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2023

	General	Public Safety Sales Tax	Special Grants Fund	Capital Projects	Norman Forward	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 12,873,966	\$ -	\$25,387,710	\$ 23,809,575	\$ 7,169,696	\$ 7,976,693	\$ 77,217,640
Investments	9,746,956	-	-	14,175,073	9,549,518	5,655,964	39,127,511
Receivables:							
Taxes	11,868,693	2,282,411	-	2,769,057	2,282,564	808,570	20,011,295
Accounts	2,082,090	-	-	18,551	-	426	2,101,067
Interest	50,341	1,491	-	70,922	45,926	27,201	195,881
Other	-	-	-	58,837	-	-	58,837
Due from Federal Govnmt	-	-	948,310	-	-	1,588,062	2,536,372
Due from other funds	215,779	-	102,051	229,422	95,685	81,196	724,133
Inventory	37,016	-	-	-	-	60,424	97,440
Restricted Assets:							
Cash and cash equivalent:	2,512,939	7,808,775	-	66,153,459	5,214,039	705,311	82,394,523
Investments	2,898,838	310,025	-	-	-	-	3,208,863
Total assets	<u>\$ 42,286,618</u>	<u>\$ 10,402,702</u>	<u>\$26,438,071</u>	<u>\$ 107,284,896</u>	<u>\$ 24,357,428</u>	<u>\$ 16,903,847</u>	<u>\$227,673,562</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable and other accrued liabilities	\$ 1,237,194	\$ 103,371	\$ 1,587,723	\$ 2,365,558	\$ 3,986,160	\$ 1,385,651	\$ 10,665,657
Payroll payable	2,935,950	475,058	2,583	57,674	-	207,999	3,679,264
Due to other funds	-	253,675	-	-	-	919,767	1,173,442
Unearned revenue	-	-	17,823,735	-	-	-	17,823,735
Retainage payable	-	111,010	-	512,550	1,950,008	-	2,573,568
Guaranty deposits	5,360,035	-	-	2,088,904	-	-	7,448,939
Total liabilities	<u>9,533,179</u>	<u>943,114</u>	<u>19,414,041</u>	<u>5,024,686</u>	<u>5,936,168</u>	<u>2,513,417</u>	<u>43,364,605</u>
FUND BALANCES							
Nonspendable	37,016	-	-	-	-	-	37,016
Restricted	-	9,459,588	-	98,935,741	15,806,824	14,069,107	138,271,260
Committed	4,517,987	-	-	-	-	-	4,517,987
Assigned	5,473,549	-	7,024,030	3,324,469	2,614,436	321,323	18,757,807
Unassigned	<u>22,724,887</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,724,887</u>
Total fund balances	<u>32,753,439</u>	<u>9,459,588</u>	<u>7,024,030</u>	<u>102,260,210</u>	<u>18,421,260</u>	<u>14,390,430</u>	<u>184,308,957</u>
Total liabilities and fund balances							
balances	<u>\$ 42,286,618</u>	<u>\$ 10,402,702</u>	<u>\$26,438,071</u>	<u>\$ 107,284,896</u>	<u>\$ 24,357,428</u>	<u>\$ 16,903,847</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.

562,169,219

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.

(3,868,312)

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.

(243,166,551)

Net position of governmental activities

\$499,443,313

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, 2023

	General	Public Safety Sales Tax	Special Grants Fund	Capital Projects	Norman Forward	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 75,313,866	\$ 13,990,850	\$ -	\$ 18,654,561	\$ 13,990,851	\$ 13,590,307	\$ 135,540,435
Licenses and permits	1,342,741	-	-	-	-	-	1,342,741
Intergovernmental revenues	3,226,166	-	7,609,280	-	-	5,299,578	16,135,024
Charges for services	13,378,923	-	-	-	-	2,289,358	15,668,281
Fines and forfeitures	1,189,241	-	-	-	-	-	1,189,241
Investment earnings	377,783	249,465	212,144	1,235,742	881,695	294,967	3,251,796
Other	<u>2,336,998</u>	<u>674,514</u>	<u>-</u>	<u>266,177</u>	<u>2,473,314</u>	<u>442,367</u>	<u>6,193,370</u>
Total revenues	<u>97,165,718</u>	<u>14,914,829</u>	<u>7,821,424</u>	<u>20,156,480</u>	<u>17,345,860</u>	<u>21,916,577</u>	<u>179,320,888</u>
Expenditures:							
Current:							
General government	11,964,011	-	-	456,137	8,240	-	12,428,388
Planning	3,933,229	-	-	51,113	-	-	3,984,342
City controller	3,298,386	-	-	4,610	-	-	3,302,996
Parks and recreation	7,863,706	-	25,500	1,337,448	369,297	2,719,808	12,315,759
Public works	18,946,674	315,712	194,454	13,461,588	-	5,513,229	38,431,657
Public service	-	-	3,460,329	-	-	3,442,204	6,902,533
Public safety	45,634,699	11,183,390	177,544	121,245	-	31,441	57,148,319
Capital outlay	3,103,383	2,597,045	2,107,864	14,518,605	54,522,586	1,902,617	78,752,100
Debt service:							
Principal retirement	-	2,120,000	-	655,000	6,715,000	8,408,000	17,898,000
Interest and fiscal charges	<u>-</u>	<u>249,838</u>	<u>-</u>	<u>237,514</u>	<u>2,128,335</u>	<u>1,834,505</u>	<u>4,450,192</u>
Total expenditures	<u>94,744,088</u>	<u>16,465,985</u>	<u>5,965,691</u>	<u>30,843,260</u>	<u>63,743,458</u>	<u>23,851,804</u>	<u>235,614,286</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,421,630</u>	<u>(1,551,156)</u>	<u>1,855,733</u>	<u>(10,686,780)</u>	<u>(46,397,598)</u>	<u>(1,935,227)</u>	<u>(56,293,398)</u>
Other financing sources (uses):							
Transfers in	6,640,254	-	5,732,835	1,204,003	1,197,277	364,374	15,138,743
Transfers out	(3,057,334)	-	(859,102)	(10,171,782)	(398,569)	(877,085)	(15,363,872)
Issuance of debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,273,367</u>	<u>-</u>	<u>-</u>	<u>40,273,367</u>
Net other financing sources (uses)	<u>3,582,920</u>	<u>-</u>	<u>4,873,733</u>	<u>31,305,588</u>	<u>798,708</u>	<u>(512,711)</u>	<u>40,048,238</u>
Net change in fund balances	<u>6,004,550</u>	<u>(1,551,156)</u>	<u>6,729,466</u>	<u>20,618,808</u>	<u>(45,598,890)</u>	<u>(2,447,938)</u>	<u>(16,245,160)</u>
Fund balances, July 1, 2022	<u>26,748,889</u>	<u>11,010,744</u>	<u>294,564</u>	<u>81,641,402</u>	<u>64,020,150</u>	<u>16,838,368</u>	<u>200,554,117</u>
Fund balances, June 30, 2023	<u>\$ 32,753,439</u>	<u>\$ 9,459,588</u>	<u>\$ 7,024,030</u>	<u>\$ 102,260,210</u>	<u>\$ 18,421,260</u>	<u>\$ 14,390,430</u>	<u>\$ 184,308,957</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, 2023

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

Net change in fund balances - total governmental funds	\$ (16,245,160)
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.	52,237,470
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	1,312,804
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.	(21,602,000)
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	58,186
Decrease in liability for incurred claims and compensated absences and miscellaneous expenses in government-wide financial statements	(321,205)
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	2,743,118
Internal service funds are used by management to charge the costs of insurance services to individual funds. The net loss of the internal service fund is reported with governmental activities.	<u>(1,480,850)</u>
Change in net position of governmental activities	<u>\$ 16,702,363</u>

See notes to financial statements

THE CITY OF NORMAN, OKLAHOMA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2023

	Business-type Activities			Governmental Activities
	Norman Municipal Authority	Norman Utilities Authority	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,630,354	\$ 21,205,093	\$ 24,835,447	\$ 118,569
Restricted cash and cash equivalents	505,734	7,951,415	8,457,149	-
Investments	6,943,076	31,328,833	38,271,909	190,281
Receivables:				
Accounts, net of allowance for estimated uncollectible accounts	2,352,859	5,453,943	7,806,802	33,575
Interest	33,391	151,508	184,899	915
Leases receivable	-	180,068	180,068	-
Due from other funds	29,275	196,712	225,987	1,627
Total current assets	13,494,689	66,467,572	79,962,261	344,967
Noncurrent assets:				
Restricted cash and cash equivalents	-	4,953,967	4,953,967	-
Leases receivable	-	271,264	271,264	-
Capital assets, net	16,979,922	277,365,102	294,345,024	-
Leases asset, net	-	821,298	821,298	-
Total noncurrent assets	16,979,922	283,411,631	300,391,553	-
Total assets	30,474,611	349,879,203	380,353,814	344,967
DEFERRED OUTFLOW OF RESOURCES				
Deferred charge on refunding	-	348,634	348,634	-
Total deferred outflows of resources	-	348,634	348,634	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	458,987	1,130,762	1,589,749	338,977
Payroll payable	234,982	340,148	575,130	16,060
Liability for incurred claims	-	-	-	1,200,000
Accrued interest payable	-	517,877	517,877	-
Retainage payable	20,000	284,514	304,514	-
Guaranty deposits	505,229	1,387,315	1,892,544	-
Leases payable	-	53,227	53,227	-
Notes payable	-	7,499,951	7,499,951	-
Compensated absences	27,775	60,402	88,177	4,357
Total current liabilities	1,246,973	11,274,196	12,521,169	1,559,394
Noncurrent liabilities:				
Notes payable, net	-	57,624,999	57,624,999	-
Leases payable	-	801,361	801,361	-
Compensated absences	373,468	812,198	1,185,666	53,885
Liability for incurred claims	-	-	-	2,600,000
Total noncurrent liabilities	373,468	59,238,558	59,612,026	2,653,885
Total liabilities	1,620,441	70,512,754	72,133,195	4,213,279
DEFERRED INFLOW OF RESOURCES				
Deferred inflows from leases	-	428,331	428,331	-
Total deferred outflows of resources	-	428,331	428,331	-
NET POSITION				
Net investment in capital assets	16,959,922	216,566,970	233,526,892	-
Restricted for debt service	-	6,992,510	6,992,510	-
Restricted for capital projects	-	4,953,967	4,953,967	-
Unrestricted	11,894,248	50,773,305	62,667,553	(3,868,312)
Total net position	\$ 28,854,170	\$ 279,286,752	\$ 308,140,922	\$ (3,868,312)

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, 2023

	Business-type Activities			Governmental
	Norman Municipal Authority	Norman Utilities Authority	Total	Internal Service Fund
Operating revenues:				
Water service, net	\$ -	\$ 26,317,568	\$ 26,317,568	\$ -
Wastewater service, net	-	17,121,748	17,121,748	-
Sanitation services, net	16,990,038	-	16,990,038	-
Self-insurance charges:				
Charges for services	-	-	-	15,803,126
Risk management administration	-	-	-	500,000
Workers' compensation	-	-	-	1,422,422
Unemployment compensation	-	-	-	-
Other	108,215	344,021	452,236	469,112
Total operating revenues	17,098,253	43,783,337	60,881,590	18,194,660
Operating expenses:				
Salaries and benefits	5,342,427	9,030,328	14,372,755	651,911
Supplies and materials	1,486,252	3,961,022	5,447,274	-
Services, maintenance and claims	7,986,393	11,499,670	19,486,063	21,050,254
Depreciation and amortization	1,859,592	16,307,285	18,166,877	-
Total operating expenses	16,674,664	40,798,305	57,472,969	21,702,165
Operating income (loss)	423,589	2,985,032	3,408,621	(3,507,505)
Nonoperating revenues (expenses):				
Excise tax revenue	-	1,037,712	1,037,712	-
Investment earnings	256,257	1,357,126	1,613,383	5,496
Interest and fiscal charges	-	(2,413,224)	(2,413,224)	-
Miscellaneous income (expense)	358,398	(203,568)	154,830	-
Net nonoperating revenues (expenses)	614,655	(221,954)	392,701	5,496
Income (loss) before capital contributions and transfers	1,038,244	2,763,078	3,801,322	(3,502,009)
Capital contributions - donated water and sewer distribution systems	-	4,791,771	4,791,771	-
Transfers in	-	-	-	2,094,225
Transfers out	-	(1,796,030)	(1,796,030)	(73,066)
Net capital contributions and transfers	-	2,995,741	2,995,741	2,021,159
Net income (loss)	1,038,244	5,758,819	6,797,063	(1,480,850)
Net position - beginning	27,815,926	273,527,933	301,343,859	(2,387,462)
Net position - ending	\$ 28,854,170	\$ 279,286,752	\$ 308,140,922	\$ (3,868,312)
See notes to financial statements				

THE CITY OF NORMAN, OKLAHOMA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities			Governmental
	Norman Municipal Authority	Norman Utilities Authority	Total	Interal Service Fund
Cash flows from operating activities:				
Cash received from customers	\$ 16,703,689	\$ 43,565,091	\$ 60,268,780	\$ -
Cash received from interfund charges for health insurance	-	-	-	18,249,249
Cash paid to employees for services	(5,305,626)	(8,879,509)	(14,185,135)	(639,336)
Cash paid to suppliers	(9,956,363)	(17,437,794)	(27,394,157)	(19,953,186)
Other receipts	355,667	53,716	409,383	(1,038,151)
Net cash provided by (used for) operating activities	1,797,367	17,301,504	19,098,871	(3,381,424)
Cash flows from noncapital financing activities:				
Transfers in	-	-	-	2,094,225
Transfers out	-	(1,796,030)	(1,796,030)	(73,066)
Net cash provided by (used for) noncapital financing activities	-	(1,796,030)	(1,796,030)	2,021,159
Cash flows from capital and related financing activities:				
Proceeds from disposal of capital assets	1,350,677	5,355,955	6,706,632	-
Payments for the acquisition of capital assets	(6,700,494)	(13,602,629)	(20,303,123)	-
Proceeds from taxes	-	1,037,712	1,037,712	-
Proceeds from lease activity	-	123,415	123,415	-
Payments for the acquisition of lease assets	-	(52,087)	(52,087)	-
Principal payments on notes payable	-	(7,104,022)	(7,104,022)	-
Interest and fiscal charges paid	-	(2,551,217)	(2,551,217)	-
Net cash used for capital and related financing activities	(5,349,817)	(16,792,873)	(22,142,690)	-
Cash flows from investing activities:				
Proceeds from maturity of investments	5,046,536	15,799,387	20,845,923	1,508,750
Payments for purchases of investments	(615,588)	(2,777,682)	(3,393,270)	(16,871)
Investment earnings received	237,651	1,367,611	1,605,262	(13,516)
Net cash used for investing activities	4,668,599	14,389,316	19,057,915	1,478,363
Net change in cash and cash equivalents	1,116,149	13,101,917	14,218,066	118,098
Cash and cash equivalents - beginning	3,019,939	21,008,558	24,028,497	471
Cash and cash equivalents - ending	\$ 4,136,088	\$ 34,110,475	\$ 38,246,563	\$ 118,569
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 423,589	\$ 2,985,032	\$ 3,408,621	\$ (3,507,505)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Miscellaneous revenue (expense)	358,398	(203,568)	154,830	-
Bad debt expense	148,400	(24,540)	123,860	-
Depreciation and amortization	1,859,592	16,307,285	18,166,877	-
Gain (loss) on disposal of property, plant and equipment	(49,440)	244,448	195,008	-
(Increase) decrease in accounts receivable, net	(562,537)	(212,089)	(774,626)	54,589
Decrease in due from other funds	46,709	12,836	59,545	(1,627)
Decrease in lease receivable	-	223,244	223,244	-
Increase (decrease) in accounts payable and accrued liabilities	(472,545)	(1,767,001)	(2,239,546)	297,068
Increase in payroll payable	43,728	58,458	102,186	5,992
Increase in liability for incurred claims	-	-	-	800,000
Decrease in due to other funds	-	-	-	(1,036,524)
Decrease in retainage payable	(11,173)	(248,749)	(259,922)	-
Increase in guaranty deposits	19,573	18,383	37,956	-
Increase (decrease) in compensated absences	(6,927)	92,361	85,434	6,583
Decrease in deferred inflow from leases	-	(184,596)	(184,596)	-
Net cash provided by (used for) operating activities	\$ 1,797,367	\$ 17,301,504	\$ 19,098,871	\$ (3,381,424)
NONCASH ACTIVITIES:				
Donated water and sewer distribution systems	\$ -	\$ 4,791,771	\$ 4,791,771	\$ -
Change in unrealized loss on investments	\$ (231,943)	\$ 69,665	\$ (162,278)	\$ (21,505)

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS JUNE 30, 2023

	Pension Trust Fund	Custodial Fund
ASSETS		
Cash and cash equivalents	\$ -	\$ 4,727
Investments		
Mutual funds	103,779,540	-
U.S. Agencies	-	5,001
Interest receivable	-	24
Due from other funds	-	67
Loans to 401(a) Plan participants	<u>3,206,379</u>	<u>-</u>
Total assets	<u>\$ 106,985,919</u>	<u>\$ 9,819</u>
LIABILITIES AND NET POSITION		
Funds held for others	\$ -	\$ 9,819
Net position restricted for defined benefit pensions	164,426	-
Net position restricted for defined contribution pensions	<u>106,821,493</u>	<u>-</u>
Total liabilities and net position	<u>\$ 106,985,919</u>	<u>\$ 9,819</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, 2023

	Pension Trust Fund	Custodial Fund
ADDITIONS:		
Contributions:		
Employer	\$ 3,153,362	\$ -
Employee	<u>2,376,949</u>	<u>-</u>
Total contributions	5,530,311	-
Investment income	<u>13,016,586</u>	<u>187</u>
Total additions	<u>18,546,897</u>	<u>187</u>
DEDUCTIONS:		
Pension benefits paid	6,316,040	-
Administration costs	<u>(132,208)</u>	<u>-</u>
Total deductions	<u>6,183,832</u>	<u>-</u>
NET DECREASE IN FIDUCIARY NET POSITION	12,363,065	187
Net position:		
Beginning of year	<u>94,622,854</u>	<u>9,632</u>
End of year	<u>\$ 106,985,919</u>	<u>\$ 9,819</u>

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 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, 2023, 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. 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, property 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.

Special Grants Fund – Established to account for revenues and expenditures of other miscellaneous grants received from various sources.

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:

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.

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”).
- *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.
- *Westwood Fund* - Established to account for revenues and expenditures from the operation of Westwood Park recreational facilities.

- *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 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.

Custodial Funds - Custodial 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 a custodial capacity and are not required to be reported in pension trust funds, investment trust funds, or private purpose trust funds because the City does not have administration involvement or direct financial involvement and the assets were not derived from the City’s provision of goods or services. The City has one custodial 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 in governmental funds 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, 2023, 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. *Lease Assets* – Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.
- i. *Capital and Lease Asset Impairment* – The City evaluates capital and lease assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital or lease asset has occurred. If a capital or lease asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital asset historical cost and related accumulated depreciation are decreased proportionately such that the net decrease equals the impairment loss. No asset impairment was recognized during the year ended June 30, 2023.
- j. *Inventory* – The City records parts and fuel inventory within the General Fund and golf shop merchandise within the Westwood Fund. Parts inventory and golf shop inventory are 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.
- k. *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.

- l. *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, 2023, 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.
- m. *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.
- n. *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.

- o. *Unearned Revenues* – The City received federal Coronavirus State and Local Fiscal Recovery Funds (CSLFR) as part of the American Rescue Plan Act (ARPA). The funding was received in advance of meeting certain eligibility requirements that must be met prior to being recognized as revenues. The City records these funds as an unearned revenue liability until the funds are expended in accordance with the required grant terms.
- p. *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 and lease assets, net of accumulated depreciation and amortization 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. The General Fund is the only fund that reports a positive unassigned fund balance.

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 assets 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City has a deferred inflow related to pensions, OPEB plans and leases. 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, 2023 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 \$243,166,551 difference are as follows:

General obligation bonds payable	\$ 106,358,538
Sales tax revenue notes payable	87,885,000
Compensated absences	9,149,798
Leases asset	(896,529)
Leases payable	917,627
Total OPEB liability	7,168,667
Net pension asset	(3,077,337)
Net pension liability	49,269,045
Deferred outflows of resources	(22,735,095)
Deferred inflow of resources	7,616,284
Accrued interest payable	<u>1,510,553</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 243,166,551</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 \$52,237,470 difference are as follows:

Capital outlay	\$ 78,752,100
Depreciation expense	<u>(26,514,630)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 52,237,470</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 \$1,312,804 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.	\$ 1,440,180
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In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital asset sold.	(234,675)
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The statement of activities reports gains arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.	<u>107,299</u>
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Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,312,804</u>
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Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in the governmental funds.” The details of this \$58,186 difference are as follows:

Change in accrued interest payable	\$ (99,233)
Change in net pension and total OPEB liability	686,003
Change in lease payable	(10,577)
Change in debt issuance premium or discount	<u>(518,007)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 58,186</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, 2023 amounted to \$64,532,326. 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, 2023, none of the City’s bank balance of \$100,880,978 was exposed to custodial credit risk. Approximately \$10,008,000 in uninvested cash was in trustee accounts and not considered to be uncollateralized. As of June 30, 2023, the City’s carrying balance of these deposits was \$134,305,239.

Interest Rate Risk – As of June 30, 2023, the City had the following investments subject to interest rate risk:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Money Market Mutual Funds	\$ 67,349,274	0.04
U.S. Treasury Notes	22,486,635	0.93
Federal Home Loan Bank	14,853,219	0.82
Federal Farm Credit Bank	19,090,325	1.07
Federal Home Loan Mortgage Corporation	6,667,513	0.35
Federal Agricultural Mortgage Corporation	7,350,716	0.84
Federal National Mortgage Association	<u>6,451,318</u>	0.13
Total fair value	<u>\$ 144,249,000</u>	
Portfolio weighted average maturity		0.45

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	\$ 134,305,239
Money market mutual funds	67,349,274
Less: Certificates of deposits classified as investments	<u>(3,898,838)</u>
	<u>\$ 197,755,675</u>

Cash as reported on the government-wide statement of net position -	
Cash and cash equivalents	\$ 101,950,036
Restricted cash and cash equivalents - current	90,851,672
Restricted cash and cash equivalents - long-term	<u>4,953,967</u>
	<u>\$ 197,755,675</u>

Carrying value of investments -	
Pooled and nonpooled funds	\$ 144,249,000
Site development certificate of deposits	3,898,838
Less: Money market mutual funds classified as cash equivalent	<u>(67,349,274)</u>
	<u>\$ 80,798,564</u>

As reported on the government-wide statement of net position -	
Investments	\$ 77,589,701
Restricted investments - current	<u>3,208,863</u>
	<u>\$ 80,798,564</u>

Credit Risk –The City’s investment policy does not cover credit risk. The City’s investments as of June 30, 2023 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 Agricultural Mortgage Corporation	Aaa	AA+
Federal National Mortgage Association	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 two money market mutual funds;

the Federated Hermes Government Obligations Tax Managed Fund and the Cavanal Hill Government Securities Fund which represents 10% and 31% of the City's total investments, respectively.

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, 2023, 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, 2023:

- US Treasury securities of \$22,486,635 are valued using quoted market prices (Level 1 inputs).
- Federal government agencies securities of \$54,423,718 are valued using quoted market prices of similar assets in an active market (Level 2 inputs).
- Money market mutual funds of \$67,349,274 are valued using quoted market prices (Level 1 inputs).
- Mutual funds of \$103,779,540 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 \$2,536,372 of allowable expenditures under various direct and pass through grants for which the City has requested reimbursement.

Interfund receivables and payables – Interfund receivables and payables for the year ended June 30, 2023:

<u>Fund Name</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$ 215,779	\$ -
Public Safety Sales Tax Fund	-	253,675
Special Grants Fund	102,051	-
Capital Projects Fund	229,422	-
Nonmajor Governmental Fund	81,271	919,767
Norman Forward Fund	95,685	-
Norman Municipal Authority	57,944	-
Norman Utilities Authority	389,663	-
Internal Service Fund	1,627	-
	<u>\$ 1,173,442</u>	<u>\$ 1,173,442</u>

Transfers - Transfers for the year ended June 30, 2023 consisted of the following:

Transfers	<u>Transfers In</u>							Total Transfers
	General	Capital Projects	Norman Forward	Special Grants	Nonmajor Governmental	Internal Service		
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	
General Fund	\$ -	\$ 164,901	\$ 1,197,277	\$ 31,247	\$ 37,977	\$ 1,625,932	\$ 3,057,334	
Nonmajor Governmental Funds	228,792	180,000	-	-	-	468,293	877,085	
Special Grants Fund	-	859,102					859,102	
Capital Projects Fund	4,178,797	-	-	5,701,588	291,397	-	10,171,782	
Norman Forward Fund	363,569				35,000		398,569	
Internal Service Fund	73,066	-	-		-	-	73,066	
Enterprise Funds	<u>1,796,030</u>	-	-	-	-	-	<u>1,796,030</u>	
Total Transfers In	<u>\$ 6,640,254</u>	<u>\$ 1,204,003</u>	<u>\$ 1,197,277</u>	<u>\$ 5,732,835</u>	<u>\$ 364,374</u>	<u>\$ 2,094,225</u>	<u>\$ 17,232,968</u>	

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

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

- The Capital Projects Fund transferred \$4,178,797 to the General Fund to pay for the purchase of vehicles and equipment and fund street maintenance projects.

- The Capital Fund transferred \$2,323,040 to the Special Grants Fund to up front grant funds for the purchase of transit buses that will subsequently be reimbursed to the Capital Fund.
- The General Fund transferred \$1,625,932 to the Risk Fund for financial support.
- The Enterprise Funds transferred \$1,796,030 to the General Fund as a fee in lieu of franchise fees.

Leases Receivable – The City leases space on its water towers to various cellular companies, the terms of which expire December 2023 through September 2025. Payments increase three percent (3%) annually. The leases were measured based upon the 3% increase at lease commencement. The City leases land for stand-alone towers to various cellular companies, the terms of which expire April 2024 through June 2026. Payments increase three percent (3%) annually. The leases were measured based upon the 3% increase at lease commencement.

Revenue recognized under lease contracts during the year ended June 30, 2023 was \$196,784 which includes both lease revenue and interest.

Capital Assets – Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 75,568,562	\$ 157,100	\$ -	\$ 75,725,662
Construction in progress	42,684,010	73,178,974	(18,971,941)	96,891,043
Capital assets, being depreciated:				
Buildings	87,520,057	6,961,586	-	94,481,643
Improvements other than buildings	45,029,239	62,458	(424,071)	44,667,626
Machinery and equipment	64,021,853	2,071,269	(1,152,446)	64,940,676
Vehicles	26,410,066	3,511,185	(676,304)	29,244,947
Infrastructure	<u>674,360,868</u>	<u>13,221,649</u>	<u>-</u>	<u>687,582,517</u>
Totals at historical cost	<u>1,015,594,655</u>	<u>99,164,221</u>	<u>(21,224,762)</u>	<u>1,093,534,114</u>
Less accumulated depreciation				
Buildings	(24,990,886)	(2,762,363)	-	(27,753,249)
Improvements other than buildings	(22,287,356)	(1,795,605)	421,141	(23,661,820)
Machinery and equipment	(39,891,015)	(5,158,804)	1,110,365	(43,939,454)
Vehicles	(18,293,807)	(1,983,649)	593,939	(19,683,517)
Infrastructure	<u>(401,512,646)</u>	<u>(14,814,209)</u>	<u>-</u>	<u>(416,326,855)</u>
Total accumulated depreciation	<u>(506,975,710)</u>	<u>(26,514,630)</u>	<u>2,125,445</u>	<u>(531,364,895)</u>
Governmental activities capital assets, net	<u>\$ 508,618,945</u>	<u>\$ 72,649,591</u>	<u>\$ (19,099,317)</u>	<u>\$ 562,169,219</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 4,592,767	\$ 599,353	\$ -	\$ 5,192,120
Construction in progress	28,916,575	10,103,803	(6,461,086)	32,559,292
Capital assets, being depreciated:				
Buildings and improvements	234,211,346	6,201,219	(857,154)	239,555,411
Machinery and equipment	<u>250,207,578</u>	<u>8,190,523</u>	<u>(1,125,844)</u>	<u>257,272,257</u>
Totals at historical cost	<u>517,928,266</u>	<u>25,094,898</u>	<u>(8,444,084)</u>	<u>534,579,080</u>
Less accumulated depreciation				
Buildings and improvements	(121,192,018)	(5,989,334)	624,914	(126,556,438)
Machinery and equipment	<u>(102,529,649)</u>	<u>(12,177,543)</u>	<u>1,029,574</u>	<u>(113,677,618)</u>
Total accumulated depreciation	<u>(223,721,667)</u>	<u>(18,166,877)</u>	<u>1,654,488</u>	<u>(240,234,056)</u>
Business-type activities capital assets, net	<u>\$ 294,206,599</u>	<u>\$ 6,928,021</u>	<u>\$ (6,789,596)</u>	<u>\$ 294,345,024</u>

Lease Assets –Activity for the fiscal year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Lease assets, being amortized:				
Buildings	\$ 565,236	\$ 540,348	\$ -	\$ 1,105,584
Machinery and equipment	40,245	-	-	40,245
Totals	<u>605,481</u>	<u>540,348</u>	<u>-</u>	<u>1,145,829</u>
Less accumulated amortization				
Buildings	(51,385)	(170,117)	-	(221,502)
Machinery and equipment	<u>(18,390)</u>	<u>(9,408)</u>	<u>-</u>	<u>(27,798)</u>
Total accumulated amortization	<u>(69,775)</u>	<u>(179,525)</u>	<u>-</u>	<u>(249,300)</u>
Governmental activities lease assets, net	<u>\$ 535,706</u>	<u>\$ 360,823</u>	<u>\$ -</u>	<u>\$ 896,529</u>
Business-type activities:				
Lease assets, being amortized:				
Land	\$ 1,000,828	\$ -	\$ -	\$ 1,000,828
Machinery and equipment	<u>5,597</u>	<u>-</u>	<u>-</u>	<u>5,597</u>
Totals at historical cost	<u>1,006,425</u>	<u>-</u>	<u>-</u>	<u>1,006,425</u>
Less accumulated amortization				
Land	(120,868)	(61,277)	-	(182,145)
Machinery and equipment	<u>(2,130)</u>	<u>(852)</u>	<u>-</u>	<u>(2,982)</u>
Total accumulated amortization	<u>(122,998)</u>	<u>(62,129)</u>	<u>-</u>	<u>(185,127)</u>
Business-type activities lease assets, net	<u>\$ 883,427</u>	<u>\$ (62,129)</u>	<u>\$ -</u>	<u>\$ 821,298</u>

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

Governmental activities:	
General government	\$2,057,661
Planning	29,972
City controller	128,086
Parks and recreation	2,342,710
Public works	16,729,555
Public service	202
Public safety	<u>5,226,444</u>
Total depreciation and amortization expense – governmental activities	<u>\$26,514,630</u>
Business-type activities:	
Utilities authority	\$16,307,285
Sanitation services	<u>1,859,592</u>
Total depreciation and amortization expense – business-type activities	<u>\$18,166,877</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 Activities</u>
<i>Pension expense</i>	
Employee Retirement System	\$20,044
OFPRS	6,193,323
OPPRS	<u>735,443</u>
	<u><u>6,948,810</u></u>
<i>Net pension liability (asset)</i>	
Employee Retirement System	\$0
OFPRS	49,269,045
OPPRS	<u>(3,077,337)</u>
	<u><u>\$46,191,708</u></u>
<i>Deferred outflows of resources</i>	
Employee Retirement System	\$0
OFPRS	15,290,483
OPPRS	<u>6,594,432</u>
	<u><u>\$21,884,915</u></u>
<i>Deferred inflows of resources</i>	
Employee Retirement System	\$0
OFPRS	3,380,236
OPPRS	<u>505,676</u>
	<u><u>\$3,885,912</u></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 quarter. 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, 2023, 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, 2022, the date of the last actuarial study, the Annuity Pool participants included five 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, 2022 the Actuarial Accrued Liability for the Annuity Pool was \$196,305 and the market value of assets in the Annuity Pool was \$143,619. The City’s actuary has suggested an annual contribution for a period of ten years commencing July 1, 2023. 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 contributed \$52,686 to the plan in

2023. 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, 2023 was \$36,474,371, and total City payroll was \$69,078,429.

Substantially all full-time, non-uniformed employees of the City are required to participate in the 401(a) Plan. At June 30, 2023, there were 650 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, 2023 was \$143,663. Contributions to the 401(a) Plan for 2023 were \$5,471,157. The contributions expressed in dollars and percent of covered payroll were: City - \$3,100,324, 8.5%, participants - \$2,370,833, 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
2021	2,751,223	100%
2022	2,830,104	100%
2023	3,100,324	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, 2023**

Assets	Annuity Pool Fund	401(a) Plan Fund	Total
Investments - mutual funds	\$ 164,426	\$ 103,615,114	\$ 103,779,540
Loans to 401(a) Plan participants	-	3,206,379	3,206,379
Total assets	<u>\$ 164,426</u>	<u>\$ 106,821,493</u>	<u>\$ 106,985,919</u>
Liabilities and Net Position			
Net position restricted for pension benefits	\$ 164,426	\$ 106,821,493	\$ 106,985,919
Total liabilities and net position	<u>\$ 164,426</u>	<u>\$ 106,821,493</u>	<u>\$ 106,985,919</u>

**Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023**

	Annuity Pool Fund	401(a) Plan Fund	Total
Additions:			
Contributions - employer	\$ 52,686	\$ 3,100,676	\$ 3,153,362
Contributions - employee	-	2,376,949	2,376,949
Investment income (loss)	12,255	13,004,331	13,016,586
Total additions	<u>64,941</u>	<u>18,481,956</u>	<u>18,546,897</u>
Deductions:			
Pension benefits paid	44,284	6,271,756	6,316,040
Administration costs	613	(132,821)	(132,208)
Total deductions	<u>44,897</u>	<u>6,138,935</u>	<u>6,183,832</u>
Net increase (decrease)	20,044	12,343,021	12,363,065
Net position restricted for pension and retirement benefits:			
Beginning of year	<u>144,382</u>	<u>94,478,472</u>	<u>94,622,854</u>
End of year	<u>\$ 164,426</u>	<u>\$ 106,821,493</u>	<u>\$ 106,985,919</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, 2023, the total contribution to the system amounted to \$3,424,182 of which \$2,084,284 was made by the City and \$1,339,898 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 \$4,040,000 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, 2023, the City reported a liability of \$49,269,045, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2022, the City's proportion was 3.767512%

For the year ended June 30, 2023, the City recognized pension expense of \$6,193,323. At June 30, 2023, 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	\$ 6,324,820	\$ 248,723
Changes of assumptions or other inputs	-	314,131
Employer change in proportion and differences between contributions recognized and proportionate share of contributions	1,155,788	2,817,382
Net difference between projected and actual earnings on pension plan investments	5,725,594	-
City's contributions subsequent to the measurement date	<u>2,084,284</u>	<u>-</u>
Total	<u>\$ 15,290,486</u>	<u>\$ 3,380,236</u>

At June 30, 2023, the City reported \$2,084,284 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources totaling \$9,825,966 related to pensions will be recognized as a (reduction) or increase in pension expense as follows:

2024	\$ 2,433,266
2025	2,050,942
2026	256,774
2027	<u>5,084,984</u>
	<u>\$ 9,825,966</u>

Actuarial Assumptions – The total pension liability in the July 1, 2021, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%, compounded annually
Salary increases	2.75% to 10.5%, average, including inflation
Ad hoc cost of living adjustments	Half of the dollar amount of a 2.75%
	Assumed increase in base pay for retirees with 20 years of service as of May 26, 1983, no increase afterwards
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, 2022 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%	3.62%
Domestic Equity	42%	5.66%
International Equity	20%	8.34%
Real Estate	10%	7.64%
Other Assets	<u>8%</u>	5.08%
	100%	

Discount Rate – The single discount rate used to measure the total pension liability was 7.5% for the measurement period ended June 30, 2022. 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	\$ 63,486,964	\$ 49,269,045	\$ 37,376,449

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, 2023, the total contribution to the system amounted to \$3,052,627 of which \$1,889,721 was made by the City and \$1,162,906 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 \$1,529,000 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, 2023, the City reported an asset of \$3,077,337, for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2022. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the City's proportion was 3.837461%

For the year ended June 30, 2023, the City recognized pension expense of \$735,443. At June 30, 2023, 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	\$ 1,509,470	\$ 335,202
Change in assumptions or other inputs	107,137	-
Employer change in proportion and differences between contributions recognized and proportionate share of contributions	85,249	170,474
Net difference between projected and actual earnings on pension plan investments	3,002,855	-
City's contributions subsequent to the measurement date	<u>1,889,721</u>	<u>-</u>
Total	<u>\$ 6,594,432</u>	<u>\$ 505,676</u>

At June 30, 2023, the City reported \$1,889,721 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources totaling \$4,199,035 related to pensions will be recognized as a (reduction) or increase in pension expense as follows:

2023	\$ 948,487
2024	235,857
2025	(864,937)
2026	3,687,463
2027	<u>192,166</u>
	<u>\$ 4,199,035</u>

Actuarial Assumptions – The total pension liability in the July 1, 2021, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%, compounded annually
Salary increases	3.5% to 12%, 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 of 3.5% (wage

Investment rate of return inflation).
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, 2022 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	20%	3.34%
Domestic Equity	35%	4.69%
International Equity	15%	8.34%
Real Estate	15%	7.64%
Private Equity	10%	9.66%
Other Assets	<u>5%</u>	0.00%
	100%	

Discount Rate – The single discount rate used to measure the total pension liability was 7.5% for the measurement period ended June 30, 2022. 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)	\$ 8,915,957	\$ (3,077,337)	\$ (13,214,604)

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, 2021, membership consisted of:

Retirees and beneficiaries currently receiving benefits	66
Terminated employees entitled to benefits but not yet receiving them	0
Active employees	<u>720</u>
Total	<u>786</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, 2023, 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, 2023, the City reported a liability of \$7,168,667. The total OPEB liability was measured as of June 30, 2023, the total OPEB liability was determined by an actuarial valuation at July 1, 2021 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, 2023, the City recognized OPEB expense of (\$350,382). At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ (654,086)	\$ 741,313
Change in assumptions or other inputs	<u>(3,076,286)</u>	<u>53,753</u>
Total	<u>\$ (3,730,372)</u>	<u>\$ 795,066</u>

At June 30, 2023, amounts reported as deferred outflows of resources and deferred inflows of resources totaling \$2,935,306 related to OPEB will be recognized as a (reduction) or increase in OPEB expense as follows:

2023	\$ (927,943)
2024	(952,091)
2025	(436,300)
2026	(417,105)
2027	(189,019)
Thereafter	<u>(12,848)</u>
	<u>\$ (2,935,306)</u>

Actuarial Assumptions – The total OPEB liability in the July 1, 2021, 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, 2021	30 years
Amortization growth rate	2.50%
Inflation	2.40%
Discount rate for valuing liabilities	3.54%, based on the Bond Buyer 20 year General Obligation Municipal Index
Healthcare cost trend rates	5.7%/5.5% for non-Medicare/Medicare claims in 2021, gradually decreasing to an ultimate rate of 3.8%/3.8% for 2073 and beyond. 4% for dental claims in 2021 and gradually decreasing to an ultimate rate of 3.8% for 2073 and beyond
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.

	<u>Changes in Total OPEB Liability</u>
Balance, beginning of year, July 1, 2022	\$ 7,060,296
Changes for the year:	
Service Cost	267,698
Interest on total OPEB Liability	253,522
Effect of economic/demographic gains or losses	-
Effect of assumptions changes or inputs	(77,228)
Benefit payments	<u>(335,621)</u>
Net changes	<u>108,371</u>
Balance, end of year, June 30, 2023	<u>\$ 7,168,667</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 3.65%. 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 (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	\$ 7,910,027	\$ 7,168,667	\$ 6,512,450

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	\$ 6,257,068	\$ 7,168,667	\$ 8,262,183

Guaranty Deposits - At June 30, 2023, the guaranty deposit accounts of the City included the following deposit liabilities:

Governmental activities:

Oil and gas drilling escrow	\$239,600
Site improvements	6,681,291
Contractor's escrow	97,618
Park improvement	8,615
Court fines and bond deposits	46,790
Others	<u>375,025</u>
Total governmental activities	<u>\$7,448,939</u>

Business-type activities:

Utility deposits	<u>\$1,892,544</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, 2023, the net assessed valuation approximated \$1,297,000,000 or \$1.3 billion. The City had no such bonds outstanding at June 30, 2023. There is no such limit on the issuance of other types of general obligation bonds.

General obligation bonds outstanding as of June 30, 2023 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 project	\$ 10,555,000
\$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)	14,230,000
\$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 Bonds)	2,320,000
\$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)	16,850,000
\$11,250,000 2020A General Obligation bonds (publicly traded), due in annual installments of \$590,000 to \$630,000 beginning August 1, 2021 through August 1, 2040 at interest rates ranging from 2.0% to 2.125% (for a building renovation project)	10,660,000
\$13,500,000 2021 General Obligation bonds (publicly traded), due in annual installments of \$3,375,000 beginning June 1, 2022 through June 1, 2026 at interest rates ranging from 0.25% to 1.5% (for various street reconstruction projects)	10,125,000
\$26,000,000 2023A General Obligation bonds (publicly traded), due in annual installments of \$1,365,000 to \$1,430,000 beginning May 1, 2025 through May 1, 2043 at interest rates ranging from 3% to 4% (for various street reconstruction projects)	26,000,000
\$13,500,000 2021 General Obligation bonds (publicly traded), due in annual installments of \$3,375,000 beginning May 1, 2025 through May 1, 2028 at interest rates ranging from 3% to 4% (for various street reconstruction projects)	<u>13,500,000</u>
Total general obligation bonds	<u>\$ 104,240,000</u>

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

Fiscal Year	Principal	Interest	Total
2024	\$ 8,050,000	\$ 2,961,347	\$ 11,011,347
2025	12,785,000	2,794,496	15,579,496
2026	12,365,000	2,465,394	14,830,394
2027	8,985,000	2,156,013	11,141,013
2028	8,620,000	1,892,356	10,512,356
2029 – 2033	26,230,000	6,616,465	32,846,465
2034– 2038	17,405,000	3,268,867	20,673,867
2039 - 2043	<u>9,800,000</u>	<u>922,065</u>	<u>10,722,065</u>
Total	<u>\$ 104,240,000</u>	<u>\$ 23,077,003</u>	<u>\$ 127,317,003</u>

b. *Notes Payable* - Notes payable as of June 30, 2023 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%	4,970,000
\$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.	9,065,000
\$43,160,000 Norman Municipal Authority Revenue Note, Taxable Series 2015B (direct placement), due in annual payments ranging from \$500,000 to \$5,845,000 beginning January 1, 2017 through January 1, 2029. The loan has a 2.98% interest rate.	32,295,000
\$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.	24,450,000
\$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.	5,285,000
\$22,250,000 Norman Municipal Authority Revenue Note, Taxable Series 2020 (direct placement), due in annual payments ranging from \$900,000 to \$5,000,000 beginning July 1, 2021 through July 1, 2031. The loan has a 2.29% interest rate.	18,700,000
\$22,250,000 Norman Municipal Authority Hotel/Motel Revenue Note, Taxable Series 2021 (direct placement), due in annual payments ranging from \$149,000 to \$216,000 beginning March 1, 2022 through September 1, 2031. The loan has a 1.89% interest rate.	3,375,000

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 \$ 98,140,000

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

Fiscal Year	Principal	Interest	Total
2024	\$ 13,013,964	\$ 2,509,912	\$ 15,523,876
2025	13,452,124	2,193,338	15,645,462
2026	13,745,318	1,857,399	15,602,717
2027	14,114,548	1,514,968	15,629,516
2028	11,753,812	1,178,911	12,932,723
2029 – 2033	40,036,246	1,930,798	41,967,044
2034 – 2038	4,191,202	228,622	4,419,824
2039 – 2040	4,332,786	87,040	4,419,826
Less unfunded notes *	<u>(16,500,000)</u>	<u>(1,179,296)</u>	<u>(17,679,296)</u>
Total	<u>\$ 98,140,000</u>	<u>\$ 10,321,692</u>	<u>\$ 108,461,692</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.

- c. *Oklahoma Water Resource Board (OWRB) Notes Payable* – OWRB notes payable as of June 30, 2023 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.	\$ 2,530,731
\$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.	16,172,475
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.	25,455,567
\$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%.	10,430,000
\$15,000,000 Clean Water direct borrowing loan payable to the OWRB due in annual payments ranging from \$362,000 to \$1,057,000 beginning March 15, 2025 through September 15, 2041. The loan has an interest rate ranging from 2.53%.	-
Total OWRB loans payable	<u>\$ 54,588,773</u>

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

Fiscal Year	Principal	Interest	Total
2024	\$ 5,469,951	\$ 1,681,499	\$ 7,151,450
2025	5,984,318	1,719,312	7,703,630
2026	6,510,849	1,628,021	8,138,870
2027	6,682,588	1,451,393	8,133,981
2028	4,954,822	1,274,187	6,229,009
2029 – 2033	16,080,946	4,835,586	20,916,532
2034 – 2038	17,464,233	2,353,472	19,817,705
2039	6,441,066	244,867	6,685,933
Less unfunded notes *	<u>(15,000,000)</u>	<u>-</u>	<u>(15,000,000)</u>
Total	<u>\$ 54,588,773</u>	<u>\$ 15,188,337</u>	<u>\$ 69,777,110</u>

d. *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. By letter dated October 26, 2021, the City received notice from the IRS that its \$22,825,000 Sales Tax Revenue Note, Series 2015, was selected for an examination. The City did have an arbitrage tax rebate review prepared by an external specialist for the period of June 9, 2015 to June 9, 2020 in which no tax was owed to the IRS. As of the date of the auditor’s report, the examination was still in progress.

* - Relates to \$16,500,000 of the Norman TIF Notes Payable and \$15,000,000 of the 2022 OWRB SRF loan payable.

Lease Liabilities

The City leases copier equipment, office space and land for water wells, the terms of which expire in various years through 2040.

The following is a schedule by year of payments under the government-type leases as of June 30, 2023:

Fiscal Year	Principal	Interest	Total
2024	\$ 169,457	\$ 17,692	\$ 187,149
2025	171,863	14,001	185,864
2026	142,480	10,677	153,157
2027	145,315	7,602	152,917
2028	55,171	5,548	60,719
2029-2032	<u>233,341</u>	<u>9,925</u>	<u>243,266</u>
Total	<u>\$ 917,627</u>	<u>\$ 65,445</u>	<u>\$ 983,072</u>

The following is a schedule by year of payments under the business-type leases as of June 30, 2023:

Fiscal Year	Principal	Interest	Total
2024	\$ 53,227	\$ 12,625	\$ 65,852
2025	53,932	11,743	65,675
2026	55,130	10,916	66,046
2027	56,807	10,064	66,871
2028	53,655	9,257	62,912
2029-2033	267,951	34,179	302,130
2034-2038	289,556	12,245	301,801
2039-2040	<u>24,330</u>	<u>226</u>	<u>24,556</u>
Total	<u>\$ 854,588</u>	<u>\$ 101,255</u>	<u>\$ 955,843</u>

Changes in Long-term Liabilities – Long-term liability activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 72,790,000	\$ 39,500,000	\$ (8,050,000)	\$ 104,240,000	\$ 8,050,000
Issuance premium/ (discount)	<u>1,614,265</u>	<u>773,367</u>	<u>(269,094)</u>	<u>2,118,538</u>	<u>-</u>
Total bonds payable	74,404,265	40,273,367	(8,319,094)	106,358,538	8,050,000
Sales tax revenue notes	97,078,000	-	(9,193,000)	87,885,000	10,983,964
Notes payable	655,000	-	(655,000)	-	-
Leases payable	546,881	426,397	(55,651)	917,627	169,457
Liability for incurred claims	3,000,122	18,035,363	(17,235,485)	3,800,000	1,200,000
Total OPEB liability	7,060,296	108,371	(7,168,667)	7,168,667	110,000
Net pension liability	25,969,901	23,299,144	-	49,269,045	-
Compensated absences	<u>8,880,249</u>	<u>327,791</u>	<u>-</u>	<u>9,208,040</u>	<u>693,450</u>
Government activity long-term liabilities	<u>\$ 217,594,714</u>	<u>\$ 82,470,433</u>	<u>\$ (35,458,230)</u>	<u>\$ 264,606,917</u>	<u>\$ 21,206,871</u>
Business-type activities:					
Notes payable	\$ 12,245,000	\$ -	\$ (1,990,000)	\$ 10,255,000	\$ 2,030,000
Less deferred amounts:					
For issuance premium and (discount)	<u>(8,914)</u>	<u>1,783</u>	<u>-</u>	<u>(7,131)</u>	<u>-</u>
Total notes payable	12,236,086	1,783	(1,990,000)	10,247,869	2,030,000
OWRB loans payable	59,987,001	-	(5,398,228)	54,588,773	5,469,951
Leases payable	906,675	-	(52,087)	854,588	53,227
Compensated absences	<u>1,188,410</u>	<u>85,433</u>	<u>-</u>	<u>1,273,843</u>	<u>88,177</u>
Business-type activity long-term liabilities	<u>\$ 73,411,497</u>	<u>\$ 87,216</u>	<u>\$ (7,388,228)</u>	<u>\$ 66,110,485</u>	<u>\$ 7,588,128</u>

For governmental activities, liability for incurred claims, compensated absences, net pension liability and total OPEB liability 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, 2023:

	General	Public Safety Sales Tax	Spl Grants Fund	Capital Projects	Norman Forward	Other Governmental Funds	Total Governmental Funds
FUND BALANCES							
Nonspendable:							
Inventory	\$ 37,016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,016
Restricted:							
Debt service reserve	-	-	-	-	-	4,282,165	4,282,165
Arts and humanities	-	-	-	-	-	3,287	3,287
Grant activities	-	-	-	-	-	4,721,104	4,721,104
Bond capital projects	-	-	-	63,462,910	5,151,048	-	68,613,958
Other capital projects	-	-	-	34,796,511	10,655,776	1,992,749	47,445,036
Seizures	-	-	-	-	-	1,591,258	1,591,258
Transit & Parking	-	-	-	-	-	1,453,280	1,453,280
Public safety	-	9,459,588	-	-	-	-	9,459,588
Parks and recreation	-	-	-	-	-	25,264	25,264
Assessment District	-	-	-	676,320	-	-	676,320
Committed:							
Economic stabilization	4,517,987	-	-	-	-	-	4,517,987
Assigned:							
Other capital projects	-	-	-	3,324,469	2,614,436	321,323	6,260,228
Grant activities	-	-	7,024,030	-	-	-	7,024,030
Orders on purchase	5,473,549	-	-	-	-	-	5,473,549
Unassigned:	<u>22,724,887</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,724,887</u>
Total fund balances	<u>\$ 32,753,439</u>	<u>\$ 9,459,588</u>	<u>\$ 7,024,030</u>	<u>\$ 102,260,210</u>	<u>\$ 18,421,260</u>	<u>\$ 14,390,430</u>	<u>\$ 184,308,957</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, 2023 the Rainy Day Fund had a balance of \$4,517,987.

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 \$3,800,000 reported at June 30, 2023 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, 2023, 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, 2023, 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 2022	<u>\$ 3,000,122</u>	<u>\$ 15,498,529</u>	<u>\$ (15,498,529)</u>	<u>\$ 3,000,122</u>
Fiscal year 2023	<u>\$ 3,000,122</u>	<u>\$ 18,035,363</u>	<u>\$ (17,235,485)</u>	<u>\$ 3,800,000</u>

7. 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, 2023, the City maintained a litigation reserve, including judgments that have been awarded but not yet paid, of approximately \$7144,000.

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.

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, 2023, the City paid the District \$767,169.

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, 2023 is as follows:

	Total Construction In Progress	Total Project	Remaining To Complete
General Government	\$ 96,891,043	\$ 150,458,321	\$ 53,567,278
Norman Municipal Authority:			
Sanitation	3,644,624	5,072,245	1,427,621
Norman Utilities Authority:			
Water Fund	22,653,239	56,520,697	33,867,458
Wastewater Fund	<u>6,261,429</u>	<u>10,545,258</u>	<u>4,283,829</u>
	<u>\$ 129,450,335</u>	<u>\$ 222,596,521</u>	<u>\$ 93,146,186</u>

The City also contributes to certain State and Federal aid projects which are administered by the State of Oklahoma Department of Highway. The City is billed by the Highway Department for these projects at various stages of completion, subject to Federal audits of the project costs.

Encumbrances – As discussed in note three above, budgetary information, budgetary basis of accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2023 the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General fund	\$ 5,473,549
Public safety sales tax fund	5,735,311
Special grants fund	12,231,542
Capital projects fund	15,596,300
Norman forward fund	16,087,479
Nonmajor governmental funds	<u>3,840,349</u>
Total	<u>\$ 58,964,530</u>

9. SUBSEQUENT EVENTS

On June 13, 2023, voters approved a water rate increase that takes effect September 1, 2023.

On October 10, 2023, voters approved a bridge maintenance program that authorizes the sale of \$50,000,000 in general obligation bonds due in 20 years.

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. 99 - *Omnibus 2022* - The objectives of GASB Statement No. 99 are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing 1) practice issues that have been identified during implementation and application of certain GASB Statements and 2) accounting and financial reporting for financial guarantees. The practice issues addressed by GASB Statement No. 99 are as follows:

- Classification and reporting of derivative instruments within the scope of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in GASB Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives
- Clarification of provisions in GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset
- Clarification of provisions in GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government
- Clarification of provisions in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements
- Terminology updates related to certain provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*
- Terminology used in GASB Statement No. 53 to refer to resource flows statements.

The requirements of GASB Statement No. 99 are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in GASB Statement No. 34, as amended, and terminology

updates related to GASB Statement No. 53 and GASB Statement No. 63 are effective upon issuance (effective for the City's June 30, 2022 year-end).

- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022 and all reporting periods thereafter (effective for the City's June 30, 2023 year-end).
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 are effective for fiscal years beginning after June 15, 2023 and all reporting periods thereafter (effective for the City's June 30, 2024 year-end).

GASB Statement No. 100 – *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62* - The primary objective of GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this standard are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023 and all reporting periods thereafter (effective for the City's June 30, 2024 year-end). Earlier application is encouraged.

GASB Statement No. 101 – *Compensated Absences* - The objective of GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of GASB 101 are effective for fiscal years beginning after December 15, 2023 and all reporting periods thereafter (effective for the City's June 30, 2025 year-end). Earlier application is encouraged.

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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 (OFRS)**

Year Ended June 30, 2023

	2015 *	2016 *	2017 *	2018 *	2019 *	2020 *	2021 *	2022 *	2023 *
City's proportion of the net pension liability or asset	3.9342%	4.1552%	4.1283%	4.1388%	4.1106%	3.8135%	4.1118%	3.9434%	3.7675%
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	\$ 50,653,960	\$ 25,969,901	\$ 49,269,045
City's covered payroll	\$ 10,791,880	\$ 11,330,342	\$ 11,538,401	\$ 11,772,620	\$ 12,226,118	\$ 12,240,790	\$ 12,751,193	\$ 12,810,379	\$ 14,012,649
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%	397.249%	202.725%	351.604%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%	72.85%	69.98%	84.24%	69.49%

* - The amounts present for each fiscal year were determined as of the measurement date, June 30, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 respectively.

Note to Schedule: Only fiscal years 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023 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, 2023**

	2015 *	2016 *	2017 *	2018 *	2019 *	2020 *	2021 *	2022 *	2023 *
City's proportion of the net pension liability or asset	3.8053%	3.8957%	4.0413%	4.0345%	4.2026%	3.7826%	4.2564%	3.8058%	3.8375%
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)	\$ 4,888,273	\$(18,257,065)	\$ (3,077,337)
City's covered payroll	\$10,645,515	\$11,172,374	\$11,918,115	\$12,064,110	\$12,359,354	\$12,802,792	\$13,753,405	\$ 13,170,008	\$ 14,297,362
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%	35.542%	-138.626%	-21.524%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%	95.80%	102.74%

* - The amounts present for each fiscal year were determined as of the measurement date, June 30, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 respectively.

Note to Schedule: Only fiscal years 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023 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 (OFFRS)
Year Ended June 30, 2023**

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 1,386,248	\$ 1,615,405	\$ 1,650,048	\$ 1,711,565	\$ 1,713,665	\$ 1,785,165	\$ 1,793,453	\$ 1,961,771	\$ 2,084,284
Contributions in relation to the contractually required contribution	<u>1,386,248</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>	<u>1,793,453</u>	<u>1,961,771</u>	<u>2,084,284</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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	\$ 12,810,379	\$ 14,012,648	\$ 14,012,649
Contributions as a percentage of covered payroll	14%	14%	14%	14%	14%	14%	14%	14%	14%

Note to Schedule: Only fiscal year 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023 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, 2023

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 1,452,409	\$ 1,550,235	\$ 1,568,335	\$ 1,606,716	\$ 1,664,363	\$ 1,787,879	\$ 1,712,101	\$ 1,858,657	\$ 1,889,721
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>	<u>1,712,101</u>	<u>1,858,657</u>	<u>1,889,721</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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	\$13,170,008	\$14,297,362	\$14,297,362
Contributions as a percentage of covered payroll	13%	13%	13%	13%	13%	13%	13%	13%	13%

Note to Schedule: Only fiscal year 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023 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 OPPRS 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 OPPRS Plan, were made based on the Plan's most recent actuarial experience study covering the July 1, 2012 to June 30, 2017 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	2021	2022	2023
Total OPEB Liability						
Service cost	\$ 363,920	\$ 417,331	\$ 382,009	\$ 381,282	\$ 445,779	\$ 267,698
Interest	423,574	387,327	345,352	199,362	205,111	253,522
Differences between expected and actual experience	965,685	-	-	-	-	-
Changes of economic/demographic gains or losses	-	-	(1,929,650)	-	393,406	-
Changes of assumptions or other inputs	(1,095,942)	426,593	(1,359,626)	58,255	(2,928,651)	(77,228)
Benefit payments	(731,674)	(725,099)	(181,232)	(246,800)	(209,779)	(335,621)
Net Change in Total OPEB Liability	(74,437)	506,152	(2,743,147)	392,099	(2,094,134)	108,371
City's Total OPEB Liability - Beginning	<u>11,073,763</u>	<u>10,999,326</u>	<u>11,505,478</u>	<u>8,762,331</u>	<u>9,154,430</u>	<u>7,060,296</u>
City's Total OPEB Liability - Ending	<u>10,999,326</u>	<u>11,505,478</u>	<u>8,762,331</u>	<u>9,154,430</u>	<u>7,060,296</u>	<u>7,168,667</u>
Covered-Employee Payroll	\$ 49,743,998	\$ 49,142,598	\$ 47,776,487	\$ 53,024,235	\$ 54,501,402	\$ 58,084,665
City's Total OPEB Liability as a Percentage of Covered-Employee Payroll	22.11%	23.41%	18.34%	17.26%	12.95%	12.34%

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.

There are no assets accumulated in a trust that meets the criteria of GASB Codification P22.101 to pay related benefits.

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, 2023

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
Taxes:							
Sales taxes	\$ 54,097,700	\$ -	\$ 54,097,700			\$ 55,332,694	\$ 1,234,994
Franchise fees	6,945,385	-	6,945,385			8,320,665	1,375,280
State use taxes	10,906,928	-	10,906,928			11,482,406	575,478
Total taxes	<u>71,950,013</u>	<u>-</u>	<u>71,950,013</u>			<u>75,135,765</u>	<u>3,185,752</u>
Licenses and permits:							
Licenses	463,953	-	463,953			515,539	51,586
Permits	527,612	-	527,612			827,202	299,590
Total licenses and permits	<u>991,565</u>	<u>-</u>	<u>991,565</u>			<u>1,342,741</u>	<u>351,176</u>
State Shared Revenues:							
Alcoholic beverage	449,949	-	449,949			612,784	162,835
Cigarette	1,215,130	-	1,215,130			686,000	(529,130)
State motor fuel and vehicle registration	1,650,260	-	1,650,260			1,161,928	(488,332)
Total intergovern- mental revenues	<u>3,315,339</u>	<u>-</u>	<u>3,315,339</u>			<u>2,460,712</u>	<u>(854,627)</u>
Charges for services:							
Zoning & subdivision	192,369	-	192,369			101,142	(91,227)
Public safety	638,743	-	638,743			405,041	(233,702)
Health	329,750	-	329,750			113,227	(216,523)
Recreation fees	694,688	-	694,688			478,778	(215,910)
Credit card confenience fees	1,009,191	-	1,009,191			206,319	(802,872)
911 emergency fees	52,443	-	52,443			38,545	(13,898)
Total charges for services	<u>2,917,184</u>	<u>-</u>	<u>2,917,184</u>			<u>1,343,052</u>	<u>(1,574,132)</u>
Fines and forfeitures:							
Police court fines	1,184,081	-	1,184,081			1,178,495	(5,586)
Miscellaneous forfeitures	-	-	-			10,746	10,746
Total fines and forfeits	<u>1,184,081</u>	<u>-</u>	<u>1,184,081</u>			<u>1,189,241</u>	<u>5,160</u>
Investment earnings	<u>189,425</u>	<u>-</u>	<u>189,425</u>			<u>379,456</u>	<u>190,031</u>
Other revenue:							
Contributions	29,958	81,266	111,224			181,266	70,042
Rents and royalties	375,656	-	375,656			228,003	(147,653)
Cost allocations	11,814,151	-	11,814,151			12,035,871	221,720
Sale of fixed assets	174,398	-	174,398			58,902	(115,496)
Miscellaneous revenues	1,366,921	44,923	1,411,844			1,771,899	360,055
Total other revenue	<u>13,761,084</u>	<u>126,189</u>	<u>13,887,273</u>			<u>14,275,941</u>	<u>388,668</u>
Total revenues	<u>94,308,691</u>	<u>126,189</u>	<u>94,434,880</u>			<u>96,126,908</u>	<u>1,692,028</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, 2023

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
General government:							
City council	\$ 1,459,828	\$ (817,440)	\$ 642,388	\$ 593,409	\$ 25,457	\$ 618,866	\$ 23,522
Internal audit	131,847	(131,847)	-	-	-	-	-
ADA compliance	123,157	(59,229)	63,928	66,680	-	66,680	(2,752)
City manager's office	801,268	(181,726)	619,542	560,999	355,209	916,208	(296,666)
Community relations	411,928	(103,100)	308,828	306,295	-	306,295	2,533
Communications	272,418	19,625	292,043	267,266	2	267,268	24,775
CARES program	-	476,903	476,903	476,900	-	476,900	3
City clerk's office	653,252	77,816	731,068	728,813	-	728,813	2,255
Municipal court	1,257,180	(2,191)	1,254,989	1,242,958	5,855	1,248,813	6,176
Legal administration	1,408,219	(15,541)	1,392,678	1,382,477	13,038	1,395,515	(2,837)
Information Technology	3,421,733	97,093	3,518,826	3,320,941	138,989	3,459,930	58,896
Printing services	-	132,340	132,340	125,373	33,223	158,596	(26,256)
Human resource admin	894,666	21,789	916,455	912,603	16,557	929,160	(12,705)
Safety administration	158,910	(8,198)	150,712	146,801	4,195	150,996	(284)
Human rights commission	230	-	230	-	-	-	230
Children's rights commission	176	-	176	-	-	-	176
Social & voluntary services	225,000	14,086	239,086	215,279	7,805	223,084	16,002
Norman public library	676,478	(62,638)	613,840	597,986	-	597,986	15,854
Firehouse art center	74,166	6,363	80,529	80,528	-	80,528	1
Historical museum	52,622	(1,775)	50,847	50,846	-	50,846	1
Sooner theatre	87,138	1,744	88,882	87,905	-	87,905	977
Juvenile services	43,031	(43,616)	(585)	2,528	-	2,528	(3,113)
Employee training	-	-	-	-	-	-	-
Employee assistance program	29,444	-	29,444	29,400	-	29,400	44
Special studies & contributions	5,000	-	5,000	-	-	-	5,000
Municipal elections	82,115	87,673	169,788	169,788	-	169,788	-
Sister cities program	25,000	(23,331)	1,669	1,669	-	1,669	-
Holiday decorations	-	90	90	-	-	-	90
Total general government	12,294,806	(515,110)	11,779,696	11,367,444	600,330	11,967,774	(188,078)
Planning:							
Planning commission	347	-	347	-	-	-	347
Historic district commission	3,079	(2,493)	586	381	17	398	188
Greenbelt commission	490	-	490	-	-	-	490
Planning administration	761,143	(34,703)	726,440	717,144	2,642	719,786	6,654
Geographic information	495,119	18,621	513,740	509,279	-	509,279	4,461
Development services	1,742,408	34,963	1,777,371	1,764,816	42	1,764,858	12,513
Code compliance	632,962	(45,491)	587,471	581,687	360	582,047	5,424
Current planning	423,339	(91,233)	332,106	326,324	-	326,324	5,782
Total planning	4,058,887	(120,336)	3,938,551	3,899,631	3,061	3,902,692	35,859

(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, 2023

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
City controller:							
Finance administration	\$ 412,676	\$ 33,477	\$ 446,153	\$ 438,654	\$ 209	\$ 438,863	\$ 7,290
Accounting services	909,159	38,873	948,032	942,043	505	942,548	5,484
Printing services	284,488	(132,888)	151,600	144,611	-	144,611	6,989
Budget services	226,748	20,318	247,066	244,192	-	244,192	2,874
Treasury services	868,141	(25,181)	842,960	840,277	7,786	848,063	(5,103)
Utility services	842,397	(9,895)	832,502	789,596	20,010	809,606	22,896
Total city controller	3,543,609	(75,296)	3,468,313	3,399,373	28,510	3,427,883	40,430
Parks and recreation:							
Parks board	767	62	829	747	-	747	82
Santa Fe Depot	6,041	312	6,353	5,223	390	5,613	740
Administration	610,715	301,941	912,656	747,790	-	747,790	164,866
Park maintenance	3,319,972	138,910	3,458,882	2,989,352	283,567	3,272,919	185,963
Forestry	258,370	10,910	269,280	223,569	18,700	242,269	27,011
Recreation programs	1,778,976	120,880	1,899,856	1,827,659	342,156	2,169,815	(269,959)
Senior citizens center	126,190	118,539	244,729	242,601	182	242,783	1,946
Facility administration	291,063	177,505	468,568	457,246	92	457,338	11,230
Facility maintenance	733,094	145,913	879,007	789,263	1,504	790,767	88,240
Custodial services	274,621	(44,435)	230,186	230,774	-	230,774	(588)
Total parks & recreation	7,399,809	970,537	8,370,346	7,514,224	646,591	8,160,815	209,531
Public works:							
Public works administratic	423,043	45,561	468,604	407,836	9,052	416,888	51,716
Engineering department	1,333,881	(2,390)	1,331,491	1,313,144	11,120	1,324,264	7,227
Street maintenance	4,813,802	209,826	5,023,628	4,607,736	690,953	5,298,689	(275,061)
Stormwater drainage	2,940,092	49,139	2,989,231	2,871,700	27,252	2,898,952	90,279
Stormwater quality	484,617	(69,734)	414,883	409,427	16,576	426,003	(11,120)
Traffic control	4,502,412	(174,063)	4,328,349	4,169,390	116,213	4,285,603	42,746
Fleet maintenance admin	504,366	4,898	509,264	473,400	18,803	492,203	17,061
Fleet repair light duty	617,807	35,320	653,127	635,434	9,885	645,319	7,808
Fleet repair heavy duty	835,914	171,705	1,007,619	851,387	12,666	864,053	143,566
Fleet fuel and parts	4,056,672	(394,962)	3,661,710	3,681,726	234,317	3,916,043	(254,333)
CNG Station	438,619	(218,594)	220,025	246,413	91,700	338,113	(118,088)
Total public works	20,951,225	(343,294)	20,607,931	19,667,593	1,238,537	20,906,130	(298,199)
Public safety:							
Police department admin	1,693,940	(130,283)	1,563,657	1,494,944	364,045	1,858,989	(295,332)
Staff services	3,830,861	(29,656)	3,801,205	3,521,730	273,188	3,794,918	6,287
Criminal investigations	2,833,993	263,222	3,097,215	3,049,463	61,579	3,111,042	(13,827)
Patrol	11,720,379	1,619,461	13,339,840	12,476,929	1,354,848	13,831,777	(491,937)
Special Investigations	1,047,061	(75,404)	971,657	972,263	14,029	986,292	(14,635)
Animal control	1,645,756	293,390	1,939,146	1,895,022	67,925	1,962,947	(23,801)
911 services	2,621,085	151,987	2,773,072	2,570,053	258,775	2,828,828	(55,756)
Fire department admin	1,111,832	(53,304)	1,058,528	1,052,327	514	1,052,841	5,687
Training - fire department	199,565	42,537	242,102	239,836	-	239,836	2,266
Fire prevention	684,242	139,184	823,426	799,969	-	799,969	23,457
Fire suppression	14,680,857	2,136,888	16,817,745	16,717,588	52,066	16,769,654	48,091
Diaster preparedness servi	200,682	11,342	212,024	193,136	75,104	268,240	(56,216)
Total public safety	42,270,253	4,369,364	46,639,617	44,983,260	2,522,073	47,505,333	(865,716)
Total expenditures and encumbrances	90,518,589	4,285,865	94,804,454	\$ 90,831,525	\$ 5,039,102	95,870,627	(1,066,173)

(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, 2023

	Original Budget	Revisions	Revised Budget	Actual	Variance- Positive (Negative)
Excess (deficiency) of revenues over expendi- tures and encumbrances	<u>3,790,102</u>	<u>(4,159,676)</u>	<u>(369,574)</u>	<u>256,281</u>	<u>625,855</u>
OTHER FINANCING					
SOURCES (USES):					
Transfers in:					
Norman Utilities					
Authority	1,715,069	-	1,715,069	1,796,030	80,961
Capital Projects Fund	4,177,573	-	4,177,573	4,178,797	1,224
Transit & Parking Fund	-	-	-	228,792	228,792
Norman Forward Fund	363,569	-	363,569	363,569	-
Insurance Fund	<u>-</u>	<u>73,066</u>	<u>73,066</u>	<u>73,066</u>	<u>-</u>
Total transfers in	<u>6,256,211</u>	<u>73,066</u>	<u>6,329,277</u>	<u>6,640,254</u>	<u>310,977</u>
Transfers out:					
Capital Fund	-	(164,901)	(164,901)	(164,901)	-
Public Safety Sales Tax Fund	-	-	-	-	-
Rainy Day Fund	-	(265,777)	(265,777)	(265,777)	-
CLEET Fund	-	-	-	(17,977)	(17,977)
Insurance Fund	-	(3,221,381)	(3,221,381)	(1,625,932)	1,595,449
Special Grants Fund	-	(31,247)	(31,247)	(31,247)	-
Norman Forward Fund	-	(1,197,277)	(1,197,277)	(1,197,277)	-
Westwood Fund	-	(20,000)	(20,000)	(20,000)	-
Transit & Parking Fund	<u>(872,488)</u>	<u>(422,524)</u>	<u>(1,295,012)</u>	<u>-</u>	<u>1,295,012</u>
Total transfers out	<u>(872,488)</u>	<u>(5,323,107)</u>	<u>(6,195,595)</u>	<u>(3,323,111)</u>	<u>2,872,484</u>
Net other financing sources (uses)	<u>5,383,723</u>	<u>(5,250,041)</u>	<u>133,682</u>	<u>3,317,143</u>	<u>3,183,461</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, 2023

	Original Budget	Revisions	Revised Budget	Actual	Variance- Positive (Negative)
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances, and other uses	9,173,825	(9,409,717)	(235,892)	3,573,424	3,809,316
Fund balance, July 1, 2022 (Non-GAAP budgetary basis)	<u>9,219,296</u>	<u>-</u>	<u>9,219,296</u>	<u>9,219,296</u>	<u>-</u>
Fund balance, June 30, 2023 (Non-GAAP budgetary basis)	<u>\$18,393,121</u>	<u>\$ (9,409,717)</u>	<u>\$ 8,983,404</u>	<u>\$ 12,792,720</u>	<u>\$ 3,809,316</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, 2023

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Sales tax	\$ 12,426,738	\$ -	\$ 12,426,738			\$ 12,028,846	\$ (397,892)
Use tax	<u>1,800,341</u>	<u>-</u>	<u>1,800,341</u>			<u>1,913,734</u>	<u>113,393</u>
Total taxes	14,227,079	-	14,227,079			13,942,580	(284,499)
SRO reimbursement-NPS	664,814	-	664,814			664,814	-
Investment earnings	50,000	-	50,000			249,464	199,464
Miscellaneous income	<u>-</u>	<u>-</u>	<u>-</u>			<u>5,028</u>	<u>5,028</u>
Total revenues	<u>14,941,893</u>	<u>-</u>	<u>14,941,893</u>			<u>14,861,886</u>	<u>(80,007)</u>
EXPENDITURES AND ENCUMBRANCES:							
Public safety:							
Police staff services	50,027	5,837	55,864	\$ (76,260)	\$ 2,269	(73,991)	129,855
Police criminal investigations	669,185	47,490	716,675	717,405	-	717,405	(730)
Police patrol	5,056,323	723	5,057,046	4,688,077	436,146	5,124,223	(67,177)
SRO	1,118,554	334,727	1,453,281	1,446,182	500	1,446,682	6,599
911	136,373	(42,966)	93,407	78,384	-	78,384	15,023
Fleet Heavy Repair	595,191	10,364	605,555	301,372	13,282	314,654	290,901
Fire suppression	4,725,074	1,527,542	6,252,616	3,883,225	840,830	4,724,055	1,528,561
Capital projects	-	6,621,129	6,621,129	1,164,420	3,800,619	4,965,039	1,656,090
Debt services	<u>2,370,820</u>	<u>-</u>	<u>2,370,820</u>	<u>2,369,840</u>	<u>-</u>	<u>2,369,840</u>	<u>980</u>
Total expenditures and encumbrances	<u>14,721,547</u>	<u>8,504,846</u>	<u>23,226,393</u>	<u>\$ 14,572,645</u>	<u>\$ 5,093,646</u>	<u>19,666,291</u>	<u>3,560,102</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	220,346	(8,504,846)	(8,284,500)			(4,804,405)	3,480,095
OTHER FINANCING SOURCES:							
Transfers in:							
General Fund	-	-	-			-	-
Capital 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 (uses)	<u>220,346</u>	<u>(8,504,846)</u>	<u>(8,284,500)</u>			<u>(4,804,405)</u>	<u>3,480,095</u>
Fund balance, July 1, 2022 (Non-GAAP budgetary basis)	<u>6,839,509</u>	<u>-</u>	<u>6,839,509</u>			<u>6,839,509</u>	<u>-</u>
Fund balance, June 30, 2023 (Non-GAAP budgetary basis)	<u>\$ 7,059,855</u>	<u>\$ (8,504,846)</u>	<u>\$ (1,444,991)</u>			<u>\$ 2,035,104</u>	<u>\$ 3,480,095</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, 2023

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Intergovernmental:							
County Court DUI	\$ 62,834	\$ -	\$ 62,834			\$ 14,592	\$ (48,242)
Public safety grants	-	264,559	264,559			1,874,040	1,609,481
Public service grants	-	18,650	18,650			4,239,483	4,220,833
Public works grants	-	-	-			695,593	695,593
Total intergovernmental	62,834	283,209	346,043			6,823,708	6,477,665
Investment earnings	-	-	-			217,709	217,709
Total revenues	62,834	283,209	346,043			7,041,417	6,695,374
EXPENDITURES AND ENCUMBRANCES:							
DUI enforcement	62,834	-	62,834	\$ 3,229	\$ -	3,229	59,605
Traffic & alcohol enforcement	-	55,015	55,015	10,812	-	10,812	44,203
JAG grant	-	57,850	57,850	52,301	-	52,301	5,549
VOCA grant	-	71,489	71,489	23,689	-	23,689	47,800
Emergency management grant	-	111,867	111,867	75,654	6,944	82,598	29,269
Homeland security grant	-	48,538	48,538	-	48,538	48,538	-
Misc police grants	-	59,464	59,464	59,464	-	59,464	-
SHPO / CLG grant	-	8,650	8,650	8,407	-	8,407	243
Firehouse art grant	-	325,000	325,000	-	-	-	325,000
Sutton wilderness grant	-	111,200	111,200	25,500	85,700	111,200	-
Tree grant	-	10,000	10,000	-	-	-	10,000
Traffic grant	-	24,333	24,333	24,762	-	24,762	(429)
Northbase EV chargers grant	-	6,610	6,610	-	-	-	6,610
12th & Highmeadows grant	-	1,630,683	1,630,683	-	-	-	1,630,683
Traffic mgmt ctr grant	-	378,548	378,548	-	-	-	378,548
ACOG fleet conversion	-	335,872	335,872	-	-	-	335,872
Transportation projects	-	2,769,083	2,769,083	7,531	2,322,904	2,330,435	438,648
Social services ARPA	-	1,893,160	1,893,160	1,893,160	-	1,893,160	-
Affordable housing ARPA	-	558,762	558,762	558,762	10,500	569,262	(10,500)
Business incubator ARPA	-	1,000,000	1,000,000	-	-	-	1,000,000
Vehicle wash facility	-	806,247	806,247	456,107	337,483	793,590	12,657
Midway drive drainage	-	112,500	112,500	81,053	44,475	125,528	(13,028)
Flood warning system	-	75,000	75,000	54,285	-	54,285	20,715
Imhoff creek stabilization	-	3,000,000	3,000,000	-	-	-	3,000,000
The vineyard detention	-	670,193	670,193	170,559	375,603	546,162	124,031
ECOC building	-	9,950,000	9,950,000	787,321	8,999,394	9,786,715	163,285
Total expenditures and encumbrances	62,834	24,070,064	24,132,898			16,524,137	7,608,761

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, 2023

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances	<u>-</u>	<u>(23,786,855)</u>	<u>(23,786,855)</u>			<u>(9,482,720)</u>	<u>14,304,135</u>
OTHER FINANCING SOURCES (USES):							
Operating transfers in:							
Capital Fund	-	3,124	3,124			31,247	28,123
General Fund	-	2,701,588	2,701,588			5,701,588	3,000,000
Operating transfers out:							
Capital Fund	<u>-</u>	<u>(859,102)</u>	<u>(859,102)</u>			<u>(859,102)</u>	<u>-</u>
Net other financing sources sources	<u>-</u>	<u>1,845,610</u>	<u>1,845,610</u>			<u>4,873,733</u>	<u>3,028,123</u>
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other sources	-	(21,941,245)	(21,941,245)			(4,608,987)	17,332,258
Fund balance (deficit), July 1, 2022 (Non-GAAP budgetary basis)	<u>(1,536,983)</u>	<u>-</u>	<u>(1,536,983)</u>			<u>(1,536,983)</u>	<u>-</u>
Fund balance (deficit), June 30, 2023 (Non-GAAP budgetary basis)	<u>\$ (1,536,983)</u>	<u>\$ (21,941,245)</u>	<u>\$ (23,478,228)</u>			<u>\$ (6,145,970)</u>	<u>\$ 17,332,258</u>

(Concluded)

**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, 2023, are as follows:

	General Fund	Public Safety Sales Tax Fund	Special Grants Fund
Fund balances - budgetary basis, June 30, 2023	\$ 12,792,720	\$ 2,035,104	\$ (6,145,970)
Current year encumbrances included in expenditures	5,039,102	5,093,646	12,231,541
Prior year encumbrances outstanding	434,447	641,663	-
Current year revenue accrual	12,852,784	2,274,791	941,042
Current year expenditure accrual	(2,883,601)	(585,616)	(2,583)
Rainy Day Fund Balance	4,517,987	-	-
Fund balances - fund financial statements, June 30, 2023	<u>\$ 32,753,439</u>	<u>\$ 9,459,588</u>	<u>\$ 7,024,030</u>
Revenues - budgetary basis	\$ 96,126,908	\$ 14,861,886	\$ 7,041,417
Current year revenue accrual	12,852,784	2,274,791	941,042
Prior year revenue accrual	(11,897,332)	(2,221,848)	(161,035)
Interest earned within Rainy Day Fund	83,358	-	-
Revenues - fund financial statements	<u>\$ 97,165,718</u>	<u>\$ 14,914,829</u>	<u>\$ 7,821,424</u>
Expenditures - budgetary basis	\$ 95,870,627	\$ 19,666,291	\$ 16,524,137
Current year encumbrances included in expenditures	(5,039,102)	(5,093,646)	(12,231,541)
Prior year encumbrances paid	3,452,951	1,722,313	1,672,169
Current year expenditure accrual	2,883,601	585,616	2,583
Prior year expenditure accrual	(2,423,989)	(414,589)	(1,657)
Expenditures - fund financial statements	<u>\$ 94,744,088</u>	<u>\$ 16,465,985</u>	<u>\$ 5,965,691</u>



Jim (James Garner) with nephews Terry Bumgarner (left) and Scott Bumgarner (right) when James Garner was inducted into the Cowboy Hall of fame at the National Cowboy & Western Heritage Museum in Oklahoma City, Oklahoma.

(Photo courtesy of Scott Bumgarner)

OTHER SUPPLEMENTARY INFORMATION

THE CITY OF NORMAN, OKLAHOMA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Norman Room Tax Fund	Community Development Fund	Park Land Fund	Seizures and Restitutions Fund	Cleet Fund	Transit & Parking Fund	Art in Public Places Fund	Debt Service Fund	Westwood Fund	Total
ASSETS										
Cash and cash equivalents	\$ 669,755	\$ 3,665,399	\$ 416,773	\$ 950,100	\$ 272	\$ 1,519,918	\$ 3,159	\$ -	\$ 751,317	\$ 7,976,693
Investments	331,331	-	418,393	706,743	-	649,776	-	3,549,721	-	5,655,964
Receivables:										
Taxes	237,967	-	-	-	-	570,603	-	-	-	808,570
Accounts	-	-	-	164	-	-	262	-	-	426
Interest	1,593	-	2,012	3,399	-	3,125	-	17,072	-	27,201
Due from Federal Government	-	1,098,062	-	-	-	490,000	-	-	-	1,588,062
Due from other funds	7,383	48,524	5,821	9,363	-	-	44	10,061	-	81,196
Inventory	-	-	-	-	-	-	-	-	60,424	60,424
Restricted Assets:										
Cash and cash equivalents	-	-	-	-	-	-	-	705,311	-	705,311
Total assets	\$ 1,248,029	\$ 4,811,985	\$ 842,999	\$ 1,669,769	\$ 272	\$ 3,233,422	\$ 3,465	\$ 4,282,165	\$ 811,741	\$ 16,903,847
LIABILITIES AND FUND BALANCE										
Liabilities:										
Accounts payable and other accrued liabilities	\$ -	\$ 79,048	\$ -	\$ -	\$ 268	\$ 760,524	\$ -	\$ -	\$ 545,811	\$ 1,385,651
Payroll payable	-	13,791	-	-	-	33,217	-	-	160,991	207,999
Due to other funds	-	-	-	-	4	919,763	-	-	-	919,767
Total liabilities	-	92,839	-	-	272	1,713,504	-	-	706,802	2,513,417
Fund balance:										
Restricted	1,216,393	4,722,350	776,356	1,591,258	(1,246)	1,453,280	3,287	4,282,165	25,264	14,069,107
Assigned	31,636	(3,204)	66,643	78,511	1,246	66,638	178	-	79,675	321,323
Total fund balance	1,248,029	4,719,146	842,999	1,669,769	-	1,519,918	3,465	4,282,165	104,939	14,390,430
Total liabilities and fund balance	\$ 1,248,029	\$ 4,811,985	\$ 842,999	\$ 1,669,769	\$ 272	\$ 3,233,422	\$ 3,465	\$ 4,282,165	\$ 811,741	\$ 16,903,847

**THE CITY OF NORMAN, OKLAHOMA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023**

	Norman Room Tax Fund	Community Development Fund	Park Land Fund	Seizures and Restitutions Fund	Cleet Fund	Transit & Parking Fund	Art in Public Places Fund	Debt Service Fund	Westwood Fund	Total Nonmajor Governmental Total
Revenues:										
Taxes	\$ 2,209,418	\$ -	\$ -	\$ -	\$ -	\$ 3,497,712	\$ -	\$ 7,883,177	\$ -	\$ 13,590,307
Intergovernmental revenues	-	2,188,469	-	-	12,539	3,098,570	-	-	-	5,299,578
Charges for services	-	-	44,494	-	-	-	-	-	2,244,864	2,289,358
Investment earnings	16,942	2,181	15,542	29,015	-	23,192	39	131,602	76,454	294,967
Other	-	-	-	179,361	232	85,564	5,682	-	171,508	442,367
Total revenues	<u>2,226,360</u>	<u>2,190,650</u>	<u>60,036</u>	<u>208,376</u>	<u>12,791</u>	<u>6,705,038</u>	<u>5,721</u>	<u>8,014,779</u>	<u>2,492,826</u>	<u>21,916,577</u>
Expenditures:										
Current:										
Parks and recreation	72,509	-	-	-	-	-	3,876	-	2,643,423	2,719,808
Public service	1,400,565	2,041,639	-	-	-	-	-	-	-	3,442,204
Public safety	-	-	-	673	30,768	-	-	-	-	31,441
Public works	-	-	-	-	-	5,513,229	-	-	-	5,513,229
Capital outlay	107,636	140,000	-	-	-	1,381,281	-	-	273,700	1,902,617
Debt service:										
Principal retirement	358,000	-	-	-	-	-	-	8,050,000	-	8,408,000
Interest and fiscal charges	70,122	-	-	-	-	-	-	1,764,383	-	1,834,505
Total expenditures	<u>2,008,832</u>	<u>2,181,639</u>	<u>-</u>	<u>673</u>	<u>30,768</u>	<u>6,894,510</u>	<u>3,876</u>	<u>9,814,383</u>	<u>2,917,123</u>	<u>23,851,804</u>
Excess (deficiency) of revenues over (under) expenditures	<u>217,528</u>	<u>9,011</u>	<u>60,036</u>	<u>207,703</u>	<u>(17,977)</u>	<u>(189,472)</u>	<u>1,845</u>	<u>(1,799,604)</u>	<u>(424,297)</u>	<u>(1,935,227)</u>
Other financing sources (uses):										
Issuance of debt	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	17,977	-	-	-	346,397	364,374
Transfers out	-	-	-	-	-	(408,792)	-	(468,293)	-	(877,085)
Net other financing sources (uses)	-	-	-	-	<u>17,977</u>	<u>(408,792)</u>	-	<u>(468,293)</u>	<u>346,397</u>	<u>(512,711)</u>
Net change in fund balances	<u>217,528</u>	<u>9,011</u>	<u>60,036</u>	<u>207,703</u>	-	<u>(598,264)</u>	<u>1,845</u>	<u>(2,267,897)</u>	<u>(77,900)</u>	<u>(2,447,938)</u>
Fund balance - beginning	<u>1,030,501</u>	<u>4,710,135</u>	<u>782,963</u>	<u>1,462,066</u>	-	<u>2,118,182</u>	<u>1,620</u>	<u>6,550,062</u>	<u>182,839</u>	<u>16,838,368</u>
Fund balance - ending	<u>\$ 1,248,029</u>	<u>\$ 4,719,146</u>	<u>\$ 842,999</u>	<u>\$ 1,669,769</u>	<u>\$ -</u>	<u>\$ 1,519,918</u>	<u>\$ 3,465</u>	<u>\$ 4,282,165</u>	<u>\$ 104,939</u>	<u>\$ 14,390,430</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, 2023

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Hotel/motel tax	\$ 1,716,250	\$ -	\$ 1,716,250			\$ 1,969,748	\$ 253,498
Airbnb tax	-	-	-			183,986	183,986
Airbnb fees	-	-	-			40,435	40,435
Investment earnings	<u>2,500</u>	<u>-</u>	<u>2,500</u>			<u>21,387</u>	<u>18,887</u>
Total revenues	<u>1,718,750</u>	<u>-</u>	<u>1,718,750</u>			<u>2,215,556</u>	<u>496,806</u>
EXPENDITURES AND ENCUMBRANCES:							
Public service:							
Parks & recreation	1,350,250	238,710	1,588,960	\$ 1,561,418	\$ 1,958,000	3,519,418	(1,930,458)
Debt services	<u>429,372</u>	<u>(1,250)</u>	<u>428,122</u>	<u>\$ 428,122</u>	<u>\$ -</u>	<u>428,122</u>	<u>-</u>
Total expenditures and encumbrances	<u>1,779,622</u>	<u>237,460</u>	<u>2,017,082</u>	<u>\$ 1,989,540</u>	<u>\$ 1,958,000</u>	<u>3,947,540</u>	<u>(1,930,458)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other uses	<u>(60,872)</u>	<u>(237,460)</u>	<u>(298,332)</u>			<u>(1,731,984)</u>	<u>(1,433,652)</u>
Fund balance, July 1, 2022 (Non-GAAP budgetary basis)	<u>792,150</u>		<u>792,150</u>			<u>792,150</u>	<u>-</u>
Fund balance, June 30, 2023 (Non-GAAP budgetary basis)	<u>\$ 731,278</u>	<u>\$ (237,460)</u>	<u>\$ 493,818</u>			<u>\$ (939,834)</u>	<u>\$ (1,433,652)</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, 2023

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Intergovernmental:							
Community development							
block grant ("CDBG")	\$ 757,393	\$ -	\$ 757,393			\$ 1,335,253	\$ 577,860
CDBG - CV grant	63,088	-	63,088			209,842	146,754
CDBG - CV2 grant	-	-	-			200,022	200,022
Emergency shelter grants	183,476	-	183,476			73,770	(109,706)
Home grant	431,097	-	431,097			53,019	(378,078)
Home APRA grant	-	1,560,908	1,560,908			-	(1,560,908)
COC planning grant	-	-	-			-	-
Interest	-	-	-			2,181	2,181
Total revenues	<u>1,435,054</u>	<u>1,560,908</u>	<u>2,995,962</u>			<u>1,874,087</u>	<u>(1,121,875)</u>
EXPENDITURES AND ENCUMBRANCES:							
Public service:							
Community development	393,476	475,596	869,072	\$ 307,557	\$ -	307,557	561,515
CDBG housing	427,393	293,101	720,494	440,441	41	440,482	280,012
CDBG public service	120,000	(42,000)	78,000	41,412	-	41,412	36,588
CDBG-CV	63,088	247,373	310,461	310,084	378	310,462	(1)
CDBG-CV2	-	469,037	469,037	455,668	-	455,668	13,369
Home grants	431,097	1,045,657	1,476,754	572,398	-	572,398	904,356
Home ARPA grants	-	1,560,908	1,560,908	-	-	-	1,560,908
Emergency shelter grants	-	54,791	54,791	(48,756)	-	(48,756)	103,547
COC planning grants	-	-	-	-	-	-	-
Total expenditures and encumbrances	<u>1,435,054</u>	<u>4,104,463</u>	<u>5,539,517</u>	<u>\$ 2,078,804</u>	<u>\$ 419</u>	<u>2,079,223</u>	<u>3,460,294</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	-	(2,543,555)	(2,543,555)			(205,136)	2,338,419
OTHER FINANCING SOURCES (USES):							
Operating transfers in:							
Capital Fund	-	-	-			-	-
Operating transfers out:							
Capital Fund	-	-	-			-	-
Excess (deficiency) of revenues over (under) expenditures, encumbrances and other uses	-	(2,543,555)	(2,543,555)			(205,136)	2,338,419
Fund balance (deficit),							
July 1, 2022 (Non-GAAP budgetary basis)	<u>3,814,383</u>	<u>-</u>	<u>3,814,383</u>			<u>3,814,383</u>	<u>-</u>
Fund balance (deficit),							
June 30, 2023 (Non-GAAP budgetary basis)	<u>\$ 3,814,383</u>	<u>\$ (2,543,555)</u>	<u>\$ 1,270,828</u>			<u>\$ 3,609,247</u>	<u>\$ 2,338,419</u>

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, 2023

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Investment earnings	\$ 10,000	\$ -	\$ 10,000			\$ 16,433	\$ 6,433
Charges for services	<u>85,000</u>	<u>-</u>	<u>85,000</u>			<u>44,494</u>	<u>(40,506)</u>
Total revenues	<u>95,000</u>	<u>-</u>	<u>95,000</u>			<u>60,927</u>	<u>(34,073)</u>
EXPENDITURES AND ENCUMBRANCES:							
Parks and recreation	<u>310,000</u>	<u>72,797</u>	<u>382,797</u>	<u>\$ -</u>	<u>\$ 1,200</u>	<u>1,200</u>	<u>381,597</u>
Total expenditures and encumbrances	<u>310,000</u>	<u>72,797</u>	<u>382,797</u>	<u>\$ -</u>	<u>\$ 1,200</u>	<u>1,200</u>	<u>381,597</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	(215,000)	(72,797)	(287,797)			59,727	347,524
OTHER FINANCING SOURCES (USES):							
Transfers Out:							
Norman Forward Fund	<u>-</u>	<u>-</u>	<u>-</u>			<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances and other financing sources (uses)	<u>(215,000)</u>	<u>(72,797)</u>	<u>(287,797)</u>			<u>59,727</u>	<u>347,524</u>
Fund balance, July 1, 2022 (Non-GAAP budgetary basis)	<u>792,355</u>	<u>-</u>	<u>792,355</u>			<u>792,355</u>	<u>-</u>
Fund balance, June 30, 2023 (Non-GAAP budgetary basis)	<u>\$ 577,355</u>	<u>\$ (72,797)</u>	<u>\$ 504,558</u>			<u>\$ 852,082</u>	<u>\$ 347,524</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, 2023**

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Intergovernmental:							
State Seizure/Restitution	\$ -	\$ -	\$ -			\$ 21,970	\$ 21,970
Federal Seizure/Restitution	-	-	-			148,890	148,890
Investment earnings	500	-	500			33,578	33,078
Miscellaneous income	-	-	-			8,501	8,501
	<u>500</u>	<u>-</u>	<u>500</u>			<u>212,939</u>	<u>212,439</u>
Total revenues	500	-	500			212,939	212,439
EXPENDITURES AND ENCUMBRANCES:							
Public Safety:							
State seizures	-	674	674	\$ 673	\$ -	673	1
Federal seizures	-	-	-	-	-	-	-
	<u>-</u>	<u>674</u>	<u>674</u>	<u>\$ 673</u>	<u>\$ -</u>	<u>673</u>	<u>1</u>
Total expenditures and encumbrances	-	674	674	\$ 673	\$ -	673	1
Excess (deficiency) of revenues over (under) expenditures and encumbrances	<u>500</u>	<u>(674)</u>	<u>(174)</u>			<u>212,266</u>	<u>212,440</u>
OTHER FINANCING SOURCES (USES):							
Transfers in:							
General Fund	-	-	-			-	-
	<u>-</u>	<u>-</u>	<u>-</u>			<u>-</u>	<u>-</u>
Net other financing sources	-	-	-			-	-
Excess (deficiency) of revenues over (under) expenditures and encumbrances and other financing sources (uses)	<u>500</u>	<u>(674)</u>	<u>(174)</u>			<u>212,266</u>	<u>212,440</u>
Fund balance, July 1, 2022 (Non-GAAP budgetary basis)	<u>1,474,709</u>	<u>-</u>	<u>1,474,709</u>			<u>1,474,709</u>	<u>-</u>
Fund balance, June 30, 2023 (Non-GAAP budgetary basis)	<u>\$ 1,475,209</u>	<u>\$ (674)</u>	<u>\$ 1,474,535</u>			<u>\$ 1,686,975</u>	<u>\$ 212,440</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, 2023

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Fines and forfeitures:							
Cleet training revenue	\$ 32,000	\$ -	\$ 32,000			\$ 12,539	\$ (19,461)
Investment earnings	-	-	-			-	-
Miscellaneous revenue	-	-	-			252	252
	<u>32,000</u>	<u>-</u>	<u>32,000</u>			<u>12,791</u>	<u>(19,209)</u>
Total revenues							
EXPENDITURES AND ENCUMBRANCES:							
Public Safety:							
Court Cleet Training	1,500	-	1,500	\$ 929	\$ -	929	571
Police Cleet Training	<u>29,005</u>	<u>12,901</u>	<u>41,906</u>	<u>16,937</u>	<u>12,067</u>	<u>29,004</u>	<u>12,902</u>
	<u>30,505</u>	<u>12,901</u>	<u>43,406</u>	<u>\$ 17,866</u>	<u>\$ 12,067</u>	<u>29,933</u>	<u>13,473</u>
Total expenditures and encumbrances							
Excess (deficiency) of revenues over (under) expenditures and encumbrances	1,495	(12,901)	(11,406)			(17,142)	(5,736)
OTHER FINANCING USES:							
Transfers in	-	17,977	17,977			17,977	-
Excess (deficiency) of revenue and other sources over (under) expenditures,	<u>1,495</u>	<u>5,076</u>	<u>6,571</u>			<u>835</u>	<u>(5,736)</u>
Fund balance, July 1, 2022 (Non-GAAP budgetary basis)	<u>(12,902)</u>	<u>-</u>	<u>(12,902)</u>			<u>(12,902)</u>	<u>-</u>
Fund balance, June 30, 2023 (Non-GAAP budgetary basis)	<u>\$ (11,407)</u>	<u>\$ 5,076</u>	<u>\$ (6,331)</u>			<u>\$ (12,067)</u>	<u>\$ (5,736)</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, 2023

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Sales taxes	\$ 3,106,684	\$ -	\$ 3,106,684			\$ 3,007,211	\$ (99,473)
Use taxes	454,455	-	454,455			478,433	23,978
Investment earnings	-	-	-			11,370	11,370
Grant revenue	2,369,175	40,000	2,409,175			2,692,718	283,543
Miscellaneous income	62,000	-	62,000			85,565	23,565
Total revenues	5,992,314	40,000	6,032,314			6,275,297	242,983
EXPENDITURES AND ENCUMBRANCES:							
Public Works:							
Fleet repair	2,225,651	164,222	2,389,873	\$ 1,151,907	\$ 1,070,423	2,222,330	167,543
Transit & parking admin	4,639,151	(155,347)	4,483,804	4,465,308	744,382	5,209,690	(725,886)
Capital projects	-	22,695	22,695	18,610	-	18,610	4,085
Total expenditures and encumbrances	6,864,802	31,570	6,896,372	\$ 5,635,825	\$ 1,814,805	7,450,630	(554,258)
Excess (deficiency) of revenues over (under) expenditures and encumbrances	(872,488)	8,430	(864,058)			(1,175,333)	(311,275)
OTHER FINANCING SOURCES (USES):							
Transfers in:							
General fund	872,488	422,524	1,295,012			-	(1,295,012)
Capital fund	-	-	-			-	-
Transfers out:							
General fund	-	(3,101,276)	(3,101,276)			(228,792)	2,872,484
Capital fund	-	(180,000)	(180,000)			(180,000)	-
Net other financing sources	872,488	(2,858,752)	(1,986,264)			(408,792)	1,577,472
Excess (deficiency) of revenues over (under) expenditures and encumbrances and other financing sources (uses)	-	(2,850,322)	(2,850,322)			(1,584,125)	1,266,197
Fund balance, July 1, 2022 (Non-GAAP budgetary basis)	(230,680)	-	(230,680)			(230,680)	-
Fund balance, June 30, 2023 (Non-GAAP budgetary basis)	\$ (230,680)	\$ (2,850,322)	\$ (3,081,002)			\$ (1,814,805)	\$ 1,266,197

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, 2023

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Other revenue	\$ 16,000	\$ -	\$ 16,000			\$ 5,721	\$ (10,279)
Total revenues	<u>16,000</u>	<u>-</u>	<u>16,000</u>			<u>5,721</u>	<u>(10,279)</u>
EXPENDITURES AND ENCUMBRANCES:							
Parks & recreation							
Donation	<u>16,000</u>	<u>16,000</u>	<u>32,000</u>	\$ (12,124)	\$ -	(12,124)	44,124
Total expenditures and encumbrances	<u>16,000</u>	<u>16,000</u>	<u>32,000</u>	<u>\$ (12,124)</u>	<u>\$ -</u>	<u>(12,124)</u>	<u>44,124</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances and other financing sources (uses)	-	(16,000)	(16,000)			17,845	33,845
Fund balance, July 1, 2022 (Non-GAAP budgetary basis)	<u>(14,380)</u>	<u>-</u>	<u>(14,380)</u>			<u>(14,380)</u>	<u>-</u>
Fund balance, June 30, 2023 (Non-GAAP budgetary basis)	<u>\$ (14,380)</u>	<u>\$ (16,000)</u>	<u>\$ (30,380)</u>			<u>\$ 3,465</u>	<u>\$ 33,845</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, 2023

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Property tax	\$ 10,315,634	\$ -	\$ 10,315,634			\$ 7,883,177	\$ (2,432,457)
Sales tax	-	-	-			-	-
Total taxes	10,315,634	-	10,315,634			7,883,177	(2,432,457)
Investment earnings	25,000	-	25,000			135,434	110,434
Total revenues	10,340,634	-	10,340,634			8,018,611	(2,322,023)
EXPENDITURES AND ENCUMBRANCES:							
Debt service:							
Principal	8,050,000	-	8,050,000	\$ 8,050,000	\$ -	8,050,000	-
Interest and fiscal charges	1,765,634	-	1,765,634	1,764,383	-	1,764,383	1,251
Total expenditures and encumbrances	9,815,634	-	9,815,634	\$ 9,814,383	\$ -	9,814,383	1,251
Excess (deficiency) of revenues over (under) expenditures and encumbrances	525,000	-	525,000			(1,795,772)	(2,320,772)
OTHER FINANCING SOURCES (USES):							
Transfers out:							
Insurance fund	(500,000)	-	(500,000)			(168,293)	31,707
Net other financing sources (uses)	(500,000)	-	(500,000)			(468,293)	31,707
Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other sources (uses)	25,000	-	25,000			(2,264,065)	(2,289,065)
Fund balance, July 1, 2022 (Non-GAAP budgetary basis)	6,633,474	-	6,633,474			6,633,474	-
Fund balance, June 30, 2023 (Non-GAAP budgetary basis)	\$ 6,658,474	\$ -	\$ 6,658,474			\$ 4,369,409	\$ (2,289,065)

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, 2023

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Sales tax	\$ 15,489,060	\$ -	\$ 15,489,060			\$ 16,840,385	\$ 1,351,325
Property tax - Center City TIF	312,000	-	312,000			1,767,205	1,455,205
Special assessment	200,000	-	200,000			189,356	(10,644)
Investment earnings	726,000	-	726,000			1,346,801	620,801
Miscellaneous	1,552,832	-	1,552,832			76,821	(1,476,011)
Total revenues	<u>18,279,892</u>	<u>-</u>	<u>18,279,892</u>			<u>20,220,568</u>	<u>1,940,676</u>
EXPENDITURES AND ENCUMBRANCES:							
Personnel costs	1,371,521	38,979	1,410,500	\$ 1,396,947	\$ -	1,396,947	13,553
Services and maintenance	167,381	114,857	282,238	49,227	85,677	134,904	147,334
Cost allocation charges	200	-	200	200	-	200	-
Capital projects	18,849,685	68,552,861	87,402,546	17,683,912	12,195,577	29,879,489	57,523,057
Capital projects - Center City	-	100,000	100,000	-	-	-	100,000
Capital projects -							
UNP TIF	-	5,017,437	5,017,437	96,265	-	96,265	4,921,172
Debt service	664,574	227,941	892,515	892,514	-	892,514	1
Total expenditures and encumbrances	<u>21,053,361</u>	<u>74,052,075</u>	<u>95,105,436</u>	<u>\$ 20,119,065</u>	<u>\$ 12,281,254</u>	<u>32,400,319</u>	<u>62,705,117</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	<u>(2,773,469)</u>	<u>(74,052,075)</u>	<u>(76,825,544)</u>			<u>(12,179,751)</u>	<u>64,645,793</u>
OTHER FINANCING SOURCES (USES):							
Transfers Out:							
General fund	(4,177,573)	-	(4,177,573)			(4,178,797)	(1,224)
Westwood fund	(85,507)	(3,207,114)	(3,292,621)			(291,397)	3,001,224
Special grants fund	-	(2,701,588)	(2,701,588)			(5,701,588)	(3,000,000)
PSST fund	-	-	-			-	-
Transfers In:							
General fund	-	164,901	164,901			164,901	-
Special grants fund	-	-	-			859,102	859,102
Transit & parking fund	-	180,000	180,000			180,000	-
Debt proceeds	-	-	-			40,273,367	40,273,367
Net other financing sources (uses)	<u>(4,263,080)</u>	<u>(5,563,801)</u>	<u>(9,826,881)</u>			<u>31,305,588</u>	<u>41,132,469</u>
Excess (deficiency) of revenues over expenditures and encumbrances and other sources (uses)	<u>(7,036,549)</u>	<u>(79,615,876)</u>	<u>(86,652,425)</u>			<u>19,125,837</u>	<u>105,778,262</u>
Fund balance, July 1, 2022 (Non-GAAP budgetary basis)	<u>65,687,583</u>	<u>-</u>	<u>65,687,583</u>			<u>65,687,583</u>	<u>-</u>
Fund balance, June 30, 2023 (Non-GAAP budgetary basis)	<u>\$ 58,651,034</u>	<u>\$ (79,615,876)</u>	<u>\$ (20,964,842)</u>			<u>\$ 84,813,420</u>	<u>\$ 105,778,262</u>

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, 2023

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Taxes:							
Sales tax	\$ 12,426,738	\$ -	\$ 12,426,738			\$ 12,028,846	\$ (397,892)
Use tax	1,817,820	-	1,817,820			1,913,736	95,916
Investment earnings	15,000	-	15,000			768,455	753,455
Miscellaneous	2,633,333	100,000	2,733,333			2,473,313	(260,020)
Total revenues	<u>16,892,891</u>	<u>100,000</u>	<u>16,992,891</u>			<u>17,184,350</u>	<u>191,459</u>
EXPENDITURES AND ENCUMBRANCES:							
Services and maintenance	-	320,446	320,446	\$ (169,338)	\$ 78,389	(90,949)	411,395
Capital projects	7,435,047	63,900,773	71,335,820	11,141,202	2,164,357	13,305,559	58,030,261
Debt service	8,839,148	4,187	8,843,335	8,843,335	-	8,843,335	-
Total expenditures and encumbrances	<u>16,274,195</u>	<u>64,225,406</u>	<u>80,499,601</u>	<u>\$ 19,815,199</u>	<u>\$ 2,242,746</u>	<u>22,057,945</u>	<u>58,441,656</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	<u>618,696</u>	<u>(64,125,406)</u>	<u>(63,506,710)</u>			<u>(4,873,595)</u>	<u>58,633,115</u>
OTHER FINANCING SOURCES (USES):							
Transfers Out:							
General fund	(363,569)	-	(363,569)			(363,569)	-
Westwood fund	(35,000)	-	(35,000)			(35,000)	-
Transfers In:							
General fund	-	1,197,277	1,197,277			1,197,277	-
Net other financing sources (uses)	<u>(398,569)</u>	<u>1,197,277</u>	<u>798,708</u>			<u>798,708</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and encumbrances and other sources (uses)	220,127	(62,928,129)	(62,708,002)			(4,074,887)	58,633,115
Fund balance, July 1, 2022 (Non-GAAP budgetary basis)	<u>6,310,970</u>	<u>-</u>	<u>6,310,970</u>			<u>6,310,970</u>	<u>-</u>
Fund balance, June 30, 2023 (Non-GAAP budgetary basis)	<u>\$ 6,531,097</u>	<u>\$ (62,928,129)</u>	<u>\$ (56,397,032)</u>			<u>\$ 2,236,083</u>	<u>\$ 58,633,115</u>

THE CITY OF NORMAN, OKLAHOMA

WESTWOOD FUND SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Revisions	Revised Budget	Expenditures	Encum- brances	Actual	Variance- Positive (Negative)
REVENUES:							
Pool charges	\$ 737,069	\$ -	\$ 737,069			\$ 830,531	\$ 93,462
Golf charges	1,085,000	-	1,085,000			1,032,326	(52,674)
Concessions pool charges	125,000	-	125,000			190,310	65,310
Concessions restaurant charges	157,500	-	157,500			191,694	34,194
Investment earnings	7,500	-	7,500			76,454	68,954
Miscellaneous	-	-	-			171,511	171,511
Total revenues	<u>2,112,069</u>	<u>-</u>	<u>2,112,069</u>			<u>2,492,826</u>	<u>380,757</u>
EXPENDITURES AND ENCUMBRANCES:							
Concessions	287,615	47,636	335,251	\$ 317,730	\$ 1,136	318,866	16,385
Swimming pool	688,474	177,376	865,850	852,648	9,348	861,996	3,854
Golf maintenance	972,293	215,557	1,187,850	1,118,929	3,293	1,122,222	65,628
Golf course	373,751	112,691	486,442	474,373	1,748	476,121	10,321
Capital projects	-	100,000	100,000	42,235	147	42,382	57,618
Total expenditures and encumbrances	<u>2,322,133</u>	<u>653,260</u>	<u>2,975,393</u>	<u>\$ 2,805,915</u>	<u>\$ 15,672</u>	<u>2,821,587</u>	<u>153,806</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	<u>(210,064)</u>	<u>(653,260)</u>	<u>(863,324)</u>			<u>(328,761)</u>	<u>534,563</u>
OTHER FINANCING SOURCES (USES):							
Transfers In:							
General fund	-	20,000	20,000			20,000	-
Capital fund	85,507	114,164	199,671			291,397	91,726
Norman Forward fund	35,000	-	35,000			35,000	-
Transfers Out:							
Room Tax fund	-	-	-			-	-
Net other financing sources (uses)	<u>120,507</u>	<u>134,164</u>	<u>254,671</u>			<u>346,397</u>	<u>91,726</u>
Excess (deficiency) of revenues over expenditures and encumbrances and other sources (uses)	<u>(89,557)</u>	<u>(519,096)</u>	<u>(608,653)</u>			<u>17,636</u>	<u>626,289</u>
Fund balance, July 1, 2022 (Non-GAAP budgetary basis)	<u>237,535</u>	<u>-</u>	<u>237,535</u>			<u>237,535</u>	<u>-</u>
Fund balance, June 30, 2023 (Non-GAAP budgetary basis)	<u>\$ 147,978</u>	<u>\$ (519,096)</u>	<u>\$ (371,118)</u>			<u>\$ 255,171</u>	<u>\$ 626,289</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, 2023, are as follows:

	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Norman Forward Fund
Fund balances, June 30, 2023 (Non-GAAP budgetary basis)	\$ 8,009,643	\$ 4,369,409	\$ 84,813,420	\$ 2,236,083
Current year encumbrances included in expenditures	3,802,163	-	12,281,254	2,242,746
Prior year encumbrances outstanding	533,750	-	3,315,046	13,844,733
Current year revenue accrual	2,257,786	(87,244)	2,420,666	2,047,706
Current year expenditure accrual	<u>(212,912)</u>	<u>0</u>	<u>(570,176)</u>	<u>(1,950,008)</u>
GAAP basis fund balances, June 30, 2023	<u>\$14,390,430</u>	<u>\$ 4,282,165</u>	<u>\$102,260,210</u>	<u>\$18,421,260</u>
Budgetary basis revenues	\$21,168,755	\$ 8,018,611	\$ 20,220,568	\$17,184,350
Current year revenue accrual	2,257,786	(87,244)	2,420,666	2,047,706
Prior year revenue accrual	<u>(1,509,964)</u>	<u>83,412</u>	<u>(2,484,754)</u>	<u>(1,886,196)</u>
GAAP basis revenues	<u>\$21,916,577</u>	<u>\$ 8,014,779</u>	<u>\$ 20,156,480</u>	<u>\$17,345,860</u>
Budgetary basis expenditures	\$26,133,045	\$ 9,814,383	\$ 32,400,319	\$22,057,945
Current year encumbrances included in expenditures	(3,802,163)	-	(12,281,254)	(2,242,746)
Prior year encumbrances paid	1,511,986	-	10,570,155	42,419,738
Current year expenditure accrual	212,912	0	570,176	1,950,008
Prior year expenditure accrual	<u>(203,976)</u>	<u>0</u>	<u>(416,136)</u>	<u>(441,487)</u>
GAAP basis expenditures	<u>\$23,851,804</u>	<u>\$ 9,814,383</u>	<u>\$ 30,843,260</u>	<u>\$63,743,458</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF NET POSITION

ENTERPRISE FUND - NORMAN UTILITIES AUTHORITY

JUNE 30, 2023

ASSETS	Water	Wastewater	Total
Current assets:			
Cash and cash equivalents	\$ 13,290,524	\$ 7,914,569	\$ 21,205,093
Restricted cash and cash equivalents	6,394,889	1,556,526	7,951,415
Investments	17,021,184	14,307,649	31,328,833
Receivables:			
Accounts, net of allowance for estimated uncollectible accounts	3,242,060	2,211,883	5,453,943
Interest	82,699	68,809	151,508
Leases receivable	102,422	-	102,422
Due from other funds	180,068	94,290	274,358
Total current assets	<u>40,313,846</u>	<u>26,153,726</u>	<u>66,467,572</u>
Noncurrent assets:			
Restricted cash and cash equivalents	-	4,953,967	4,953,967
Leases receivable	271,264	-	271,264
Capital assets, net	153,940,426	123,548,091	277,488,517
Leases asset, net	697,883	-	697,883
Total noncurrent assets	<u>154,909,573</u>	<u>128,502,058</u>	<u>283,411,631</u>
Total assets	<u>195,223,419</u>	<u>154,655,784</u>	<u>349,879,203</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred charge on refunding	348,634	-	348,634
Total deferred outflows of resources	<u>348,634</u>	<u>-</u>	<u>348,634</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	724,552	406,210	1,130,762
Payroll payable	204,349	135,799	340,148
Accrued interest payable	387,006	130,871	517,877
Retainage payable	271,937	12,577	284,514
Guaranty deposits	901,970	485,345	1,387,315
Leases payable	53,227	-	53,227
Notes payable	3,763,314	3,736,637	7,499,951
Compensated absences	32,914	27,488	60,402
Total current liabilities	<u>6,339,269</u>	<u>4,934,927</u>	<u>11,274,196</u>
Noncurrent liabilities:			
Notes payable, net	42,560,043	15,064,956	57,624,999
Leases payable	801,361	-	801,361
Compensated absences	442,580	369,618	812,198
Total noncurrent liabilities	<u>43,803,984</u>	<u>15,434,574</u>	<u>59,238,558</u>
Total liabilities	<u>50,143,253</u>	<u>20,369,501</u>	<u>70,512,754</u>
DEFERRED INFLOW OF RESOURCES			
Deferred inflows from leases	428,331	-	428,331
Total deferred outflows of resources	<u>428,331</u>	<u>-</u>	<u>428,331</u>
NET POSITION			
Net invested in capital assets	111,535,602	104,834,728	216,370,330
Restricted for debt service	1,098,233	5,894,277	6,992,510
Restricted for capital projects	-	4,953,967	4,953,967
Unrestricted	32,366,634	18,603,311	50,969,945
Total net position	<u>\$ 145,000,469</u>	<u>\$ 134,286,283</u>	<u>\$ 279,286,752</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, 2023

	Water	Wastewater	Total
Operating revenues:			
Water service, net	\$ 26,317,568	\$ -	\$ 26,317,568
Wastewater service, net	-	17,121,748	17,121,748
Other	344,021	-	344,021
	<u>26,661,589</u>	<u>17,121,748</u>	<u>43,783,337</u>
Total operating revenues			
Operating expenses:			
Salaries and benefits	4,806,987	4,223,341	9,030,328
Supplies and materials	3,196,960	764,062	3,961,022
Services and maintenance	6,889,525	4,610,145	11,499,670
Depreciation and amortization	7,342,007	8,965,278	16,307,285
	<u>22,235,479</u>	<u>18,562,826</u>	<u>40,798,305</u>
Total operating expenses			
Operating income	<u>4,426,110</u>	<u>(1,441,078)</u>	<u>2,985,032</u>
Nonoperating revenues (expenses):			
Tax revenue	-	1,037,712	1,037,712
Investment earnings	799,873	557,253	1,357,126
Interest and fiscal charges	(1,936,027)	(477,197)	(2,413,224)
Miscellaneous income (expense)	(140,750)	(62,818)	(203,568)
	<u>(1,276,904)</u>	<u>1,054,950</u>	<u>(221,954)</u>
Net nonoperating revenues (expenses)			
Income before capital contributions and operating transfers	<u>3,149,206</u>	<u>(386,128)</u>	<u>2,763,078</u>
Capital contributions - donated water and sewer distribution systems	3,631,084	1,160,687	4,791,771
Transfers out	(1,203,217)	(592,813)	(1,796,030)
	<u>2,427,867</u>	<u>567,874</u>	<u>2,995,741</u>
Net capital contributions and transfers			
Net income	5,577,073	181,746	5,758,819
Net position - beginning	<u>139,423,396</u>	<u>134,104,537</u>	<u>273,527,933</u>
Net position - ending	<u>\$ 145,000,469</u>	<u>\$ 134,286,283</u>	<u>\$ 279,286,752</u>

THE CITY OF NORMAN, OKLAHOMA
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUND - NORMAN UTILITIES AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2023

	Water	Wastewater	Total
Cash flows from operating activities:			
Cash received from customers	\$ 26,272,511	\$ 17,292,580	\$ 43,565,091
Cash paid to employees for services	(4,733,400)	(4,146,109)	(8,879,509)
Cash paid to suppliers	(10,771,207)	(6,666,587)	(17,437,794)
Other payments	159,479	(105,763)	53,716
Net cash provided by operating activities	<u>10,927,383</u>	<u>6,374,121</u>	<u>17,301,504</u>
Cash flows from noncapital financing activities:			
Transfers out	(1,203,217)	(592,813)	(1,796,030)
Net cash used for noncapital financing activities	<u>(1,203,217)</u>	<u>(592,813)</u>	<u>(1,796,030)</u>
Cash flows from capital and related financing activities:			
Proceeds from disposal of capital assets	1,743,582	3,612,373	5,355,955
Payments for the acquisition of capital assets	(6,336,332)	(7,266,297)	(13,602,629)
Proceeds from lease activity	123,415	-	123,415
Payments for lease assets	(52,087)	-	(52,087)
Proceeds from taxes	-	1,037,712	1,037,712
Principal payments on notes payable	(3,481,774)	(3,622,248)	(7,104,022)
Interest and fiscal charges paid	(2,048,799)	(502,418)	(2,551,217)
Net cash used for capital and related financing activities	<u>(10,051,995)</u>	<u>(6,740,878)</u>	<u>(16,792,873)</u>
Cash flows from investing activities:			
Proceeds from maturity of investments	8,470,628	7,328,759	15,799,387
Payments for purchases of investments	(1,509,135)	(1,268,547)	(2,777,682)
Investment earnings received	807,244	560,367	1,367,611
Net cash used for investing activities	<u>7,768,737</u>	<u>6,620,579</u>	<u>14,389,316</u>
Net change in cash and cash equivalents	7,440,908	5,661,009	13,101,917
Cash and cash equivalents - beginning	<u>12,244,505</u>	<u>8,764,053</u>	<u>21,008,558</u>
Cash and cash equivalents - ending	<u>\$ 19,685,413</u>	<u>\$ 14,425,062</u>	<u>\$ 34,110,475</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 4,426,110	\$ (1,441,078)	\$ 2,985,032
Adjustments to reconcile operating income to net cash provided by operating activities:			
Miscellaneous expense	(140,750)	(62,818)	(203,568)
Bad debt expense	158,940	(183,480)	(24,540)
Depreciation and amortization	7,342,007	8,965,278	16,307,285
Loss on disposal of property, plant and equipment	224,825	19,623	244,448
(Increase) decrease in accounts receivable, net	(548,006)	335,917	(212,089)
(Increase) decrease due from other funds	75,404	(62,568)	12,836
Decrease leases receivable	223,244	-	223,244
Decrease in accounts payable and accrued liabilities	(654,241)	(1,112,760)	(1,767,001)
Increase in payroll payable	32,814	25,644	58,458
Decrease in retainage payable	(69,129)	(179,620)	(248,749)
Increase (decrease) in guaranty deposits	(12)	18,395	18,383
Increase in compensated absences	40,773	51,588	92,361
Decrease in deferred inflows leases	(184,596)	0	(184,596)
Net cash provided by operating activities	<u>\$ 10,927,383</u>	<u>\$ 6,374,121</u>	<u>\$ 17,301,504</u>
NONCASH ACTIVITIES:			
Donated water and sewer distribution systems	<u>\$ 3,631,084</u>	<u>\$ 1,160,687</u>	<u>\$ 4,791,771</u>
Change in unrealized gain on investments	<u>\$ 39,608</u>	<u>\$ 30,057</u>	<u>\$ 69,665</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF PENSION TRUST FUND
 JUNE 30, 2023

	Annuity Pool Fund	401(a) Plan Fund	Total
ASSETS			
Investments - mutual funds	\$ 164,426	\$ 103,615,114	\$ 103,779,540
Loans to 401(a) Plan participants	<u>-</u>	<u>3,206,379</u>	<u>3,206,379</u>
Total assets	<u>\$ 164,426</u>	<u>\$ 106,821,493</u>	<u>\$ 106,985,919</u>
LIABILITIES AND NET POSITION			
Net position:			
Restricted for defined pension benefits	\$ 164,426	\$ -	\$ 164,426
Restricted for defined contribution pension benefits	<u>-</u>	<u>106,821,493</u>	<u>106,821,493</u>
Total liabilities and net position	<u>\$ 164,426</u>	<u>\$ 106,821,493</u>	<u>\$ 106,985,919</u>

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF CHANGES IN PENSION TRUST FUND FOR THE YEAR ENDED JUNE 30, 2023

ADDITIONS:	Annuity Pool Fund	401(a) Fund	Total
Contributions:			
Employer	\$ 52,686	\$ 3,100,676	\$ 3,153,362
Employee	<u>-</u>	<u>2,376,949</u>	<u>2,376,949</u>
Total contributions	52,686	5,477,625	5,530,311
Investment income (loss)	<u>12,255</u>	<u>13,004,331</u>	<u>13,016,586</u>
Total additions	<u>64,941</u>	<u>18,481,956</u>	<u>18,546,897</u>
 DEDUCTIONS:			
Pension benefits paid	44,284	6,271,756	6,316,040
Administration costs	<u>613</u>	<u>(132,821)</u>	<u>(132,208)</u>
Total deductions	<u>44,897</u>	<u>6,138,935</u>	<u>6,183,832</u>
NET (DECREASE) INCREASE	20,044	12,343,021	12,363,065
Net position restricted for pension and retirement benefits, Beginning of year	<u>144,382</u>	<u>94,478,472</u>	<u>94,622,854</u>
End of year	<u>\$ 164,426</u>	<u>\$ 106,821,493</u>	<u>\$ 106,985,919</u>

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Pictured left to right, brothers: Jack Bumgarner,
Jim Bumgarner (James Garner), and Charles Bumgarner.

(Photo courtesy of Terry Bumgarner, James Garner's nephew)

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City's annual comprehensive 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	111-116
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	117-119
These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.	
Debt Capacity	120-124
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	125-126
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	127-129
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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in capital assets	\$ 428,738,811	\$ 419,320,944	\$ 357,563,482	\$ 404,269,078	\$ 343,501,122	\$ 313,981,902	\$ 256,880,446	\$ 283,831,364	\$ 282,047,232	\$ 244,461,034
Restricted	83,440,209	104,378,534	126,260,638	55,892,634	104,620,414	90,270,821	128,695,200	86,079,582	62,156,755	59,573,841
Unrestricted	(12,735,707)	(40,958,528)	(40,105,135)	(34,422,332)	(29,730,368)	(38,717,191)	(44,522,535)	(43,098,736)	(48,153,075)	(6,068,605)
Total governmental activities net position	\$ 499,443,313	\$ 482,740,950	\$ 443,718,985	\$ 425,739,380	\$ 418,391,168	\$ 365,535,532	\$ 341,053,111	\$ 326,812,210	\$ 296,050,912	\$ 297,966,270
Business-type activities										
Net investment in capital assets	\$ 233,536,892	\$ 223,662,267	\$ 228,867,966	\$ 220,190,180	\$ 210,610,975	\$ 212,565,194	\$ 211,414,863	\$ 198,638,260	\$ 183,385,272	\$ 159,760,362
Restricted	11,946,477	14,632,159	14,690,548	7,349,204	10,621,197	16,958,115	6,629,187	1,067,921	10,023,153	23,214,855
Unrestricted	62,667,553	61,049,433	63,591,846	64,252,037	63,100,838	44,400,215	42,813,500	48,149,794	34,949,967	30,864,543
Total business-type activities net position	\$ 308,140,922	\$ 301,343,859	\$ 307,150,360	\$ 291,791,421	\$ 284,333,010	\$ 273,923,524	\$ 260,857,550	\$ 247,855,975	\$ 228,358,392	\$ 213,839,760
Primary government										
Net investment in capital assets	\$ 662,265,703	\$ 644,983,211	\$ 586,431,448	\$ 624,459,258	\$ 554,112,097	\$ 526,547,096	\$ 468,295,309	\$ 482,469,624	\$ 465,432,504	\$ 404,221,396
Restricted	95,386,686	119,010,693	140,951,186	63,241,838	115,241,611	107,228,936	135,324,387	87,147,503	72,179,908	82,788,696
Unrestricted	49,931,846	20,090,905	23,486,711	29,829,705	33,370,470	5,683,024	(1,709,035)	5,051,058	(13,203,108)	24,795,938
Total primary government net position	\$ 807,584,235	\$ 784,084,809	\$ 750,869,345	\$ 717,530,801	\$ 702,724,178	\$ 639,459,056	\$ 601,910,661	\$ 574,668,185	\$ 524,409,304	\$ 511,806,030

THE CITY OF NORMAN, OKLAHOMA

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
EXPENSES										
Governmental activities:										
General government	\$ 19,410,645	\$ 22,116,186	\$ 18,819,315	\$ 17,378,592	\$ 13,738,006	\$ 12,859,373	\$ 10,763,028	\$ 7,999,471	\$ 8,500,923	\$ 11,353,764
Planning	3,739,028	3,574,817	3,345,940	3,228,429	3,367,244	3,477,364	3,315,422	3,320,979	3,297,788	3,208,350
City controller	2,391,399	1,544,569	2,227,636	2,207,900	2,093,411	2,449,352	1,231,508	893,000	706,793	3,337,932
Parks and recreation	13,000,150	13,719,291	8,513,678	8,539,967	7,509,979	6,502,407	7,087,981	5,936,777	5,194,010	5,555,796
Public works	49,472,283	40,833,147	41,734,848	39,467,992	25,614,539	26,682,973	30,953,789	25,389,053	22,130,634	21,530,165
Public service	6,909,435	3,055,832	3,831,725	1,995,214	4,118,076	2,627,283	3,892,316	2,976,064	2,875,451	2,841,186
Public safety	64,521,693	50,530,408	64,595,623	53,536,220	45,140,356	55,817,838	53,613,442	50,921,384	47,480,003	47,819,597
Interest on long-term debt	4,571,464	4,689,880	5,060,958	4,248,252	4,137,314	4,937,107	4,734,646	5,277,210	2,325,103	1,901,483
Total governmental activities expenses	164,016,097	140,064,130	148,129,723	130,602,566	105,718,925	115,353,697	115,592,132	102,713,938	92,510,705	97,548,273
Business-type activities:										
Westwood Park	-	-	2,031,852	2,124,443	2,026,461	1,500,752	1,256,295	1,340,514	1,352,050	1,456,266
Water	22,317,666	23,293,028	18,178,326	18,435,089	16,505,700	16,321,995	14,535,092	14,843,372	13,258,111	13,261,728
Wastewater	19,020,441	19,076,169	20,239,517	18,627,217	16,628,468	14,627,959	15,448,412	17,222,233	15,477,741	15,658,935
Sanitation	16,724,104	14,696,179	14,707,244	13,479,559	13,494,028	12,878,886	12,005,272	12,135,886	12,298,641	13,580,465
Total business-type activities expenses	58,062,211	57,065,376	55,156,939	52,666,308	48,654,657	45,329,592	43,245,071	45,542,005	42,386,543	43,957,394
Total primary government expenses	\$ 222,078,308	\$ 197,129,506	\$ 203,286,662	\$ 183,268,874	\$ 154,373,582	\$ 160,683,289	\$ 158,837,203	\$ 148,255,943	\$ 134,897,248	\$ 141,505,667

THE CITY OF NORMAN, OKLAHOMA

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 2,850,301	\$ 3,315,489	\$ 3,174,550	\$ 3,337,660	\$ 3,002,995	\$ 2,767,032	\$ 2,730,336	\$ 2,612,495	\$ 2,644,776	\$ 2,554,566
Planning	1,229,377	1,327,181	1,461,693	913,979	844,712	992,383	1,061,776	1,353,411	1,369,582	1,376,330
City controller	210,550	174,989	309,657	515,612	670,685	683,215	661,162	642,726	624,135	214,838
Parks and recreation	2,865,262	2,822,989	399,599	405,547	520,044	497,538	530,140	653,613	609,175	587,433
Public works	482,635	286,103	265,448	497,224	-	-	-	-	-	-
Public safety	2,807,217	3,175,674	3,836,831	3,254,865	2,136,384	3,256,469	2,912,640	3,097,858	3,296,808	3,125,456
Operating grants and contributions	20,341,333	9,679,746	24,521,662	10,767,930	10,388,169	14,570,508	12,379,368	10,375,508	7,758,836	7,533,947
Capital grants and contributions	1,488,513	8,244,353	12,643,765	6,333,788	30,404,175	9,476,361	3,813,991	15,614,024	29,958,311	5,501,318
Total governmental activities	32,275,388	29,026,524	46,613,205	26,026,605	47,967,164	32,243,506	24,089,413	34,349,635	46,261,623	20,893,888
Business-type activities:										
Charges for services										
Westwood Park	-	-	1,942,080	1,632,229	1,661,792	1,264,059	933,853	1,098,470	1,065,318	1,102,085
Water	24,847,978	23,937,759	24,377,486	22,217,540	20,498,886	21,843,184	21,735,237	21,496,086	16,050,007	14,053,978
Wastewater	17,121,748	15,974,265	16,615,270	15,984,512	15,992,294	15,781,490	15,767,530	15,923,396	15,715,128	13,906,530
Sanitation	17,098,253	16,149,743	16,340,040	15,243,633	14,791,863	14,549,273	14,584,853	14,338,856	13,991,281	14,006,612
Capital grants and contributions	4,791,771	3,511,824	10,796,491	2,786,305	2,569,510	5,263,425	2,324,230	10,525,831	7,703,017	3,721,838
Total business-type activities	63,859,750	59,573,591	70,071,367	57,864,219	55,514,345	58,701,431	55,345,703	63,382,639	54,524,751	46,791,043
program revenues	\$ 96,135,138	\$ 88,600,115	\$ 116,684,572	\$ 83,890,824	\$ 103,481,509	\$ 90,944,937	\$ 79,435,116	\$ 97,732,274	\$ 100,786,374	\$ 67,684,931
Total primary government revenues										
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (131,740,709)	\$ (111,037,606)	\$ (101,516,518)	\$ (104,575,961)	\$ (57,751,761)	\$ (83,110,191)	\$ (91,502,719)	\$ (68,364,303)	\$ (46,249,082)	\$ (76,654,385)
Business-type activities	5,797,339	2,508,215	14,914,428	5,197,911	6,859,688	13,371,839	12,100,632	17,840,634	12,138,208	2,833,649
Total primary government net expense	\$ (125,943,370)	\$ (108,529,391)	\$ (86,602,090)	\$ (99,378,050)	\$ (50,892,073)	\$ (69,738,352)	\$ (79,402,087)	\$ (50,523,669)	\$ (34,110,874)	\$ (73,820,736)

THE CITY OF NORMAN, OKLAHOMA

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GENERAL REVENUE AND OTHER CHANGES IN NET ASSETS										
Governmental activities:										
Sales taxes	\$ 99,514,777	\$ 98,398,676	\$ 84,638,068	\$ 75,811,863	\$ 74,419,538	\$ 73,967,709	\$ 73,345,458	\$ 70,981,084	\$ 65,778,553	\$ 63,580,323
Franchise taxes	8,256,119	7,294,416	6,358,546	6,531,339	6,625,971	7,094,490	6,807,860	6,743,712	7,155,689	6,782,746
Property taxes	9,650,382	13,887,375	8,937,836	12,062,899	11,395,748	11,971,525	14,739,604	9,794,490	11,620,098	12,481,940
Use taxes	15,909,739	14,628,785	12,719,530	9,017,696	7,196,831	5,148,317	3,797,125	3,467,863	2,864,048	2,504,136
Hotel/Motel taxes	2,209,418	1,808,382	1,264,409	1,307,527	1,878,249	1,879,453	1,759,851	1,825,087	1,785,788	1,648,432
Alcoholic beverage taxes	607,987	609,833	564,013	498,318	441,456	324,252	316,013	306,225	301,618	272,697
Cigarette taxes	684,271	755,712	764,783	704,411	657,982	834,649	894,092	839,492	771,946	746,900
Investment earnings	3,512,616	(535,003)	469,832	2,489,875	3,198,922	1,586,732	513,238	1,965,790	323,863	379,805
Miscellaneous	6,301,733	3,863,587	1,816,052	2,450,934	3,762,651	3,627,956	2,275,838	1,943,106	2,196,990	2,458,091
Transfers	1,796,030	2,319,413	1,943,054	1,049,311	1,030,049	1,157,529	1,294,541	1,258,752	1,085,283	703,755
Total governmental activities	148,443,072	143,031,176	119,496,123	111,924,173	110,607,397	107,592,612	105,743,620	99,125,601	93,883,876	91,558,845
Business-type activities:										
Sales taxes	-	-	-	-	-	-	-	-	-	-
Excise taxes	1,037,712	1,758,833	2,307,102	1,283,126	1,236,361	1,319,885	1,530,490	1,709,914	2,149,079	1,769,195
Investment earnings	1,613,383	(764,489)	47,842	1,974,631	3,046,291	472,025	163,961	515,716	250,382	342,984
Miscellaneous	144,459	43,237	32,621	52,054	297,195	(940,246)	501,033	690,071	1,066,246	312,984
Transfers	(1,796,030)	(2,319,413)	(1,943,054)	(1,049,311)	(1,030,049)	(1,157,529)	(1,294,541)	(1,258,752)	(1,085,283)	(703,755)
Total business-type activities	999,524	(1,281,832)	444,511	2,260,500	3,549,798	(305,865)	900,943	1,656,949	2,380,424	1,721,408
Total primary government	\$ 149,442,596	\$ 141,749,344	\$ 119,940,634	\$ 114,184,673	\$ 114,157,195	\$ 107,286,747	\$ 106,644,563	\$ 100,782,550	\$ 96,264,300	\$ 93,280,253
CHANGE IN NET POSITION										
Governmental activities	\$ 16,702,363	\$ 31,993,570	\$ 17,979,605	\$ 7,348,212	\$ 52,855,636	\$ 23,282,421	\$ 14,240,901	\$ 30,761,298	\$ 47,634,794	\$ 14,904,460
Business-type activities	6,797,063	1,226,383	15,358,939	7,458,411	10,409,486	13,065,974	13,001,575	19,497,583	14,518,632	4,555,057
Total primary government	\$ 23,499,426	\$ 33,219,953	\$ 33,338,544	\$ 14,806,623	\$ 63,265,122	\$ 36,348,395	\$ 27,242,476	\$ 50,258,881	\$ 62,153,426	\$ 19,459,517

THE CITY OF NORMAN, OKLAHOMA

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General fund	\$ 37,016	\$ 202,496	\$ 19,324	\$ 14,065	\$ 32,402	\$ 24,898	\$ 29,473	\$ 20,896	\$ 26,642	\$ 47,131
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	4,517,987	4,168,853	4,027,066	3,889,176	3,794,419	3,331,295	3,302,656	3,226,149	3,191,393	2,554,596
Committed	5,473,549	3,887,398	2,893,498	2,849,571	2,541,165	2,503,122	2,298,057	2,281,428	2,890,768	2,152,746
Assigned	22,724,887	18,490,142	11,773,244	10,836,506	13,223,749	13,046,521	7,166,425	8,861,932	8,290,555	8,384,756
Unassigned										
Total general fund	\$ 32,753,439	\$ 26,748,889	\$ 18,713,132	\$ 17,589,318	\$ 19,591,735	\$ 18,905,836	\$ 12,796,611	\$ 14,390,405	\$ 14,399,358	\$ 13,139,225
All other governmental funds										
Nonspendable	\$ -	\$ 705,994	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	138,271,260	168,476,838	178,960,048	140,480,988	147,577,408	155,984,942	180,115,682	162,761,288	123,475,384	86,328,836
Assigned	13,284,258	4,622,396	5,026,161	5,213,736	3,994,574	4,540,592	3,712,781	3,436,379	2,148,078	1,834,631
Total all other governmental funds	\$ 151,555,518	\$ 173,099,234	\$ 183,986,209	\$ 145,694,724	\$ 151,571,982	\$ 160,525,534	\$ 183,828,463	\$ 166,197,667	\$ 125,623,462	\$ 88,163,467

THE CITY OF NORMAN, OKLAHOMA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

(Dollars in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES										
Taxes	\$ 135,540	\$ 136,018	\$ 113,938	\$ 104,731	\$ 101,516	\$ 100,061	\$ 100,450	\$ 92,812	\$ 89,204	\$ 86,998
Licenses & permits	1,343	1,386	1,463	1,142	1,129	1,104	1,162	1,399	1,393	1,426
Intergovernmental revenues	16,135	9,487	22,489	6,622	5,740	10,501	8,358	6,396	4,553	8,773
Charges for services	15,668	14,251	10,887	11,046	11,694	11,657	10,427	10,966	11,484	10,918
Fines and forfeitures	1,189	1,090	1,548	1,794	1,473	2,366	2,300	2,425	2,644	2,461
Investment earnings	3,252	(696)	214	2,254	2,898	1,330	278	334	278	365
Other	6,193	5,610	3,733	3,324	2,737	3,466	2,652	1,762	2,403	2,424
Total revenues	<u>179,320</u>	<u>167,146</u>	<u>154,272</u>	<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>
EXPENDITURES										
General government	12,428	18,149	16,588	10,015	10,993	10,681	10,022	9,742	9,431	10,218
Planning	3,984	3,816	3,480	3,394	3,528	3,637	3,429	3,454	3,416	3,379
City controller	3,303	3,755	3,702	3,623	3,378	3,503	3,353	3,141	2,940	4,492
Parks & recreation	12,316	11,219	6,227	6,239	5,293	5,249	5,999	5,167	4,665	4,930
Public works	38,432	30,154	30,744	28,266	17,147	18,907	22,634	18,572	18,137	18,054
Public service	6,902	3,067	3,827	1,996	4,120	2,662	3,892	2,963	2,920	2,803
Public safety	57,148	51,565	49,287	48,638	43,009	45,765	43,913	46,079	43,780	45,846
Capital Outlay	78,752	30,806	30,028	24,521	47,788	43,097	31,375	32,910	22,358	20,897
Debt Service:										
Principal	17,898	18,081	15,350	8,415	27,269	16,245	11,671	9,668	9,542	22,949
Interest and fiscal charges	4,450	4,887	4,658	4,388	4,265	4,545	4,839	3,905	2,180	2,400
Total expenditures	<u>235,613</u>	<u>175,499</u>	<u>163,891</u>	<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>
Excess of revenues over (under) expenditures	<u>(56,293)</u>	<u>(8,353)</u>	<u>(9,619)</u>	<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>
OTHER FINANCING SOURCES (USES)										
Issuance of debt	39,500	3,882	47,000	-	30,000	6,105	30,950	65,935	45,909	14,971
Premium on issuance of debt	773	-	469	-	585	-	-	1,426	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	(7,707)	-	-
Transfers in	15,139	27,114	28,275	18,646	5,736	16,729	10,533	35,034	7,456	5,486
Transfers out	(15,364)	(25,215)	(26,710)	(17,943)	(4,986)	(16,222)	(9,946)	(34,616)	(7,235)	(5,710)
Total other financing sources (uses)	<u>40,048</u>	<u>5,781</u>	<u>49,034</u>	<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>
Net change in fund balances	\$ (16,245)	\$ (2,572)	\$ 39,415	\$ (7,879)	\$ (8,268)	\$ (17,194)	\$ 16,037	\$ 40,565	\$ 38,720	\$ (7,856)
Debt service as a percentage of noncapital expenditures	14.25%	15.87%	14.95%	11.14%	26.50%	18.70%	15.04%	13.22%	12.08%	22.03%

THE CITY OF NORMAN, OKLAHOMA

TAXABLE SALES BY CATEGORY

LAST TEN FISCAL YEARS

(Dollars in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General merchandise	\$ 22,291	\$ 20,974	\$ 20,068	\$ 18,579	\$ 17,864	\$ 17,324	\$ 16,869	\$ 15,678	\$ 15,047	\$ 14,991
Eating and drinking establishments	17,731	16,628	13,882	12,657	13,189	12,558	12,011	11,366	10,708	10,096
Miscellaneous retail	9,381	9,698	9,409	9,865	9,540	9,253	9,063	9,060	8,518	7,899
Building materials and farm tools	8,441	12,511	8,041	6,050	5,257	5,133	5,241	5,948	4,487	4,742
Electric, gas & sanitary services	5,737	4,735	3,981	3,820	3,986	4,242	3,864	3,460	3,586	3,512
Home furnishings and appliances	4,081	4,284	4,139	3,410	3,668	3,704	3,785	3,480	3,507	3,166
Food stores	4,702	4,456	4,194	3,843	3,849	4,019	4,158	4,062	3,849	4,058
Apparel and accessory stores	3,812	3,855	3,140	2,914	3,437	3,527	3,947	3,642	3,549	3,531
Communications	2,601	2,592	2,312	2,205	2,482	2,503	2,585	2,429	2,349	2,322
Wholesale trade-durable goods	7,685	6,345	5,224	4,855	4,539	4,571	4,657	4,392	4,042	3,341
All other outlets	77,448	12,818	9,453	7,028	7,141	7,204	8,097	7,377	6,327	6,484

Total \$ 163,910 \$ 98,896 \$ 83,843 \$ 75,226 \$ 74,952 \$ 74,038 \$ 73,877 \$ 70,894 \$ 65,969 \$ 64,142

City direct sales tax rate 4.125% 4.125% 4.125% 4.125% 4.00% 4.00% 4.00% 4.00% 4.00% 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
2023	4.125 %	4.5 %	0.125 %
2022	4.125 %	4.5 %	0.125 %
2021	4.125 %	4.5 %	0.125 %
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 %

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 2023 AND 2014

(Dollars in Thousands)

	Fiscal Year 2023				Fiscal Year 2014			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail trade	1,257	35.5 %	\$ 55,439	55.4 %	1,192	40.6 %	\$ 38,387	59.8 %
Wholesale trade	514	14.5 %	7,685	7.7 %	519	17.7 %	3,341	5.2 %
Accommodation and food service	326	9.2 %	19,664	19.6 %	268	9.1 %	11,593	18.1 %
Manufacturing	325	9.2 %	2,344	2.3 %	197	6.7 %	1,538	2.4 %
Real estate and rental and leasing	218	6.2 %	1,591	1.6 %	181	6.2 %	813	1.3 %
Information	199	5.6 %	2,601	2.6 %	133	4.5 %	2,322	3.6 %
Other services (except public administration)	136	3.8 %	1,355	1.4 %	92	3.1 %	524	0.8 %
Professional, scientific, and technical services	92	2.6 %	367	0.4 %	82	2.8 %	316	0.5 %
Admin, support, waste mgmt and remediation services	64	1.8 %	182	0.2 %	33	1.1 %	50	0.1 %
Arts, entertainment, and recreation	50	1.4 %	700	0.7 %	29	1.0 %	476	0.7 %
Construction	48	1.4 %	267	0.3 %	18	0.6 %	75	0.1 %
Transportation and warehousing	27	0.8 %	246	0.2 %	16	0.5 %	163	0.3 %
Finance and insurance	24	0.7 %	171	0.2 %	13	0.4 %	113	0.2 %
Health care and social assistance	22	0.6 %	34	0.0 %	3	0.1 %	16	0.0 %
Agricultural, forestry, fishing and hunting	14	0.4 %	28	0.0 %	4	0.1 %	8	0.0 %
Educational services	10	0.3 %	1,370	1.4 %	4	0.1 %	16	0.0 %
Utilities	7	0.2 %	5,737	5.7 %	6	0.2 %	3,512	5.5 %
Mining, quarrying, and oil and gas extraction	7	0.2 %	18	0.0 %	4	0.1 %	9	0.0 %
Public administration	1	0.0 %	7	0.0 %	-	0.0 %	-	0.0 %
Nonclassifiable	199	5.6 %	317	0.3 %	141	4.8 %	870	1.4 %
Total	3,540	100.0 %	\$ 100,123	100.0 %	2,935	100.0 %	\$ 64,142	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			Leases			Term Loans			Revenue Bonds						Leases	Term Loans	Revenue Bonds
	Obligation	Revenue Bonds	Revenue	Leases	Term Loans	Revenue Bonds	Leases	Term Loans	Revenue Bonds									
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							
2021	83,689	-	-	102,655	192	79,365	-	-	265,901	2.1 %	2,076.93							
2022	74,404	-	547	97,733	-	72,223	907	245,814	1.9 %	1,918.96								
2023	106,359	-	918	97,733	-	64,837	855	270,702	2.0 %	2,088.31								

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 125 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
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
2021	83,689	4,879	78,810	7.05%	615.58
2022	74,404	6,550	67,854	5.71%	529.71
2023	106,359	4,282	102,077	7.87%	787.47

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 123 for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics on page 125.

THE CITY OF NORMAN, OKLAHOMA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2023

(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	82,670	95.37%	78,842
Debt repaid with property taxes: McLoud Public Schools	1,620	0.02%	0
Debt repaid with property taxes: Robin Hill Public Schools	710	0.10%	1
Debt repaid with property taxes: Noble Public Schools	5,720	0.62%	35
Debt repaid with property taxes: Mid Del Public Schools	46,875	0.02%	9
Debt repaid with property taxes: Little Axe Public Schools	3,590	0.18%	6
Debt repaid with property taxes: Moore Public Schools	<u>108,860</u>	3.13%	<u>3,407</u>
Subtotal, overlapping debt	250,045		82,302
City of Norman direct debt			<u>270,702</u>
Total direct and overlapping debt			<u>\$ 353,004</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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Assessed value of property	\$ 1,296,635	\$ 1,187,461	\$ 1,117,342	\$ 1,073,220	\$ 1,038,922	\$ 993,913	\$ 963,371	\$ 930,798	\$ 873,553	\$ 843,440
Debt limit ¹ , 10% of assessed value	129,664	118,746	111,734	107,322	103,892	99,391	96,337	93,080	87,355	84,344
Amount of debt applicable to limit:										
General Obligation Bonds back by property taxes	-	-	-	-	-	-	-	-	-	-
Less: Resources restricted to paying principal	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 129,664</u>	<u>\$ 118,746</u>	<u>\$ 111,734</u>	<u>\$ 107,322</u>	<u>\$ 103,892</u>	<u>\$ 99,391</u>	<u>\$ 96,337</u>	<u>\$ 93,080</u>	<u>\$ 87,355</u>	<u>\$ 84,344</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Debt limit ² , 30% of assessed value	\$ 388,991	\$ 356,238	\$ 335,203	\$ 321,966	\$ 311,677	\$ 298,174	\$ 289,011	\$ 279,239	\$ 262,066	\$ 253,032
Amount of debt applicable to limit:										
General Obligation Bonds	104,240	72,790	81,875	66,205	69,230	50,360	61,445	71,419	64,196	49,495
Less: Resources restricted to paying principal	<u>(4,282)</u>	<u>(6,550)</u>	<u>(4,879)</u>	<u>(7,201)</u>	<u>(2,674)</u>	<u>(5,769)</u>	<u>(8,638)</u>	<u>(6,552)</u>	<u>(8,847)</u>	<u>(8,967)</u>
Total net debt applicable to limit	99,958	66,240	76,996	59,004	66,556	44,591	52,807	64,867	55,349	40,528
Legal debt margin	<u>\$ 289,033</u>	<u>\$ 289,998</u>	<u>\$ 258,207</u>	<u>\$ 262,962</u>	<u>\$ 245,121</u>	<u>\$ 253,583</u>	<u>\$ 236,204</u>	<u>\$ 214,372</u>	<u>\$ 206,717</u>	<u>\$ 212,504</u>
Total net debt applicable to the limit as a percentage of debt limit	25.70%	18.59%	22.97%	18.33%	21.35%	14.95%	18.27%	23.23%	21.12%	16.02%

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

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
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%
2021	128,026	12.8	31,710	30.9	15,449	3.20%
2022	128,097	13.2	31,877	30.9	16,430	2.90%
2023	129,627	13.4	33,899	32.3	15,786	2.70%

Data Sources

¹ Years 2014- 23 obtained from census data

² U.S. Census Bureau, American Community Survey 2014-2019 and 2021-2023 estimated

³ Norman Public Schools

⁴ U.S. Department of Labor

⁵ Personal income estimated

THE CITY OF NORMAN, OKLAHOMA

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
The University of Oklahoma	12,941	1	19.75%	12,266	1	21.83%
Norman Regional Hospital	3,040	2	4.64%	2,870	2	5.11%
Norman Public Schools	1,910	3	2.91%	1,951	3	3.47%
York International/Johnson Controls	1,030	4	1.57%	950	4	1.69%
Walmart	950	5	1.45%			
City of Norman	907	6	1.38%	834	5	1.48%
Department of Mental Health & Substance Abuse				545	7	0.97%
Hitachi	400	7	0.61%	463	8	0.82%
NOAA National Severe Storm Laboratory	400	8	0.61%	550	6	0.98%
Cleveland County	396	9	0.60%			
Target	380	10	0.58%			
USPS National Center for Employee Development				407	9	0.72%
ClientLogic/Sitel				<u>401</u>	10	<u>0.71%</u>
Total	<u>22,354</u>		<u>34.10%</u>	<u>21,237</u>		<u>37.78%</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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government	54	53	59	62	64	60	64	61	59	40
Planning	36	38	35	34	38	36	38	37	36	37
City controller	34	33	35	34	32	30	30	29	28	35
Parks & recreation	72	72	52	52	55	59	58	53	52	47
Public works	123	124	120	118	115	116	119	112	112	110
Public safety										
Police	253	247	255	260	259	262	259	245	235	231
Fire	167	164	168	169	171	171	173	163	162	163
Westwood	36	33	34	34	37	18	16	17	17	18
Water	51	50	51	49	49	48	50	49	47	49
Wastewater	48	45	47	44	45	45	46	43	43	42
Sanitation	63	63	60	59	59	58	60	58	55	58
Total	937	922	916	915	924	903	913	867	846	830

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Planning										
Building permits issued	1,642	1,835	1,962	1,704	1,552	1,540	1,575	2,418	2,493	3,437
Building inspections conducted	26,348	27,897	26,403	24,719	23,216	23,799	25,846	26,556	29,348	26,699
Police										
Physical arrests	4,679	4,478	4,018	5,172	6,478	6,076	5,594	5,709	5,637	6,529
Parking violations	8,339	6,145	5,607	6,576	12,029	14,836	17,438	13,433	15,616	12,422
Traffic violations	6,545	4,303	8,551	13,422	15,509	14,985	16,988	16,249	16,330	16,803
Non-traffic violations	2,580	2,476	2,534	2,421	3,585	3,792	4,704	4,012	4,444	4,619
Fire										
Calls answered	17,781	17,962	17,648	16,071	15,925	15,491	14,425	13,761	12,650	12,234
Inspections	816	775	1,477	1,967	2,440	2,331	2,972	2,983	3,456	2,083
Sanitation										
Refuse collected (tons per day)	338	337	338	319	321	288	272	316	286	286
Recyclables collected (tons per day)	19	19	17	18	20	22	28	32	32	27
Highways and streets										
Street resurfacing (miles)	8	12	20	17	13	19	8	17	16	15
Street patching (tons of asphalt used)	2,700	3,030	1,583	523	1,091	1,611	2,502	2,767	1,814	2,364
Parks and recreation										
Athletic field permits issued	171,359	171,313	189,564	135,485	189,663	150,173	119,904	146,641	143,878	154,596
Community center admissions	54,848	76,533	32,243	77,539	105,455	127,239	129,705	127,522	138,650	121,791
Water										
New connections	364	550	630	478	441	407	458	496	649	504
Water main breaks	212	127	213	163	133	166	160	159	185	191
Average daily consumption (thousands of gallons)	14,980	14,310	13,880	13,440	12,080	13,250	12,730	12,180	12,500	12,470
Peak daily consumption (thousands of gallons)	25,520	20,880	26,000	22,200	21,290	20,560	22,290	19,870	21,800	20,610
Wastewater										
Average daily sewage treatment (thousands of gallons)	11,200	11,200	10,800	11,200	12,300	11,000	9,700	9,800	9,500	9,800

Sources: Various city departments.

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

THE CITY OF NORMAN, OKLAHOMA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

FUNCTION	Fiscal year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public safety										
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	108	119	119	122	115	117	116	117	116	119
Fire stations	9	9	9	9	9	9	9	9	9	9
Sanitation										
Collection trucks	38	43	43	54	44	43	40	41	45	41
Highways and streets										
Streets (miles)	784	782	777	773	773	768	765	763	783	753
Streetlights	6,744	6,680	6,657	6,626	6,609	6,605	6,565	6,478	6,339	6,296
Traffic signals	256	258	256	257	256	256	256	250	246	241
Parks and recreation										
Acreage	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,156
Playgrounds	56	56	56	55	54	53	53	52	52	52
Swimming pools	6	6	6	6	6	6	6	5	5	5
Tennis courts	26	26	26	26	26	24	24	24	24	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	5	5	5	4	4	4	4	4	4
Skateparks/Skate spots	4	4	4	4	3	1	1	1	1	1
Bike parks	1	1	1	1	1	-	-	-	-	-
Fishing lakes	7	7	7	7	7	7	7	7	7	7
Water										
Water mains (miles)	645	636	629	619	606	600	600	597	593	576
Fire hydrants	6,932	6,701	6,472	6,351	6,071	5,986	5,988	5,921	5,860	5,618
Water towers	5	5	5	5	5	5	5	5	4	4
Maximum daily capacity (thousands of gallons)	25,780	25,700	23,500	23,500	23,300	23,300	23,300	23,500	23,500	23,500
Wastewater										
Sanitary sewers (miles)	525	521	518	516	515	508	511	500	494	491
Manholes	12,399	12,288	12,186	12,147	12,097	11,927	11,928	11,656	11,625	11,530
Maximum daily treatment capacity (thousands of gallons)	36,000	36,000	36,000	36,000	36,000	36,000	36,000	30,000	30,000	30,000

Sources: Various city departments.

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

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**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards**

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the 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, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 6, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Honorable Mayor and City Council
City of Norman, Oklahoma

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS,LLP

Oklahoma City, Oklahoma
December 6, 2023



PRODUCTION _____
DIRECTOR _____
CAMERA _____
DATE _____ SCENE _____ TAKE _____

M A V E R I C K

JAMES GARNER

JAMES GARNER FILMS

