

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, 2024. 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 ____ 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 \$848,727,247 (net position).
- The City's total net position increased by \$41,143,012.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$167,516,989, a decrease of \$16,791,968 in comparison with the prior year. Approximately 87% or \$145,096,555 was nonspendable, restricted, committed or assigned for specific purposes. Approximately 13% or \$22,420,434 was unassigned at fiscal year end.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$22,530,638 or 21% of total general fund expenditures.
- The City's total debt decreased by \$9,563,881 (4 percent) during the current fiscal year. Key factors of this change were issuance of General Obligation Bonds, Series 2024A in the amount of \$16,000,000. 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 ____ 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 fifteen 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 ten 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 ____ 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 _____ 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 _____ 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 _____ 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, public safety sales tax fund and special grants fund. Required supplementary information can be found on pages _____ 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 _____ 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 \$848,727,257 at the close of the most recent fiscal year.

**Net Position
As of June 30**

| | Governmental activities | | Business-type activities | | Total | |
|--------------------------------------|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Current and other assets | \$ 202,816,254 | \$ 226,845,087 | \$ 89,527,666 | \$ 79,738,586 | \$ 292,343,920 | \$ 306,583,673 |
| Capital assets, net | 608,123,566 | 563,065,748 | 292,190,764 | 295,166,322 | 900,314,330 | 858,232,070 |
| Noncurrent assets | 1,176,968 | 3,077,337 | 3,097,942 | 5,448,906 | 4,274,910 | 8,526,243 |
| Total assets | 812,116,788 | 792,988,172 | 384,816,372 | 380,353,814 | 1,196,933,160 | 1,173,341,986 |
| Deferred outflows | 29,501,662 | 22,735,095 | 267,705 | 348,634 | 29,769,367 | 23,083,729 |
| Total assets & deferred outflows | 841,618,450 | 815,723,267 | 385,084,077 | 380,702,448 | 1,226,702,527 | 1,196,425,715 |
| Long-term liabilities | 242,665,762 | 243,400,046 | 51,844,521 | 59,612,026 | 294,510,283 | 303,012,072 |
| Other liabilities | 61,104,484 | 65,263,624 | 15,248,330 | 12,521,169 | 76,352,814 | 77,784,793 |
| Total liabilities | 303,770,246 | 308,663,670 | 67,092,851 | 72,133,195 | 370,863,097 | 380,796,865 |
| Deferred inflows | 6,860,599 | 7,616,284 | 251,784 | 428,331 | 7,112,383 | 8,044,615 |
| Total liabilities & deferred inflows | 310,630,845 | 316,279,954 | 67,344,635 | 72,561,526 | 377,975,480 | 388,841,480 |
| Net position: | | | | | | |
| Net investment in capital assets | 482,262,933 | 428,738,811 | 238,127,832 | 233,526,892 | 720,390,765 | 662,265,703 |
| Restricted | 64,069,408 | 83,440,209 | 8,143,308 | 11,946,477 | 72,212,716 | 95,386,686 |
| Unrestricted | (15,344,736) | (12,735,707) | 71,268,502 | 62,667,553 | 55,923,766 | 49,931,846 |
| Total net position | \$ 530,987,605 | \$ 499,443,313 | \$ 317,539,642 | \$ 308,140,922 | \$ 848,527,247 | \$ 807,584,235 |

By far the largest portion of the City's net position (85 percent) reflect its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure), less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

There was an increase of \$9.6 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 \$31.5 million during the current fiscal year. This increase was due to several factors. See below for more information.

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

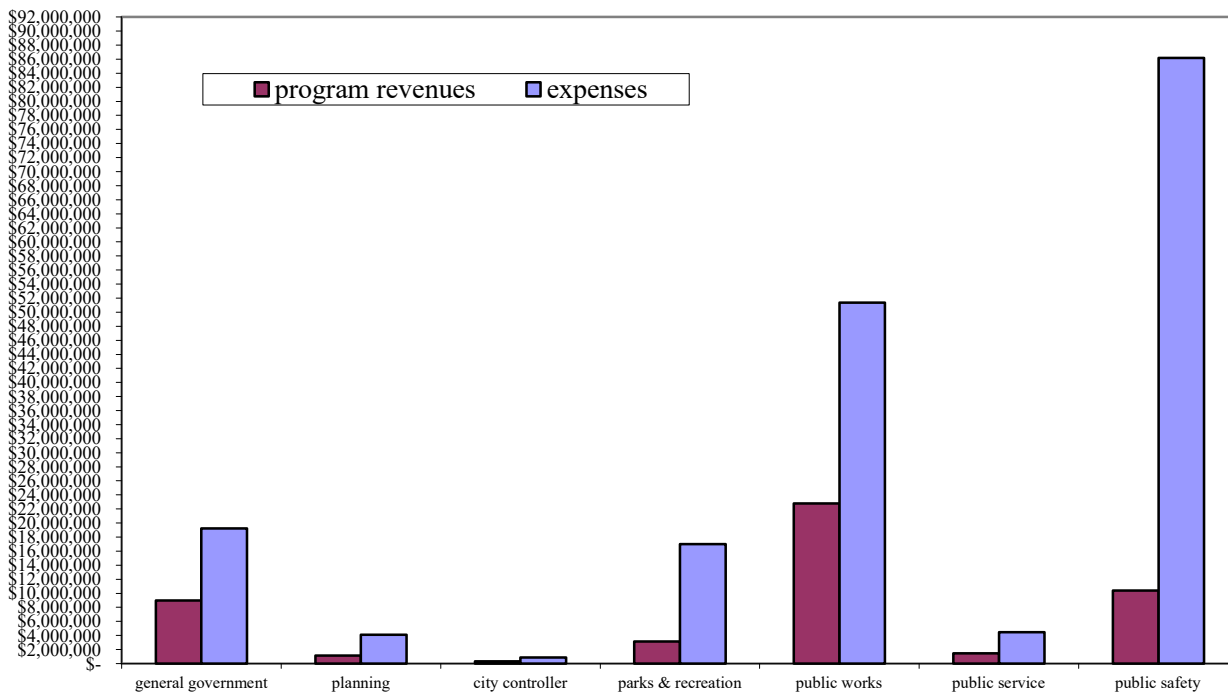
| | Governmental activities | | Business-type activities | | Total | |
|--|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Program Revenues: | | | | | | |
| Charges for services | \$ 11,540,297 | \$ 10,445,542 | \$ 63,563,263 | \$ 59,067,979 | \$ 75,103,560 | \$ 69,513,521 |
| Operating grants & contributions | 21,861,463 | 20,341,333 | - | - | 21,861,463 | 20,341,333 |
| Capital grants & contributions | 14,765,728 | 1,488,513 | 5,358,576 | 4,791,771 | 20,124,304 | 6,280,284 |
| General revenues: | | | | | | |
| Sales and excise taxes | 98,665,799 | 99,514,777 | 1,115,765 | 1,037,712 | 99,781,564 | 100,552,489 |
| Franchise taxes | 7,170,092 | 8,256,119 | - | - | 7,170,092 | 8,256,119 |
| Property taxes | 17,039,980 | 9,650,382 | - | - | 17,039,980 | 9,650,382 |
| Use taxes | 17,735,378 | 15,909,739 | - | - | 17,735,378 | 15,909,739 |
| Other taxes | 4,809,634 | 3,501,676 | - | - | 4,809,634 | 3,501,676 |
| Investment earnings | 7,086,444 | 3,512,616 | 4,214,564 | 1,613,383 | 11,301,008 | 5,125,999 |
| Miscellaneous | 6,244,664 | 6,301,733 | 1,377,598 | 144,459 | 7,622,262 | 6,446,192 |
| Total revenues | 206,919,479 | 178,922,430 | 75,629,766 | 66,655,304 | 282,549,245 | 245,577,734 |
| Expenses: | | | | | | |
| General government | 19,159,143 | 19,410,645 | - | - | 19,159,143 | 19,410,645 |
| Planning | 4,057,475 | 3,739,028 | - | - | 4,057,475 | 3,739,028 |
| City controller | 845,105 | 2,391,399 | - | - | 845,105 | 2,391,399 |
| Parks and recreation | 16,081,719 | 13,000,150 | - | - | 16,081,719 | 13,000,150 |
| Public works | 52,795,961 | 49,472,283 | - | - | 52,795,961 | 49,472,283 |
| Public service | 4,460,812 | 6,909,435 | - | - | 4,460,812 | 6,909,435 |
| Public safety | 74,681,289 | 64,521,693 | - | - | 74,681,289 | 64,521,693 |
| Interest on long-term debt | 5,319,433 | 4,571,464 | - | - | 5,319,433 | 4,571,464 |
| Water | - | - | 26,359,878 | 22,317,666 | 26,359,878 | 22,317,666 |
| Wastewater | - | - | 20,314,509 | 19,020,441 | 20,314,509 | 19,020,441 |
| Sanitation | - | - | 17,330,909 | 16,724,104 | 17,330,909 | 16,724,104 |
| Total expenses | 177,400,937 | 164,016,097 | 64,005,296 | 58,062,211 | 241,406,233 | 222,078,308 |
| Change in net position before transfers | 29,518,542 | 14,906,333 | 11,624,470 | 8,593,093 | 41,143,012 | 23,499,426 |
| Transfers | 2,025,750 | 1,796,030 | (2,025,750) | (1,796,030) | - | - |
| Change in net position | 31,544,292 | 16,702,363 | 9,598,720 | 6,797,063 | 41,143,012 | 23,499,426 |
| Net position, beginning | 499,443,313 | 482,740,950 | 308,140,922 | 301,343,859 | 807,584,235 | 784,084,809 |
| Net position, ending | \$ 530,987,605 | \$ 499,443,313 | \$ 317,739,642 | \$ 308,140,922 | \$ 848,727,247 | \$ 807,584,235 |

Governmental activities –Governmental activities increased the City’s net position by \$31.5 million. In the prior year, governmental activities increased the City’s net position by \$16.7 million. Key elements of this change are as follows:

- Sales tax revenue within the governmental activities (the City’s primary fund source) decreased by (\$848,978 or 0.9% under the prior fiscal year. This decrease was due to a slowing economy and high interest rates associated with the national program to reduce inflation.
- Use tax revenue has increased \$1,825,639 or 11.5% over the prior fiscal year. On-line shopping did not experience the same lag as in-store sales. This could be due to the continual shift to on-line shopping in general.

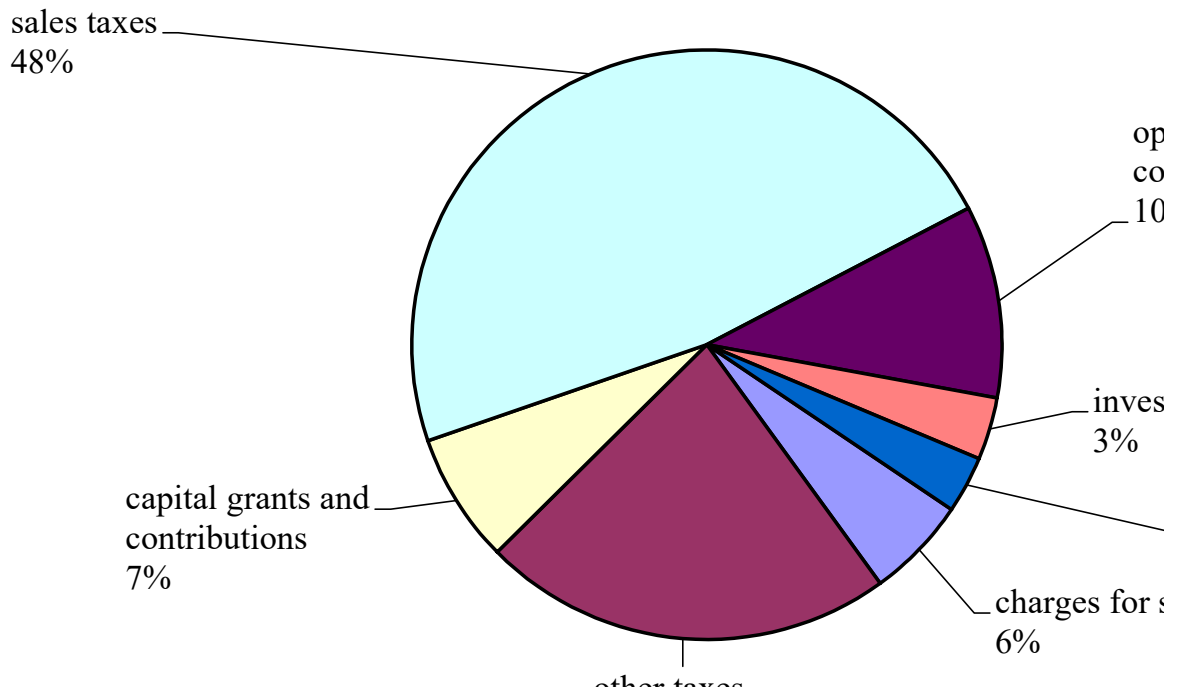
- Property tax revenue has increased \$7,389,598 or 76% from the prior fiscal year. Property taxes are collected to fund payment of general obligation bonds and judgements awarded against the City. These amounts increased in the current fiscal year due to the addition of the Series 2023A and Series 2023B general obligation bonds to the property tax levy.
- Investment earnings increased \$3,573,828 or 101.7% from the prior year. Interest rates were high during the year as part of the nation-wide program to fight inflation but also had a significant effect on investments earning interest.
- Capital grants and contributions increased \$13,277,215 or 891.9% 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 increase is a direct reflection of an increase in that activity.
- Public safety expenses increased \$10,159,596 or 15.7% from the prior year. The most significant factor was salary and benefit increases which included 4% plus an additional step, also pension obligation charges mainly within the Fire pension.
- Parks and recreation expenses increased \$3,081,569 or 23.7% from the prior year. The most significant factor was the movement of the Facilities Maintenance division from the City Clerk’s department to the Parks and Recreation department accounting for 31% of the change. The function also had higher than normal non-capital related purchases for parks facilities.

Expenses and Program Revenues – Governmental Activities



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

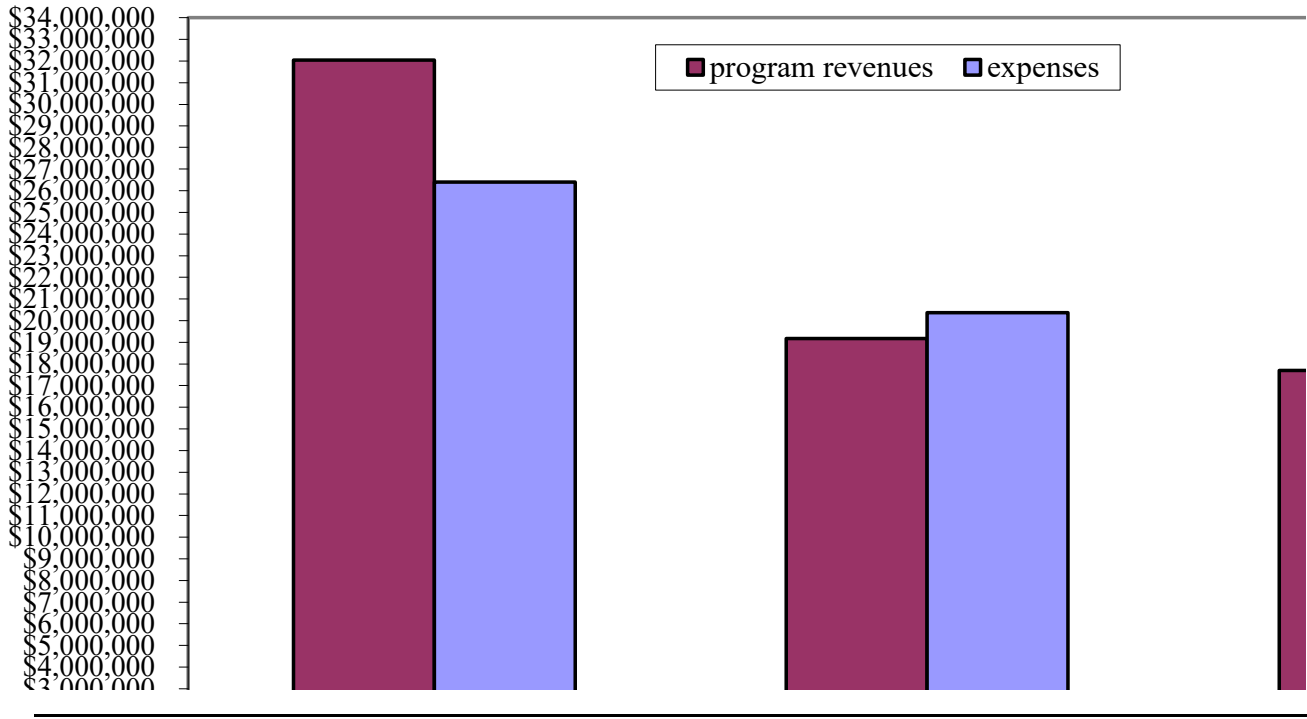
Revenues by Source - Governmental Activities



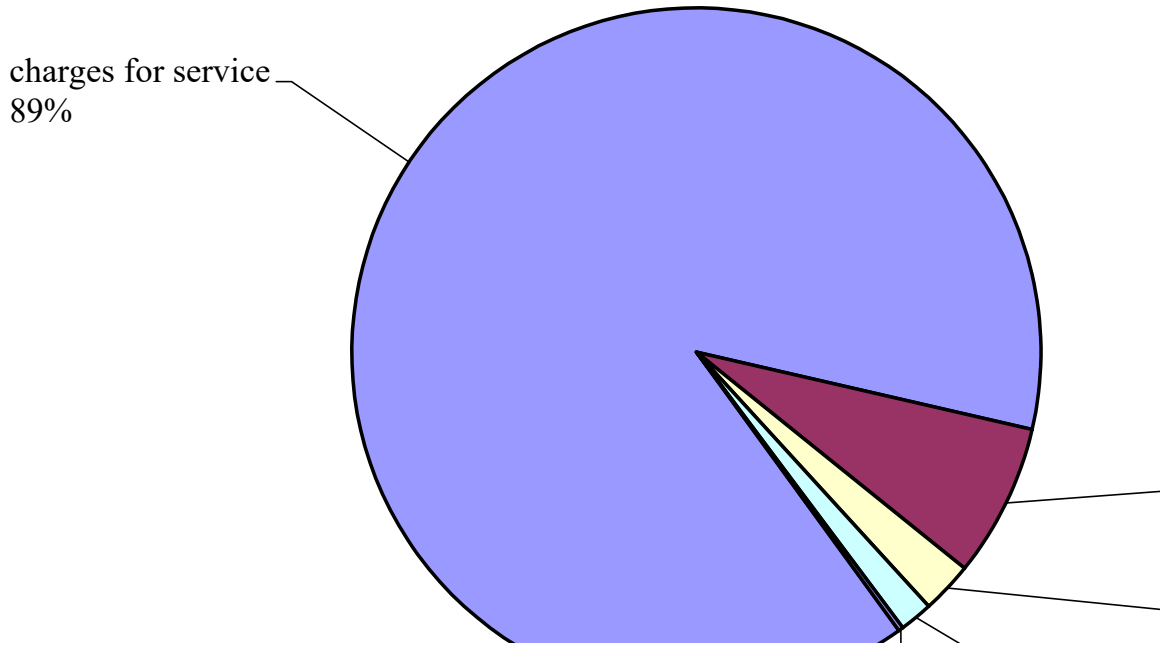
Business-type activities – Business-type activities increased the City’s net position by \$9.6 million. In the prior year, business-type activities increased the City’s net position by \$6.8 million. Key elements of this change are as follows:

- Charges for services increased \$4,495,284 or 7.6% from the prior fiscal year. Water and sewer charges are dependent on weather conditions. Overall, the current fiscal year winter months were dryer than the previous fiscal year.
- Investment earnings revenue increased \$2,601,181 or 161% from the prior fiscal year. Interest rates were high during the year as part of the nation-wide program to fight inflation but also had a significant effect on investments earning interest.
- Water expenses increased \$4,042,212 or 18% from the prior fiscal year. Several factors created this increase including salary and benefits and an increase in water line maintenance costs. Most employees paid from the Water Fund received a 4% salary and benefit increase.

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 \$167,516,989 a decrease of (\$16,791,968) from the prior year. Approximately 13 percent of this total amount (\$22,420,434) 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 \$22,530,638 while total fund balance reached \$31,885,428. 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 21 percent of total General Fund expenditures, while total fund balance represents 29 percent of that same amount.

The fund balance of the City's General Fund decreased by (\$868,011) during the current fiscal year compared to an increase of \$6,004,550 in the previous year. Key factors in the current year change are as follows:

- Sales tax revenues within the General Fund decreased (\$473,462) or 0.8% from the prior fiscal year. As noted previously above, sales taxes decreased overall this past fiscal year due to a slowing economy and high interest rates associated with the national program to reduce inflation.
- Use tax revenues within the General Fund increased \$1,327,738 or 11.5% from the prior fiscal year. As noted previously above, use taxes increased more than sales taxes probably due to the continuing trend of on-line shopping over in-store purchases.
- Public safety expenditures within the General Fund increased \$5,205,511 or 11% from the prior fiscal year. Most of this increase was in salary and benefits. The City granted a 4% increase in the current fiscal year plus an additional step in the pay scale.
- Parks and recreation expenditures increased \$2,929,064 or 37% from the prior year. Most of this increase was also due to increases in salary and benefits. In addition, Facility Maintenance was transferred to the category.

The Public Safety Sales Tax Fund has a total fund balance of \$4,212,539 all of which is restricted for public safety activities. The net decrease in fund balance during the current year was (\$5,247,049). Construction of the Emergency Communications and Operations Center continued in the current fiscal year which drew down loan funds held for this purpose.

The Special Grants Fund has a total fund balance of \$4,898,852 all of which is restricted by grant agreements. The net decrease in the fund balance during the current year was (\$2,125,178) due to grant activity mostly related to various ARPA grants (the most significant being a portion of the Emergency Communications and Operations Center mentioned above).

The Capital Projects Fund has a total fund balance of \$99,554,896. The net decrease in fund balance during the current year was (\$2,705,314). This net decrease was due to the issuance of the Series 2024A 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 \$8,091,067. The net decrease in fund balance during the current year was (\$10,330,193). 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, Adult Wellness and Education Center and Griffin Park remodel.

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 \$10,902,561 and \$60,565,941 respectively. The total growth in net position for these funds was \$1,531,254 and \$8,067,466, 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 \$7,681,032 increase in appropriations between the original and final amended budget. Following are the main components of the increase:

- \$1,069,072 in increases to the Facility Administration budget. The most significant transfer was for funds to have a contractor remediate mold at the Central Library.
- \$1,497,931 in increases to the Police Staff Services budget. Transfers were budgeted to cover salary and benefit costs.
- \$2,003,268 in increases to the Police Patrol budget. The most significant transfer was for funds carried over from a prior year to purchase equipment (i.e., a bomb robot).

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, 2024 the Rainy Day Fund had a balance of \$4,750,438 which represents 4.3% of General Fund expenditures.

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

- General Fund revenues were below expectations by \$1,116,006.
 - Sales taxes were slightly above expectations by \$19,944. See explanation above. Although sales taxes were down, this fact was factored into the budget.
 - Use taxes were above expectations by \$232,346. See explanation above.
 - Franchise fees were above expectations by \$76,018, mainly within the electric and gas franchises. These services closely follow weather conditions.
 - Charges for services were below expectations by \$1,213,829, the most significant being within the credit card convenience fees category.
- General Fund expenditures and encumbrances were below expectations by \$5,976,761.

- Patrol expenditures were \$1,390,980 below expectation mainly for equipment purchases encumbered in the prior year but liquidated in the current year.
- Recreation program expenditures were \$491,535 below expectation mainly for reduced salary and benefit costs from reduced staffing levels.
- Fleet fuel and parts expenditures were \$283,662 above expectation due to increased fuel costs.
- City manager's office expenditures were \$398,458 below expectation due lower operating and maintenance costs such as printing costs.
- Net General Fund transfers were \$5,306,451 less than expected.
 - Transfers in from the Capital Fund were \$4,681,563 more than expected to cover vehicle and equipment purchases that were encumbered in the prior fiscal year.
 - Transfers in from the Norman Utilities Authority representing fees-in-lieu of franchise taxes were \$284,450 more than expected based upon higher than expected water revenues.

The City closed the year with a fund balance that was higher than what was budgeted by \$10,167,206.

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, 2024, amounted to \$900,314,330 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, highways, bridges and lease assets. The total increase in the City’s investment in capital assets for the current fiscal year was 5% (8% increase for governmental activities and a 1% decrease for business-type activities).

Capital Assets As of June 30

| | Governmental activities | | Business-type activities | | Total | |
|--------------------------------|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Land | \$ 78,774,594 | \$ 75,725,662 | \$ 6,192,948 | \$ 6,192,948 | \$ 84,967,542 | \$ 81,918,610 |
| Buildings and improvements | 206,849,456 | 140,254,853 | 256,641,576 | 239,555,411 | 463,491,032 | 379,810,264 |
| Machinery and equipment | 104,228,076 | 94,225,868 | 260,639,599 | 257,277,854 | 364,867,675 | 351,503,722 |
| Infrastructure | 700,652,687 | 687,582,517 | - | - | 700,652,687 | 687,582,517 |
| Construction in progress | 72,434,077 | 96,891,043 | 25,407,907 | 32,559,292 | 97,841,984 | 129,450,335 |
| Less: Accumulated depreciation | (554,815,324) | (531,614,195) | (256,691,266) | (240,419,183) | (811,506,590) | (772,033,378) |
| Total | \$ 608,123,566 | \$ 563,065,748 | \$ 292,190,764 | \$ 295,166,322 | \$ 900,314,330 | \$ 858,232,070 |

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

- The Young Family Athletic Center was completed at a cost of \$48,981,711.
- The Adult Wellness and Education Center project was completed at a cost of \$13,266,408.
- The Water/Sewer Line Maintenance Facility project was completed at a cost of \$8,940,149.
- 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 \$19,720,316.
- 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 \$29,588,003.
- A variety of water and sewer projects were underway; NUA construction in progress as of the end of the current fiscal year was \$24,747,817.

Additional information on the City’s capital assets can be found in note 4 on pages _____ 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 | |
|--------------------------|-------------------------|----------------|--------------------------|---------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| General obligation bonds | \$ 114,502,827 | \$ 106,358,538 | \$ - | \$ - | \$ 114,502,827 | \$ 106,358,538 |
| Revenue bonds | - | - | - | - | - | - |
| Capital leases | - | - | - | - | - | - |
| Notes payable | 77,675,000 | 87,885,000 | 57,338,472 | 64,836,642 | 135,013,472 | 152,721,642 |
| Total | \$ 192,177,827 | \$ 194,243,538 | \$ 57,338,472 | \$ 64,836,642 | \$ 249,516,299 | \$ 259,080,180 |

The City’s total debt decreased by \$9,563,881 (4 percent) during the current fiscal year. Key factors of this change were issuance of General Obligation Bonds, Series 2024A in the amount of \$16,000,000. 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 _____ of this report.

Economic Factors and Next Year’s Budgets and Rates

- The unemployment rate for the Oklahoma City metropolitan area which includes Norman is currently 3.7 percent. The state’s average unemployment rate was 3.4 percent and the national average rate was 4.1 percent.
- Inflationary trends in the region have significantly dropped in the last fiscal year.
- The City’s major source of revenue is sales and use tax revenue. Sales tax and use tax revenue decreased 0.9% and increased 11.5%, respectively, over the prior year total.

All of these factors were considered in preparing the City’s budget for the 2025 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, 225 North Webster, Norman, Oklahoma, 73069.

THE CITY OF NORMAN, OKLAHOMA

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THE CITY OF NORMAN, OKLAHOMA
STATEMENT OF NET POSITION
JUNE 30, 2024

| | Primary Government | | |
|--|------------------------------|-----------------------|-----------------------|
| | Governmental | Business-Type | Total |
| | Activities | Activities | |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 70,522,270 | \$ 44,223,566 | \$ 114,745,836 |
| Restricted cash and cash equivalents | 83,175,153 | 8,552,201 | 91,727,354 |
| Investments | 21,686,248 | 26,610,567 | 48,296,815 |
| Restricted investments | 3,221,486 | - | 3,221,486 |
| Receivables: | | | |
| Taxes | 19,945,522 | - | 19,945,522 |
| Accounts, net of allowance for estimated uncollectible Business-Type accounts of \$171,237 | 1,974,482 | 9,006,622 | 10,981,104 |
| Interest | 232,949 | 331,885 | 564,834 |
| Other | 59,929 | - | 59,929 |
| Due from Federal Government | 2,503,752 | - | 2,503,752 |
| Leases receivable | - | 155,363 | 155,363 |
| Internal balances | (647,462) | 647,462 | - |
| Inventory | 141,925 | - | 141,925 |
| Total current assets | <u>202,816,254</u> | <u>89,527,666</u> | <u>292,343,920</u> |
| Non-current assets: | | | |
| Restricted cash and cash equivalents | - | 2,982,039 | 2,982,039 |
| Leases receivable | - | 115,903 | 115,903 |
| Net pension asset | 1,176,968 | - | 1,176,968 |
| Capital assets: | | | |
| Capital assets not subject to depreciation | 151,208,671 | 30,600,028 | 181,808,699 |
| Capital assets, net | 456,195,304 | 260,831,141 | 717,026,445 |
| Lease assets, net | 719,591 | 759,595 | 1,479,186 |
| Total non-current assets | <u>609,300,534</u> | <u>295,288,706</u> | <u>904,589,240</u> |
| Total assets | <u>812,116,788</u> | <u>384,816,372</u> | <u>1,196,933,160</u> |
| DEFERRED OUTFLOW OF RESOURCES | | | |
| Deferred resources related to pensions | 28,899,142 | - | 28,899,142 |
| Deferred resources related to OPEB | 561,212 | - | 561,212 |
| Deferred charge on refunding | 41,308 | 267,705 | 309,013 |
| Total deferred outflows of resources | <u>29,501,662</u> | <u>267,705</u> | <u>29,769,367</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable and other accrued liabilities | 6,182,396 | 4,312,637 | 10,495,033 |
| Payroll payable | 4,052,510 | 611,149 | 4,663,659 |
| Accrued interest payable | 1,523,791 | 465,016 | 1,988,807 |
| Unearned revenue | 12,154,644 | - | 12,154,644 |
| Retainage payable | 3,052,692 | 313,772 | 3,366,464 |
| Guaranty deposits | 7,755,772 | 1,699,240 | 9,455,012 |
| Leases payable | 171,865 | 53,987 | 225,852 |
| Current portion of long-term debt | 26,210,814 | 7,792,329 | 34,003,143 |
| Total current liabilities | <u>61,104,484</u> | <u>15,248,130</u> | <u>76,352,614</u> |
| Non-current liabilities: | | | |
| Leases payable | 576,307 | 747,413 | 1,323,720 |
| Long-term debt and other liabilities | 242,089,455 | 51,097,108 | 293,186,563 |
| Total non-current liabilities | <u>242,665,762</u> | <u>51,844,521</u> | <u>294,510,283</u> |
| Total liabilities | <u>303,770,246</u> | <u>67,092,651</u> | <u>370,862,897</u> |
| DEFERRED INFLOW OF RESOURCES | | | |
| Deferred resources related to pensions | 4,158,455 | - | 4,158,455 |
| Deferred resources related to OPEB | 2,702,144 | - | 2,702,144 |
| Deferred resources related to leases | - | 251,784 | 251,784 |
| Total deferred inflows of resources | <u>6,860,599</u> | <u>251,784</u> | <u>7,112,383</u> |
| NET POSITION | | | |
| Net investment in capital assets | 482,262,933 | 238,127,832 | 720,390,765 |
| Restricted for: | | | |
| Debt service | 16,141,179 | 5,161,268 | 21,302,447 |
| Capital improvements | 28,977,038 | 2,982,040 | 31,959,078 |
| Pension benefits | 1,176,968 | - | 1,176,968 |
| General government | 298,871 | - | 298,871 |
| Public safety | 7,969,811 | - | 7,969,811 |
| Public parks and recreation | 1,749,960 | - | 1,749,960 |
| Public service | 3,631,752 | - | 3,631,752 |
| Public works | 4,123,829 | - | 4,123,829 |
| Unrestricted (deficit) | (15,344,736) | 71,468,502 | 56,123,766 |
| Total net position | <u>\$ - 17 - 530,987,605</u> | <u>\$ 317,739,642</u> | <u>\$ 848,727,247</u> |

See notes to financial statements.

**THE CITY OF NORMAN, OKLAHOMA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

| Function/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | Total |
|--|-----------------------|-------------------------|--|--|--|-----------------------------|-----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | |
| | | | | | Governmental Activities | Business-Type Activities | |
| Primary government | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | \$ 19,159,143 | \$ 3,322,179 | \$ 5,669,092 | \$ - | \$ (10,167,872) | \$ - | \$ (10,167,872) |
| Planning | 4,057,475 | 1,116,543 | 18,043 | - | (2,922,889) | - | (2,922,889) |
| City controller | 845,105 | 303,786 | - | - | (541,319) | - | (541,319) |
| Parks and recreation | 16,081,719 | 3,044,954 | 101,070 | - | (12,935,695) | - | (12,935,695) |
| Public works | 52,795,961 | 268,778 | 7,732,041 | 14,765,728 | (30,029,414) | - | (30,029,414) |
| Public service | 4,460,812 | - | 1,455,871 | - | (3,004,941) | - | (3,004,941) |
| Public safety | 74,681,289 | 3,484,057 | 6,885,346 | - | (64,311,886) | - | (64,311,886) |
| Interest on long-term debt | 5,319,433 | - | - | - | (5,319,433) | - | (5,319,433) |
| Total governmental activities | <u>177,400,937</u> | <u>11,540,297</u> | <u>21,861,463</u> | <u>14,765,728</u> | <u>(129,233,449)</u> | <u>-</u> | <u>(129,233,449)</u> |
| Business-type activities: | | | | | | | |
| Water | 26,359,878 | 30,124,897 | - | 1,920,078 | - | 5,685,097 | 5,685,097 |
| Wastewater | 20,314,509 | 15,742,616 | - | 3,438,498 | - | (1,133,395) | (1,133,395) |
| Sanitation | 17,330,909 | 17,695,750 | - | - | - | 364,841 | 364,841 |
| Total business-type activities | <u>64,005,296</u> | <u>63,563,263</u> | <u>-</u> | <u>5,358,576</u> | <u>-</u> | <u>4,916,543</u> | <u>4,916,543</u> |
| Total primary government | <u>\$ 241,406,233</u> | <u>\$ 75,103,560</u> | <u>\$ 21,861,463</u> | <u>\$ 20,124,304</u> | <u>(129,233,449)</u> | <u>4,916,543</u> | <u>(124,316,906)</u> |
| General revenues: | | | | | | | |
| Taxes (unrestricted unless otherwise noted): | | | | | | | |
| Sales taxes | | | | | 55,013,566 | - | 55,013,566 |
| Sales taxes - restricted | | | | | 43,652,233 | - | 43,652,233 |
| Excise taxes - restricted | | | | | - | 1,115,765 | 1,115,765 |
| Franchise taxes | | | | | 7,170,092 | - | 7,170,092 |
| Property taxes - restricted | | | | | 17,039,980 | - | 17,039,980 |
| Use taxes | | | | | 12,898,457 | - | 12,898,457 |
| Use taxes - restricted | | | | | 4,836,921 | - | 4,836,921 |
| Hotel/Motel taxes | | | | | 3,600,483 | - | 3,600,483 |
| Alcoholic beverage taxes | | | | | 601,757 | - | 601,757 |
| Cigarette taxes | | | | | 607,394 | - | 607,394 |
| Investment earnings (losses) | | | | | 7,086,444 | 4,214,564 | 11,301,008 |
| Miscellaneous | | | | | 6,244,664 | 1,377,598 | 7,622,262 |
| Transfers | | | | | 2,025,750 | (2,025,750) | - |
| Total general revenues and transfers | | | | | <u>160,777,741</u> | <u>4,682,177</u> | <u>165,459,918</u> |
| Change in net position | | | | | 31,544,292 | 9,598,720 | 41,143,012 |
| Net position - beginning | | | | | 499,443,313 | 308,140,922 | 807,584,235 |
| Net position - ending | | | | | <u>\$ 530,987,605</u> | <u>\$ 317,739,642</u> | <u>\$ 848,727,247</u> |

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2024

| | General | Public Safety Sales Tax | Special Grants Fund | Capital Projects | Norman Forward | Other Governmental Funds | Total Governmental Funds |
|---------------------------|----------------------|----------------------------|------------------------|-----------------------|----------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 16,562,404 | \$ - | \$ 17,200,904 | \$ 20,925,223 | \$ 6,997,769 | \$ 7,696,178 | \$ 69,382,478 |
| Investments | 6,743,664 | - | - | 8,695,288 | 1,852,873 | 3,906,706 | 21,198,531 |
| Receivables: | | | | | | | |
| Taxes | 11,803,402 | 2,273,008 | - | 2,712,466 | 2,273,008 | 883,638 | 19,945,522 |
| Accounts | 1,387,936 | - | - | 18,342 | - | 411 | 1,406,689 |
| Interest | 87,438 | 81 | - | 67,486 | 23,224 | 48,647 | 226,876 |
| Other | - | - | - | 58,836 | - | - | 58,836 |
| Due from Federal Govt | - | - | 1,022,019 | - | - | 1,481,733 | 2,503,752 |
| Due from other funds | 248,913 | - | 55,875 | 155,690 | 23,801 | 167,939 | 652,218 |
| Inventory | 31,721 | - | - | - | - | 110,204 | 141,925 |
| Restricted Assets: | | | | | | | |
| Cash and cash equivalents | 2,364,518 | 3,042,430 | - | 70,769,796 | - | 6,998,409 | 83,175,153 |
| Investments | 3,221,486 | - | - | - | - | - | 3,221,486 |
| Total assets | <u>\$ 42,451,482</u> | <u>\$ 5,315,519</u> | <u>\$ 18,278,798</u> | <u>\$ 103,403,127</u> | <u>\$ 11,170,675</u> | <u>\$ 21,293,865</u> | <u>\$ 201,913,466</u> |

LIABILITIES AND FUND BALANCES

LIABILITIES

| | | | | | | | |
|--|-------------------|------------------|-------------------|------------------|------------------|------------------|-------------------|
| Accounts payable and other accrued liabilities | \$ 1,717,767 | \$ 42,822 | \$ 617,007 | \$ 1,484,741 | \$ 779,403 | \$ 1,434,510 | \$ 6,076,250 |
| Payroll payable | 3,258,099 | 468,827 | 2,773 | 50,941 | - | 256,752 | 4,037,392 |
| Due to other funds | - | 591,331 | - | - | - | 728,396 | 1,319,727 |
| Unearned revenue | - | - | 12,154,644 | - | - | - | 12,154,644 |
| Retainage payable | - | - | 605,522 | 146,965 | 2,300,205 | - | 3,052,692 |
| Guaranty deposits | 5,590,188 | - | - | 2,165,584 | - | - | 7,755,772 |
| Total liabilities | <u>10,566,054</u> | <u>1,102,980</u> | <u>13,379,946</u> | <u>3,848,231</u> | <u>3,079,608</u> | <u>2,419,658</u> | <u>34,396,477</u> |

FUND BALANCES

| | | | | | | | |
|-------------------------------------|----------------------|---------------------|----------------------|-----------------------|----------------------|----------------------|--------------------|
| Nonspendable | 31,721 | - | - | - | - | 110,204 | 141,925 |
| Restricted | - | 4,212,539 | - | 94,467,091 | 4,754,488 | 18,377,632 | 121,811,750 |
| Committed | 4,750,438 | - | - | - | - | - | 4,750,438 |
| Assigned | 4,572,631 | - | 4,898,852 | 5,087,805 | 3,336,579 | 496,575 | 18,392,442 |
| Unassigned | 22,530,638 | - | - | - | - | (110,204) | 22,420,434 |
| Total fund balances | <u>31,885,428</u> | <u>4,212,539</u> | <u>4,898,852</u> | <u>99,554,896</u> | <u>8,091,067</u> | <u>18,874,207</u> | <u>167,516,989</u> |
| Total liabilities and fund balances | | | | | | | |
| balances | <u>\$ 42,451,482</u> | <u>\$ 5,315,519</u> | <u>\$ 18,278,798</u> | <u>\$ 103,403,127</u> | <u>\$ 11,170,675</u> | <u>\$ 21,293,865</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. | 607,403,975 |
| Internal service funds are used by management to charge the costs of risk management activities to individual funds. The assets, deferred outflow of resources, liabilities and deferred inflows of the internal service funds are included in governmental activities in the statement of net position. | (1,758,106) |
| 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. | <u>(242,175,253)</u> |

Net position of governmental activities \$ 530,987,605

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, 2024

| | General | Public Safety Sales Tax | Special Grants Fund | Capital Projects | Norman Forward | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|----------------------------|------------------------|----------------------|---------------------|--------------------------------|--------------------------------|
| Revenues: | | | | | | | |
| Taxes | \$ 75,082,115 | \$ 14,109,233 | \$ - | \$ 17,998,067 | \$ 14,109,234 | \$ 22,913,083 | \$ 144,211,732 |
| Licenses and permits | 1,102,915 | - | - | - | - | - | 1,102,915 |
| Intergovernmental revenues | 2,600,249 | - | 9,118,693 | - | - | 4,947,962 | 16,666,904 |
| Charges for services | 15,060,165 | - | - | - | - | 2,587,750 | 17,647,915 |
| Fines and forfeitures | 1,585,211 | - | - | - | - | - | 1,585,211 |
| Investment earnings | 915,420 | 255,860 | 552,560 | 3,542,231 | 722,143 | 737,639 | 6,725,853 |
| Other | <u>1,025,214</u> | <u>500,000</u> | <u>-</u> | <u>132,148</u> | <u>2,391,502</u> | <u>681,502</u> | <u>4,730,366</u> |
| Total revenues | <u>97,371,289</u> | <u>14,865,093</u> | <u>9,671,253</u> | <u>21,672,446</u> | <u>17,222,879</u> | <u>31,867,936</u> | <u>192,670,896</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | 13,279,403 | - | - | 1,247,321 | 76,628 | - | 14,603,352 |
| Planning | 4,283,202 | - | - | 76,670 | - | - | 4,359,872 |
| City controller | 3,467,224 | - | - | 4,111 | - | - | 3,471,335 |
| Parks and recreation | 10,792,770 | - | 95,700 | 794,776 | 78,869 | 3,786,846 | 15,548,961 |
| Public works | 18,941,570 | 493,155 | 216,758 | 13,747,730 | 1,838,153 | 6,443,148 | 41,680,514 |
| Public service | - | - | 59,234 | - | - | 4,398,708 | 4,457,942 |
| Public safety | 50,837,210 | 11,664,943 | 167,539 | 155,605 | - | 33,164 | 62,858,461 |
| Capital outlay | 6,864,054 | 5,573,940 | 11,593,222 | 16,509,567 | 15,544,463 | 1,656,987 | 57,742,233 |
| Debt service: | | | | | | | |
| Principal retirement | 50,838 | 2,180,000 | - | - | 7,665,000 | 8,415,000 | 18,310,838 |
| Interest and fiscal charges | <u>-</u> | <u>200,104</u> | <u>-</u> | <u>124,070</u> | <u>1,936,961</u> | <u>3,026,422</u> | <u>5,287,557</u> |
| Total expenditures | <u>108,516,271</u> | <u>20,112,142</u> | <u>12,132,453</u> | <u>32,659,850</u> | <u>27,140,074</u> | <u>27,760,275</u> | <u>228,321,065</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(11,144,982)</u> | <u>(5,247,049)</u> | <u>(2,461,200)</u> | <u>(10,987,404)</u> | <u>(9,917,195)</u> | <u>4,107,661</u> | <u>(35,650,169)</u> |
| Other financing sources (uses): | | | | | | | |
| Transfers in | 11,809,442 | - | 2,991,594 | 4,318,630 | - | 1,897,243 | 21,016,909 |
| Transfers out | (1,764,871) | - | (2,655,572) | (12,523,092) | (412,998) | (1,521,127) | (18,877,660) |
| Issuance of debt premium | - | - | - | 486,552 | - | - | 486,552 |
| Issuance of debt | <u>232,400</u> | <u>-</u> | <u>-</u> | <u>16,000,000</u> | <u>-</u> | <u>-</u> | <u>16,232,400</u> |
| Net other financing sources (uses) | <u>10,276,971</u> | <u>-</u> | <u>336,022</u> | <u>8,282,090</u> | <u>(412,998)</u> | <u>376,116</u> | <u>18,858,201</u> |
| Net change in fund balances | <u>(868,011)</u> | <u>(5,247,049)</u> | <u>(2,125,178)</u> | <u>(2,705,314)</u> | <u>(10,330,193)</u> | <u>4,483,777</u> | <u>(16,791,968)</u> |
| Fund balances, July 1, 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> |
| Fund balances, June 30, 2024 | <u>\$ 31,885,428</u> | <u>\$ 4,212,539</u> | <u>\$ 4,898,852</u> | <u>\$ 99,554,896</u> | <u>\$ 8,091,067</u> | <u>\$ 18,874,207</u> | <u>\$ 167,516,989</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, 2024

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

| | |
|---|----------------------|
| Net change in fund balances - total governmental funds | \$ (16,791,968) |
| 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. | 33,054,468 |
| 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 | 12,180,288 |
| 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. | 2,078,438 |
| 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 | 458,368 |
| Decrease in liability for incurred claims and compensated absences and miscellaneous expenses in government-wide financial statements | (772,362) |
| 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 | (773,146) |
| 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>2,110,206</u> |
| Change in net position of governmental activities | <u>\$ 31,544,292</u> |

See notes to financial statements

THE CITY OF NORMAN, OKLAHOMA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2024

| | Business-type Activities | | | Governmental |
|--|----------------------------------|----------------------------------|----------------|--------------------------|
| | Norman Municipal Authority | Norman Utilities Authority | Total | Internal Service Fund |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 5,705,134 | \$ 38,518,432 | \$ 44,223,566 | \$ 1,139,792 |
| Restricted cash and cash equivalents | 445,279 | 8,106,922 | 8,552,201 | - |
| Investments | 3,821,605 | 22,788,962 | 26,610,567 | 487,717 |
| Receivables: | | | | |
| Accounts, net of allowance for estimated uncollectible accounts | 2,850,665 | 6,155,957 | 9,006,622 | 567,793 |
| Interest | 47,587 | 284,298 | 331,885 | 6,073 |
| Leases receivable | - | 155,363 | 155,363 | - |
| Due from other funds | 80,233 | 567,229 | 647,462 | 19,959 |
| Total current assets | 12,950,503 | 76,577,163 | 89,527,666 | 2,221,334 |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | - | 2,982,039 | 2,982,039 | - |
| Leases receivable | - | 115,903 | 115,903 | - |
| Capital assets, net | 19,491,690 | 271,939,479 | 291,431,169 | - |
| Leases asset, net | - | 759,595 | 759,595 | - |
| Total noncurrent assets | 19,491,690 | 275,797,016 | 295,288,706 | - |
| Total assets | 32,442,193 | 352,374,179 | 384,816,372 | 2,221,334 |
| DEFERRED OUTFLOW OF RESOURCES | | | | |
| Deferred charge on refunding | - | 267,705 | 267,705 | - |
| Total deferred outflows of resources | - | 267,705 | 267,705 | - |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | 914,781 | 3,397,856 | 4,312,637 | 106,146 |
| Payroll payable | 259,288 | 351,861 | 611,149 | 15,118 |
| Liability for incurred claims | - | - | - | 1,200,000 |
| Accrued interest payable | - | 465,016 | 465,016 | - |
| Retainage payable | - | 313,772 | 313,772 | - |
| Guaranty deposits | 445,279 | 1,253,961 | 1,699,240 | - |
| Leases payable | - | 53,987 | 53,987 | - |
| Notes payable | - | 7,702,318 | 7,702,318 | - |
| Compensated absences | 30,546 | 59,465 | 90,011 | 3,188 |
| Total current liabilities | 1,649,894 | 13,598,236 | 15,248,130 | 1,324,452 |
| Noncurrent liabilities: | | | | |
| Notes payable, net | - | 49,898,154 | 49,898,154 | - |
| Leases payable | - | 747,413 | 747,413 | - |
| Compensated absences | 406,875 | 792,079 | 1,198,954 | 54,988 |
| Liability for incurred claims | - | - | - | 2,600,000 |
| Total noncurrent liabilities | 406,875 | 51,437,646 | 51,844,521 | 2,654,988 |
| Total liabilities | 2,056,769 | 65,035,882 | 67,092,651 | 3,979,440 |
| DEFERRED INFLOW OF RESOURCES | | | | |
| Deferred inflows from leases | - | 251,784 | 251,784 | - |
| Total deferred inflows of resources | - | 251,784 | 251,784 | - |
| NET POSITION | | | | |
| Net investment in capital assets | 19,482,863 | 218,644,969 | 238,127,832 | - |
| Restricted for debt service | - | 5,161,268 | 5,161,268 | - |
| Restricted for capital projects | - | 2,982,040 | 2,982,040 | - |
| Unrestricted (deficit) | 10,902,561 | 60,565,941 | 71,468,502 | (1,758,106) |
| Total net position | \$ 30,385,424 | \$ 287,354,218 | \$ 317,739,642 | \$ (1,758,106) |

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, 2024

| | Business-type Activities | | | Governmental |
|---|----------------------------------|----------------------------------|-----------------------|--------------------------|
| | Norman Municipal Authority | Norman Utilities Authority | Total | Internal Service Fund |
| Operating revenues: | | | | |
| Water service, net | \$ - | \$ 30,837,332 | \$ 30,837,332 | \$ - |
| Wastewater service, net | - | 15,742,616 | 15,742,616 | - |
| Sanitation services, net | 17,586,004 | - | 17,586,004 | - |
| Self-insurance charges: | | | | |
| Charges for services | - | - | - | 19,578,829 |
| Risk management administration | - | - | - | 936,686 |
| Workers' compensation | - | - | - | 2,522,422 |
| Unemployment compensation | - | - | - | - |
| Other | 109,746 | 345,751 | 455,497 | 481,726 |
| Total operating revenues | <u>17,695,750</u> | <u>46,925,699</u> | <u>64,621,449</u> | <u>23,519,663</u> |
| Operating expenses: | | | | |
| Salaries and benefits | 5,715,139 | 9,204,133 | 14,919,272 | 703,824 |
| Supplies and materials | 1,374,558 | 4,321,891 | 5,696,449 | - |
| Services, maintenance and claims | 8,246,419 | 14,747,163 | 22,993,582 | 20,674,268 |
| Depreciation and amortization | 2,114,795 | 16,778,839 | 18,893,634 | - |
| Total operating expenses | <u>17,450,911</u> | <u>45,052,026</u> | <u>62,502,937</u> | <u>21,378,092</u> |
| Operating income (loss) | <u>244,839</u> | <u>1,873,673</u> | <u>2,118,512</u> | <u>2,141,571</u> |
| Nonoperating revenues (expenses): | | | | |
| Excise tax revenue | - | 1,115,765 | 1,115,765 | - |
| Investment earnings | 615,748 | 3,598,816 | 4,214,564 | 82,134 |
| Interest and fiscal charges | - | (2,285,140) | (2,285,140) | - |
| Miscellaneous income (expense) | 670,667 | 431,526 | 1,102,193 | - |
| Net nonoperating revenues (expenses) | <u>1,286,415</u> | <u>2,860,967</u> | <u>4,147,382</u> | <u>82,134</u> |
| Income (loss) before capital contributions and transfers | <u>1,531,254</u> | <u>4,734,640</u> | <u>6,265,894</u> | <u>2,223,705</u> |
| Capital contributions - donated water and sewer distribution systems | - | 5,358,576 | 5,358,576 | - |
| Transfers in | - | - | - | 263,069 |
| Transfers out | - | (2,025,750) | (2,025,750) | (376,568) |
| Net capital contributions and transfers | <u>-</u> | <u>3,332,826</u> | <u>3,332,826</u> | <u>(113,499)</u> |
| Net income (loss) | <u>1,531,254</u> | <u>8,067,466</u> | <u>9,598,720</u> | <u>2,110,206</u> |
| Net position - beginning | <u>28,854,170</u> | <u>279,286,752</u> | <u>308,140,922</u> | <u>(3,868,312)</u> |
| Net position - ending | <u>\$ 30,385,424</u> | <u>\$ 287,354,218</u> | <u>\$ 317,739,642</u> | <u>\$ (1,758,106)</u> |
| See notes to financial statements | | | | |

THE CITY OF NORMAN, OKLAHOMA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

| | Business-type Activities | | | Governmental |
|--|----------------------------------|----------------------------------|----------------------|--------------------------|
| | Norman Municipal Authority | Norman Utilities Authority | Total | Internal Service Fund |
| Cash flows from operating activities: | | | | |
| Cash received from customers | \$ 17,137,994 | \$ 46,090,331 | \$ 63,228,325 | \$ - |
| Cash received from interfund charges for health insurance | - | - | - | 22,985,445 |
| Cash paid to employees for services | (5,654,655) | (9,213,476) | (14,868,131) | (704,832) |
| Cash paid to suppliers | (9,185,183) | (16,769,183) | (25,954,366) | (20,907,099) |
| Other receipts | 533,176 | 416,853 | 950,029 | (18,332) |
| Net cash provided by operating activities | <u>2,831,332</u> | <u>20,524,525</u> | <u>23,355,857</u> | <u>1,355,182</u> |
| Cash flows from noncapital financing activities: | | | | |
| Transfers in | - | - | - | 263,069 |
| Transfers out | - | (2,025,750) | (2,025,750) | (376,568) |
| Net cash used for noncapital financing activities | <u>-</u> | <u>(2,025,750)</u> | <u>(2,025,750)</u> | <u>(113,499)</u> |
| Cash flows from capital and related financing activities: | | | | |
| Proceeds from disposal of capital assets | 144,807 | 31,143 | 175,950 | - |
| Payments for the acquisition of capital assets | (4,656,168) | (5,842,305) | (10,498,473) | - |
| Proceeds from taxes | - | 1,115,765 | 1,115,765 | - |
| Proceeds from lease activity | - | (123,415) | (123,415) | - |
| Payments for the acquisition of lease assets | - | (53,188) | (53,188) | - |
| Principal payments on notes payable | - | (7,524,478) | (7,524,478) | - |
| Interest and fiscal charges paid | - | (2,418,325) | (2,418,325) | - |
| Net cash used for capital and related financing activities | <u>(4,511,361)</u> | <u>(14,814,803)</u> | <u>(19,326,164)</u> | <u>-</u> |
| Cash flows from investing activities: | | | | |
| Proceeds from maturity of investments | 4,740,641 | 17,800,647 | 22,541,288 | - |
| Payments for purchases of investments | (1,413,759) | (8,430,514) | (9,844,273) | (267,670) |
| Investment earnings received | 396,141 | 2,635,764 | 3,031,905 | 47,210 |
| Net cash used for investing activities | <u>3,723,023</u> | <u>12,005,897</u> | <u>15,728,920</u> | <u>(220,460)</u> |
| Net change in cash and cash equivalents | 2,042,994 | 15,689,869 | 17,732,863 | 1,021,223 |
| Cash and cash equivalents - beginning | 4,107,419 | 33,917,524 | 38,024,943 | 118,569 |
| Cash and cash equivalents - ending | <u>\$ 6,150,413</u> | <u>\$ 49,607,393</u> | <u>\$ 55,757,806</u> | <u>\$ 1,139,792</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Operating income | \$ 244,839 | \$ 1,873,673 | \$ 2,118,512 | \$ 2,141,571 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | | |
| Miscellaneous revenue | 670,667 | 431,526 | 1,102,193 | - |
| Bad debt expense | 153,225 | 605,506 | 758,731 | - |
| Depreciation and amortization | 2,114,795 | 16,778,839 | 18,893,634 | - |
| Gain (loss) on disposal of property, plant and equipment | (115,202) | 162,893 | 47,691 | - |
| Increase in accounts receivable, net | (651,031) | (1,307,520) | (1,958,551) | (534,218) |
| Increase in due from other funds | (22,289) | (177,566) | (199,855) | (18,332) |
| Decrease in lease receivable | - | 180,066 | 180,066 | - |
| Increase (decrease) in accounts payable and accrued liabilities | 455,794 | 2,267,094 | 2,722,888 | (232,831) |
| Increase (decrease) in payroll payable | 24,306 | 11,713 | 36,019 | (942) |
| Increase (decrease) in retainage payable | (20,000) | 29,258 | 9,258 | - |
| Decrease in guaranty deposits | (59,950) | (133,354) | (193,304) | - |
| Increase (decrease) in compensated absences | 36,178 | (21,056) | 15,122 | (66) |
| Decrease in deferred inflow from leases | - | (176,547) | (176,547) | - |
| Net cash provided by (used for) operating activities | <u>\$ 2,831,332</u> | <u>\$ 20,524,525</u> | <u>\$ 23,355,857</u> | <u>\$ 1,355,182</u> |
| NONCASH ACTIVITIES: | | | | |
| Donated water and sewer distribution systems | \$ - | \$ 5,358,576 | \$ 5,358,576 | \$ - |
| Change in unrealized loss on investments | \$ (205,411) | \$ (830,262) | \$ (1,035,673) | \$ (29,766) |

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS JUNE 30, 2024

| | Pension Trust Fund | Custodial Fund |
|---|-----------------------------------|---------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ - | \$ 6,616 |
| Investments | | |
| Mutual funds | 120,214,125 | - |
| U.S. Agencies | - | 3,584 |
| Interest receivable | - | 45 |
| Due from other funds | - | 88 |
| Loans to 401(a) Plan participants | <u>3,779,072</u> | <u>-</u> |
| Total assets | <u>\$ 123,993,197</u> | <u>\$ 10,333</u> |
| LIABILITIES AND NET POSITION | | |
| Funds held for others | \$ - | \$ 10,333 |
| Net position restricted for defined benefit pensions | 140,689 | - |
| Net position restricted for defined contribution pensions | <u>123,852,508</u> | <u>-</u> |
| Total liabilities and net position | <u>\$ 123,993,197</u> | <u>\$ 10,333</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, 2024

| | Pension Trust Fund | Custodial Fund |
|--|--------------------------|-------------------|
| ADDITIONS: | | |
| Contributions: | | |
| Employer | \$ 3,347,041 | \$ - |
| Employee | <u>2,998,270</u> | <u>-</u> |
| Total contributions | 6,345,311 | - |
| Investment income | <u>19,874,580</u> | <u>514</u> |
| Total additions | <u>26,219,891</u> | <u>514</u> |
| DEDUCTIONS: | | |
| Pension benefits paid | 9,374,382 | - |
| Administration costs | <u>(161,769)</u> | <u>-</u> |
| Total deductions | <u>9,212,613</u> | <u>-</u> |
| NET DECREASE IN FIDUCIARY NET POSITION | 17,007,278 | 514 |
| Net position: | | |
| Beginning of year | <u>106,985,919</u> | <u>9,819</u> |
| End of year | <u>\$ 123,993,197</u> | <u>\$ 10,333</u> |

See notes to financial statements.

THE CITY OF NORMAN, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 and Tax Increment Financing District #3 – Center City. 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, 2024, 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 nine 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.
- *Young Family Athletic Center (YFAC) Fund* - Established to account for the activities of the YFAC facility.
- *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, 2024, 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, 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, 2024.
- 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, 2024, 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, 2024 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 \$242,175,253 difference are as follows:

| | |
|--|-----------------------|
| General obligation bonds payable | \$ 114,502,827 |
| Sales tax revenue notes payable | 77,856,562 |
| Compensated absences | 9,920,979 |
| Leases asset | (719,591) |
| Leases payable | 748,172 |
| Total OPEB liability | 7,277,038 |
| Net pension asset | (1,176,968) |
| Net pension liability | 54,883,506 |
| Deferred outflows of resources | (29,501,662) |
| Deferred inflow of resources | 6,860,599 |
| Accrued interest payable | <u>1,523,791</u> |
| Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities | <u>\$ 242,175,253</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 \$33,054,468 difference are as follows:

| | |
|--|----------------------|
| Capital outlay | \$ 59,860,064 |
| Depreciation expense | <u>(26,805,596)</u> |
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities | <u>\$ 33,054,468</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 \$12,180,288 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. | \$ 14,531,493 |
| 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. | (575,007) |
| 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>(1,776,198)</u> |
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities | <u>\$ 12,180,288</u> |

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in the governmental funds.” The details of this \$458,368 difference are as follows:

| | |
|---|-------------------|
| Change in accrued interest payable | \$ (13,535) |
| Change in net pension and total OPEB liability | 686,003 |
| Change in lease payable | (7,186) |
| Change in debt issuance premium or discount | <u>(206,914)</u> |
| Net adjustment to increase net change in fund balances - total governmental funds to arrive at changes in net position of governmental activities | <u>\$ 458,368</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, 2024 amounted to \$17,764,268. 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, 2024, none of the City’s bank balance of \$110,948,683 was exposed to custodial credit risk. Approximately \$10,415,000 in uninvested cash was in trustee accounts and not considered to be uncollateralized. As of June 30, 2024, the City’s carrying balance of these deposits was \$119,897,818.

Interest Rate Risk – As of June 30, 2024, the City had the following investments subject to interest rate risk:

| Investment Type | Fair Value | Weighted Average Maturity (Years) |
|-------------------------------------|-----------------------|--|
| Money Market Mutual Funds | \$ 93,778,897 | 0.05 |
| U.S. Treasury Notes | 14,761,740 | 0.39 |
| Federal Home Loan Bank | 9,964,675 | 0.27 |
| Federal Farm Credit Bank | 12,286,500 | 0.39 |
| Tennessee Valley Authority | <u>10,283,900</u> | 1.34 |
| Total fair value | <u>\$ 141,075,712</u> | |
| Portfolio weighted average maturity | | 0.22 |

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 | \$ 119,897,818 |
| Money market mutual funds | 93,778,897 |
| Less: Certificates of deposits classified as investments | <u>(4,221,486)</u> |
| | <u>\$ 209,455,229</u> |

| | |
|---|-----------------------|
| Cash as reported on the government-wide statement of net position - | |
| Cash and cash equivalents | \$ 114,745,836 |
| Restricted cash and cash equivalents - current | 91,727,354 |
| Restricted cash and cash equivalents - long-term | <u>2,982,039</u> |
| | <u>\$ 209,455,229</u> |

| | |
|---|----------------------|
| Carrying value of investments - | |
| Pooled and nonpooled funds | \$ 141,075,712 |
| Site development certificate of deposits | 4,221,486 |
| Less: Money market mutual funds classified as cash equivalent | <u>(93,778,897)</u> |
| | <u>\$ 51,518,301</u> |

| | |
|--|----------------------|
| As reported on the government-wide statement of net position - | |
| Investments | \$ 48,296,815 |
| Restricted investments - current | <u>3,221,486</u> |
| | <u>\$ 51,518,301</u> |

Credit Risk –The City’s investment policy does not cover credit risk. The City’s investments as of June 30, 2024 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 Bank | Aaa | AA+ |
| Tennessee Valley Authority | Aaa | AA+ |
| U.S. Treasury Notes | Aaa | AA+ |
| Money Market Mutual Funds | Unrated | Unrated |

Concentration of Credit Risk – The City’s investment policy places no limit on the amount the City may invest in any one issuer. More than 5% of the City’s investments are in two money market mutual funds; the Federated Hermes Government Obligations Tax Managed Fund and the Cavanal Hill Government Securities Fund which represents 7% and 57% 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, 2024, 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, 2024:

- US Treasury securities of \$14,761,740 are valued using quoted market prices (Level 1 inputs).
- Federal government agencies securities of \$32,535,075 are valued using quoted market prices of similar assets in an active market (Level 2 inputs).
- Money market mutual funds of \$93,778,897 are valued using quoted market prices (Level 1 inputs).
- Mutual funds of \$120,214,125 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 \$2,503,752 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, 2024:

| <u>Fund Name</u> | <u>Due from other funds</u> | <u>Due to other funds</u> |
|------------------------------|-----------------------------|---------------------------|
| General Fund | \$ 248,913 | \$ - |
| Public Safety Sales Tax Fund | - | 591,331 |
| Special Grants Fund | 55,875 | - |
| Capital Projects Fund | 155,690 | - |
| Nonmajor Governmental Fund | 168,027 | 728,396 |
| Norman Forward Fund | 23,801 | - |
| Norman Municipal Authority | 80,233 | - |
| Norman Utilities Authority | 567,229 | - |
| Internal Service Fund | 19,959 | - |
| | <u>\$ 1,319,727</u> | <u>\$ 1,319,727</u> |

Transfers - Transfers for the year ended June 30, 2024 consisted of the following:

| Transfers | Transfers In | | | | | | | Total Transfers |
|-----------------------------|----------------------|---------------------|----------------|---------------------|-----------------------|-------------------|-------------|----------------------|
| | General | Capital Projects | Norman Forward | Special Grants | Nonmajor Governmental | Internal Service | | |
| | Fund | Fund | Fund | Fund | Fund | Fund | Fund | |
| General Fund | \$ - | \$ 405,000 | \$ - | \$ - | \$ 1,359,871 | \$ - | \$ - | \$ 1,764,871 |
| Nonmajor Governmental Funds | - | 1,258,058 | - | - | - | 263,069 | - | 1,521,127 |
| Special Grants Fund | - | 2,655,572 | - | - | - | - | - | 2,655,572 |
| Capital Projects Fund | 9,402,319 | - | - | 2,991,594 | 129,179 | - | - | 12,523,092 |
| Norman Forward Fund | 377,998 | - | - | - | 35,000 | - | - | 412,998 |
| Internal Service Fund | 3,375 | - | - | - | 373,193 | - | - | 376,568 |
| Enterprise Funds | <u>2,025,750</u> | - | - | - | - | - | - | <u>2,025,750</u> |
| Total Transfers In | <u>\$ 11,809,442</u> | <u>\$ 4,318,630</u> | <u>\$ -</u> | <u>\$ 2,991,594</u> | <u>\$ 1,897,243</u> | <u>\$ 263,069</u> | <u>\$ -</u> | <u>\$ 21,279,978</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 \$9,317,234 to the General Fund to pay for the purchase of vehicles and equipment and fund street maintenance projects.
- The General Fund transferred \$791,772 to the Transit & Parking Fund for financial support.
- The Enterprise Funds transferred \$2,025,750 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 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 2026 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, 2024 was \$176,546 which includes both lease revenue and interest.

Capital Assets – Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|--|------------------------------|-----------------------|------------------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 75,725,662 | \$ 3,048,932 | \$ - | \$ 78,774,594 |
| Construction in progress | 96,891,043 | 47,297,669 | (71,754,635) | 72,434,077 |
| Capital assets, being depreciated: | | | | |
| Buildings | 94,481,643 | 65,653,908 | - | 160,135,551 |
| Improvements other than buildings | 44,667,626 | 950,678 | (9,983) | 45,608,321 |
| Machinery and equipment | 64,940,676 | 4,078,484 | (2,894,286) | 66,124,874 |
| Vehicles | 29,244,947 | 9,786,923 | (968,913) | 38,062,957 |
| Infrastructure | <u>687,582,517</u> | <u>15,153,530</u> | <u>(2,083,360)</u> | <u>700,652,687</u> |
| Totals at historical cost | <u>1,093,534,114</u> | <u>145,970,124</u> | <u>(77,711,177)</u> | <u>1,161,793,061</u> |
| Less accumulated depreciation | | | | |
| Buildings | (27,753,249) | (2,942,070) | - | (30,695,319) |
| Improvements other than buildings | (23,661,820) | (1,709,522) | 9,983 | (25,361,359) |
| Machinery and equipment | (43,939,454) | (4,508,780) | 2,736,269 | (45,711,965) |
| Vehicles | (19,683,517) | (2,581,738) | 858,215 | (21,407,040) |
| Infrastructure | <u>(416,326,855)</u> | <u>(14,886,548)</u> | <u>-</u> | <u>(431,213,403)</u> |
| Total accumulated depreciation | <u>(531,364,895)</u> | <u>(26,628,658)</u> | <u>3,604,467</u> | <u>(554,389,086)</u> |
| Governmental activities capital assets, net | <u>\$ 562,169,219</u> | <u>\$ 119,341,466</u> | <u>\$ (74,106,710)</u> | <u>\$ 607,403,975</u> |
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 5,192,120 | \$ - | \$ - | \$ 5,192,120 |
| Construction in progress | 32,559,292 | 5,622,102 | (12,773,487) | 25,407,907 |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 239,555,411 | 17,532,682 | (446,517) | 256,641,576 |
| Machinery and equipment | <u>257,272,257</u> | <u>5,802,034</u> | <u>(2,440,289)</u> | <u>260,634,002</u> |
| Totals at historical cost | <u>534,579,080</u> | <u>28,956,818</u> | <u>(15,660,293)</u> | <u>547,875,605</u> |
| Less accumulated depreciation | | | | |
| Buildings and improvements | (126,556,438) | (7,103,919) | 335,082 | (133,325,275) |
| Machinery and equipment | <u>(113,677,618)</u> | <u>(11,789,715)</u> | <u>2,348,172</u> | <u>(123,119,161)</u> |
| Total accumulated depreciation | <u>(240,234,056)</u> | <u>(18,893,634)</u> | <u>2,683,254</u> | <u>(256,444,436)</u> |
| Business-type activities capital assets, net | <u>\$ 294,345,024</u> | <u>\$ 10,063,184</u> | <u>\$ (12,977,039)</u> | <u>\$ 291,431,169</u> |

Lease Assets –Activity for the fiscal year ended June 30, 2024 was as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|--|------------------------------|---------------------|------------------|---------------------------|
| Governmental activities: | | | | |
| Lease assets, being amortized: | | | | |
| Buildings | \$ 1,105,584 | \$ - | \$ - | \$ 1,105,584 |
| Machinery and equipment | 40,245 | - | - | 40,245 |
| Totals | <u>1,145,829</u> | <u>-</u> | <u>-</u> | <u>1,145,829</u> |
| Less accumulated amortization | | | | |
| Buildings | (221,502) | (167,530) | - | (389,032) |
| Machinery and equipment | (27,798) | (9,408) | - | (37,206) |
| Total accumulated amortization | <u>(249,300)</u> | <u>(176,938)</u> | <u>-</u> | <u>(426,238)</u> |
| Governmental activities lease assets, net | <u>\$ 896,529</u> | <u>\$ (176,938)</u> | <u>\$ -</u> | <u>\$ 719,591</u> |
| Business-type activities: | | | | |
| Lease assets, being amortized: | | | | |
| Land | \$ 1,000,828 | \$ - | \$ - | \$ 1,000,828 |
| Machinery and equipment | 5,597 | - | - | 5,597 |
| Totals at historical cost | <u>1,006,425</u> | <u>-</u> | <u>-</u> | <u>1,006,425</u> |
| Less accumulated amortization | | | | |
| Land | (182,145) | (61,277) | - | (243,422) |
| Machinery and equipment | (2,982) | (426) | - | (3,408) |
| Total accumulated amortization | <u>(185,127)</u> | <u>(61,703)</u> | <u>-</u> | <u>(246,830)</u> |
| Business-type activities lease assets, net | <u>\$ 821,298</u> | <u>\$ (61,703)</u> | <u>\$ -</u> | <u>\$ 759,595</u> |

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

| | |
|--|---------------------|
| Governmental activities: | |
| General government | \$2,842,844 |
| Planning | 21,308 |
| City controller | 112,743 |
| Parks and recreation | 2,264,883 |
| Public works | 17,086,126 |
| Public service | 202 |
| Public safety | 4,477,490 |
| Total depreciation and amortization expense – governmental activities | <u>\$26,805,596</u> |
| Business-type activities: | |
| Utilities authority | \$16,840,542 |
| Sanitation services | 2,114,795 |
| Total depreciation and amortization expense – business-type activities | <u>\$18,955,337</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> |
|---------------------------------------|------------------------------------|
| Pension expense | |
| Employee Retirement System | (\$23,737) |
| OFPRS | 9,098,387 |
| OPPRS | <u>3,179,097</u> |
| | <u>12,253,747</u> |
| Net pension liability (asset) | |
| Employee Retirement System | \$0 |
| OFPRS | 54,883,506 |
| OPPRS | <u>(1,176,968)</u> |
| | <u>\$53,706,538</u> |
| Deferred outflows of resources | |
| Employee Retirement System | \$0 |
| OFPRS | 17,754,734 |
| OPPRS | <u>11,144,408</u> |
| | <u>\$28,899,142</u> |
| Deferred inflows of resources | |
| Employee Retirement System | \$0 |
| OFPRS | 1,660,245 |
| OPPRS | <u>2,498,210</u> |
| | <u>\$4,158,455</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 entricial to the City’s financial statement as a whole. Therefore the information provided is for informational purposes only and is not intended to comply with the provisions of GASB Statement 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement 27*.

The ERS is managed by a Board of Trustees, composed of six members, meeting once a 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, 2024, 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, 2023, 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, 2023 the Actuarial Accrued Liability for the Annuity Pool was \$132,785 and the market value of assets in the Annuity Pool was \$163,919. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses), (b) no projected salary increases, and (c) no cost of living increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The City did not contribute to the plan in 2024. 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, 2024 was \$39,381,076, and total City payroll was \$74,008,827.

Substantially all full-time, non-uniformed employees of the City are required to participate in the 401(a) Plan. At June 30, 2024, there were 667 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, 2024 was \$129,447. Contributions to the 401(a) Plan for 2024 were \$5,907,165. The contributions expressed in dollars and percent of covered payroll were: City - \$3,347,393, 8.5%, participants - \$2,559,772, 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 |
| 2022 | 2,830,104 | 100% |
| 2023 | 3,100,324 | 100% |
| 2023 | 3,347,393 | 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, 2024**

| Assets | Annuity Pool Fund | 401(a) Plan Fund | Total |
|--|------------------------------|-----------------------------|-----------------------|
| Investments - mutual funds | \$ 140,689 | \$ 120,073,436 | \$ 120,214,125 |
| Loans to 401(a) Plan participants | - | 3,779,072 | 3,779,072 |
| Total assets | <u>\$ 140,689</u> | <u>\$ 123,852,508</u> | <u>\$ 123,993,197</u> |
| Liabilities and Net Position | | | |
| Net position restricted for pension benefits | <u>\$ 140,689</u> | <u>\$ 123,852,508</u> | <u>\$ 123,993,197</u> |
| Total liabilities and net position | <u>\$ 140,689</u> | <u>\$ 123,852,508</u> | <u>\$ 123,993,197</u> |

**Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024**

| | Annuity Pool Fund | 401(a) Plan Fund | Total |
|---|------------------------------|-----------------------------|-----------------------|
| Additions: | | | |
| Contributions - employer | \$ - | \$ 3,347,041 | \$ 3,347,041 |
| Contributions - employee | - | 2,998,270 | 2,998,270 |
| Investment income (loss) | 15,374 | 19,859,206 | 19,874,580 |
| Total additions | <u>15,374</u> | <u>26,204,517</u> | <u>26,219,891</u> |
| Deductions: | | | |
| Pension benefits paid | 38,432 | 9,335,950 | 9,374,382 |
| Administration costs | 679 | (162,448) | (161,769) |
| Total deductions | <u>39,111</u> | <u>9,173,502</u> | <u>9,212,613</u> |
| Net increase (decrease) | (23,737) | 17,031,015 | 17,007,278 |
| Net position restricted for pension and retirement benefits: | | | |
| Beginning of year | <u>164,426</u> | <u>106,821,493</u> | <u>106,985,919</u> |
| End of year | <u>\$ 140,689</u> | <u>\$ 123,852,508</u> | <u>\$ 123,993,197</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, 2024, the total contribution to the system amounted to \$3,614,762 of which \$2,200,441 was made by the City and \$1,414,321 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 \$4,306,000 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 \$54,883,506, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. 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, 2023, the City's proportion was 4.253710%

For the year ended June 30, 2024, the City recognized pension expense of \$9,098,387. At June 30, 2024, 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 | \$ 6,527,172 | \$ 69,677 |
| Changes of assumptions or other inputs | - | 88,001 |
| Employer change in proportion and differences between contributions recognized and proportionate share of contributions | 5,406,510 | 1,502,567 |
| Net difference between projected and actual earnings on pension plan investments | 3,620,611 | - |
| City's contributions subsequent to the measurement date | <u>2,200,441</u> | <u>-</u> |
| Total | <u>\$ 17,754,734</u> | <u>\$ 1,660,245</u> |

At June 30, 2024, the City reported \$2,200,441 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources totaling \$13,894,048 related to pensions will be recognized as a (reduction) or increase in pension expense as follows:

| | |
|------|----------------------|
| 2025 | \$ 4,012,632 |
| 2026 | 1,987,584 |
| 2027 | 7,397,556 |
| 2028 | <u>496,276</u> |
| | <u>\$ 13,894,048</u> |

Actuarial Assumptions – The total pension liability in the July 1, 2022, 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, 2023 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% | 5.80% |
| Domestic Equity | 42% | 9.49% |
| International Equity | 20% | 11.55% |
| Real Estate | 10% | 8.48% |
| Other Assets | <u>8%</u> | 6.47% |
| | 100% | |

Discount Rate – The single discount rate used to measure the total pension liability was 7.5% for the measurement period ended June 30, 2023. 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 | \$ 71,515,589 | \$ 54,883,506 | \$ 40,974,698 |

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, 2024, the total contribution to the system amounted to \$3,310,325 of which \$2,052,139 was made by the City and \$1,258,186 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 \$1,713,000 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, 2024, the City reported an asset of \$1,176,968, for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2023. 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, 2023, the City's proportion was 3.8539%

For the year ended June 30, 2024, the City recognized pension expense of \$3,179,097. At June 30, 2024, 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 | \$ 3,221,951 | \$ 181,516 |
| Change in assumptions or other inputs | - | 2,196,933 |
| Employer change in proportion and differences between contributions recognized and proportionate share of contributions | 38,918 | 119,761 |
| Net difference between projected and actual earnings on pension plan investments | 5,831,400 | - |
| City's contributions subsequent to the measurement date | <u>2,052,139</u> | <u>-</u> |
| Total | <u>\$ 11,144,408</u> | <u>\$ 2,498,210</u> |

At June 30, 2024, the City reported \$2,052,139 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources totaling \$6,594,059 related to pensions will be recognized as a (reduction) or increase in pension expense as follows:

| | |
|------|---------------------|
| 2025 | \$ 1,073,565 |
| 2026 | (31,806) |
| 2027 | 4,539,849 |
| 2028 | 1,029,836 |
| 2029 | <u>(17,384)</u> |
| | <u>\$ 6,594,059</u> |

Actuarial Assumptions – The total pension liability in the July 1, 2022, 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 as follows:

Active and Inactive Vested Members and Health Retirees – PubS-2010 Employee (Below Median) Mortality Table with rates set forward two years and projected generationally using SOA Scale MP-2021.

Beneficiaries – Pub-2010 Contingent Survivor (Below Median) Mortality Table with rates set forward two years and projected generationally using SOA Scale MP-2021.

Disabled Retirees – Pub-2010 Disabled Retiree Mortality Table with rates projected to 2023 using SOA Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation was based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2022.

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

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------|------------------------------|---|
| Fixed Income | 20% | 5.78% |
| Domestic Equity | 35% | 7.73% |
| International Equity | 15% | 11.55% |
| Real Estate | 15% | 7.66% |
| Private Equity | 10% | 11.64% |
| 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, 2023. 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) | \$ 11,112,643 | \$ (1,176,968) | \$ (11,582,434) |

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:

| | Deferred Inflows of Resources | Deferred Outflows of Resources |
|--|--|---|
| 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 and gradually decreasing to an |

Mortality rates

ultimate rate of 3.8% for 2073 and beyond for AFSCME and non-union participants: Pub-2010 General mortality tables for employees, retirees and contingent survivors, projected generationally using scale MP-2019. For FOP and IAAF participants: Pub-2010 Safety mortality tables for employees, retirees and contingent survivors, projected generationally using scale MP-2019.

| | Changes in Total OPEB Liability |
|--|--|
| Balance, beginning of year, July 1, 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, 2024, the guaranty deposit accounts of the City included the following deposit liabilities:

Governmental activities:

| | |
|-----------------------------------|------------------------|
| Oil and gas drilling escrow | \$239,600 |
| Site improvements | 6,886,806 |
| Contractor's escrow | 97,618 |
| Park improvement | 8,615 |
| Court fines and bond deposits | 40,032 |
| Others | <u>483,101</u> |
| Total governmental activities | <u>\$7,755,772</u> |

Business-type activities:

| | |
|------------------|--------------------|
| Utility deposits | <u>\$1,699,240</u> |
|------------------|--------------------|

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, 2024, the net assessed valuation approximated \$1,375,000,000 or \$1.4 billion. The City had no such bonds outstanding at June 30, 2024. There is no such limit on the issuance of other types of general obligation bonds.

General obligation bonds outstanding as of June 30, 2024 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) | \$ 9,500,000 |
| \$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) | 13,045,000 |
| \$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) | 1,525,000 |
| \$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) | 15,800,000 |
| \$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) | 10,070,000 |
| \$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) | 6,750,000 |
| \$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 2023B 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 2.72% to 3.87% (for various street reconstruction projects) | 13,500,000 |
| \$16,000,000 2024A General Obligation bonds (publicly traded), due in annual installments of \$840,000 to \$880,000 beginning April 1, 2026 through April 1, 2044 at interest rates ranging from 3% to 4% (for various street reconstruction projects) | <u>16,000,000</u> |
| Total general obligation bonds | <u>\$ 112,190,000</u> |

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

| Fiscal Year | Principal | Interest | Total |
|--------------------|-----------------------|----------------------|-----------------------|
| 2025 | \$ 12,785,000 | \$ 3,391,336 | \$ 16,176,336 |
| 2026 | 13,205,000 | 3,062,234 | 16,267,234 |
| 2027 | 9,825,000 | 2,727,653 | 12,552,653 |
| 2028 | 9,460,000 | 2,430,396 | 11,890,396 |
| 2029 | 6,085,000 | 2,116,281 | 8,201,281 |
| 2030 – 2034 | 29,375,000 | 7,906,751 | 37,281,751 |
| 2035– 2039 | 20,470,000 | 3,855,628 | 24,325,628 |
| 2040 - 2044 | <u>10,985,000</u> | <u>920,577</u> | <u>11,905,577</u> |
| Total | <u>\$ 112,190,000</u> | <u>\$ 26,410,856</u> | <u>\$ 138,600,856</u> |

b. *Notes Payable* - Notes payable as of June 30, 2024 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% | 3,595,000 |
| \$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. | 6,885,000 |
| \$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. | 27,980,000 |
| \$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. | 22,450,000 |
| \$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. | 4,630,000 |
| \$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. | 17,350,000 |
| \$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. | 3,010,000 |
| \$304,092 Norman Municipal Authority Loan (direct placement), due in annual payments of \$71,692.50 beginning June 15, 2023 through June 15, 2027. The loan has a 8.97% interest rate. | 181,562 |

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 \$ 86,081,562

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

| Fiscal Year | Principal | Interest | Total |
|-----------------------|----------------------|---------------------|----------------------|
| 2025 | \$ 13,502,364 | \$ 2,214,791 | \$ 15,717,155 |
| 2026 | 13,800,496 | 1,873,914 | 15,674,410 |
| 2027 | 14,175,108 | 1,526,100 | 15,701,208 |
| 2028 | 11,748,548 | 1,184,175 | 12,932,723 |
| 2029 | 12,336,812 | 885,865 | 13,222,677 |
| 2030 – 2034 | 28,494,246 | 1,134,087 | 29,628,333 |
| 2035 – 2039 | 4,191,202 | 228,622 | 4,419,824 |
| 2040 | 4,332,786 | 58,154 | 4,390,940 |
| Less unfunded notes * | <u>(16,500,000)</u> | <u>-</u> | <u>(16,500,000)</u> |
| Total | <u>\$ 86,081,562</u> | <u>\$ 9,105,708</u> | <u>\$ 95,187,270</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.

- b. *Oklahoma Water Resource Board (OWRB) Notes Payable* – OWRB notes payable as of June 30, 2024 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. \$ 2,246,007

\$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 12,720,561

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. 24,182,252

\$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%. 9,970,000

\$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 of 2.53%. 187,500

\$5,000,000 Clean Water direct borrowing loan payable to the OWRB due in annual payments ranging from \$69,100 to \$271,500 beginning March 15, 2026 through September 15, 2050. The loan has an interest rate of 2.82%. 74,500

Total OWRB loans payable \$ 49,380,820

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

| Fiscal Year | Principal | Interest | Total |
|-----------------------|-----------------------------|-----------------------------|-----------------------------|
| 2025 | \$ 5,984,318 | \$ 1,771,028 | \$ 7,755,346 |
| 2026 | 6,579,949 | 1,733,774 | 8,313,723 |
| 2027 | 6,823,788 | 1,591,483 | 8,415,271 |
| 2028 | 5,100,222 | 1,410,210 | 6,510,432 |
| 2029 | 3,319,989 | 1,288,581 | 4,608,570 |
| 2030 – 2034 | 17,012,216 | 4,948,553 | 21,960,769 |
| 2035 – 2039 | 18,935,738 | 2,287,860 | 21,223,598 |
| 2040 – 2044 | 3,704,600 | 424,563 | 4,129,163 |
| 2045 – 2049 | 1,247,800 | 159,007 | 1,406,807 |
| 2050 – 2051 | 410,200 | 11,814 | 422,014 |
| Less unfunded notes * | <u>(19,738,000)</u> | <u>-</u> | <u>(19,738,000)</u> |
| Total | <u>\$ 49,380,820</u> | <u>\$ 15,626,873</u> | <u>\$ 65,007,693</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, \$14,812,500 of the 2022 OWRB SRF loan payable and \$4,925,500 of the 2024 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, 2024:

| Fiscal Year | Principal | Interest | Total |
|--------------------|--------------------------|-------------------------|--------------------------|
| 2025 | \$ 171,865 | \$ 14,001 | \$ 185,866 |
| 2026 | 142,480 | 10,677 | 153,157 |
| 2027 | 145,315 | 7,602 | 152,917 |
| 2028 | 55,171 | 5,548 | 60,719 |
| 2029 | 56,418 | 4,339 | 60,757 |
| 2030-2032 | <u>176,923</u> | <u>5,586</u> | <u>182,509</u> |
| Total | <u>\$ 748,172</u> | <u>\$ 47,753</u> | <u>\$ 795,925</u> |

The following is a schedule by year of payments under the business-type leases as of June 30, 2024:

| Fiscal Year | Principal | Interest | Total |
|--------------------|-------------------|------------------|-------------------|
| 2025 | \$ 53,987 | \$ 11,743 | \$ 65,730 |
| 2026 | 55,130 | 10,916 | 66,046 |
| 2027 | 56,807 | 10,064 | 66,871 |
| 2028 | 53,655 | 9,257 | 62,912 |
| 2029 | 50,434 | 8,436 | 58,870 |
| 2030-2034 | 276,101 | 30,039 | 306,140 |
| 2035-2039 | 249,699 | 8,167 | 257,866 |
| 2040 | <u>5,587</u> | <u>9</u> | <u>5,596</u> |
| Total | <u>\$ 801,400</u> | <u>\$ 88,631</u> | <u>\$ 890,031</u> |

Changes in Long-term Liabilities – Long-term liability activity for the year ended June 30, 2024, was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|------------------------------|----------------------|------------------------|---------------------------|--------------------------------|
| Governmental activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | \$ 104,240,000 | \$ 16,000,000 | \$ (8,050,000) | \$ 112,190,000 | \$ 12,785,000 |
| Issuance premium/ (discount) | <u>2,118,538</u> | <u>486,552</u> | <u>(292,263)</u> | <u>2,312,827</u> | <u>-</u> |
| Total bonds payable | 106,358,538 | 16,486,552 | (8,342,263) | 114,502,827 | 12,785,000 |
| Sales tax revenue notes | 87,885,000 | 232,400 | (10,260,838) | 77,856,562 | 11,422,364 |
| Leases payable | 917,627 | - | (169,455) | 748,172 | 171,865 |
| Liability for incurred claims | 3,800,000 | - | - | 3,800,000 | 1,200,000 |
| Total OPEB liability | 7,168,667 | 108,371 | - | 7,277,038 | 110,000 |
| Net pension liability | 49,269,045 | 5,614,461 | - | 54,883,506 | - |
| Compensated absences | <u>9,208,040</u> | <u>772,296</u> | <u>-</u> | <u>9,980,336</u> | <u>693,450</u> |
| Government activity long-term liabilities | <u>\$ 264,606,917</u> | <u>\$ 23,214,080</u> | <u>\$ (18,772,556)</u> | <u>\$ 269,048,441</u> | <u>\$ 26,382,679</u> |
| Business-type activities: | | | | | |
| Notes payable | \$ 10,255,000 | \$ - | \$ (2,030,000) | \$ 8,225,000 | \$ 2,080,000 |
| Less deferred amounts: | | | | | |
| For issuance premium and (discount) | <u>(7,131)</u> | <u>1,783</u> | <u>-</u> | <u>(5,348)</u> | <u>-</u> |
| Total notes payable | 10,247,869 | 1,783 | (2,030,000) | 8,219,652 | 2,080,000 |
| OWRB loans payable | 54,588,773 | 74,500 | (5,282,453) | 49,380,820 | 5,622,318 |
| Leases payable | 854,588 | - | (53,188) | 801,400 | 53,987 |
| Compensated absences | <u>1,273,843</u> | <u>15,122</u> | <u>-</u> | <u>1,288,965</u> | <u>88,177</u> |
| Business-type activity long-term liabilities | <u>\$ 66,110,485</u> | <u>\$ 91,405</u> | <u>\$ (7,312,453)</u> | <u>\$ 59,690,837</u> | <u>\$ 7,844,482</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, 2024:

| | General | Public Safety Sales Tax | Spl Grants Fund | Capital Projects | Norman Forward | Other Governmental Funds | Total Governmental Funds |
|------------------------|----------------------|----------------------------|---------------------|----------------------|---------------------|--------------------------------|--------------------------------|
| FUND BALANCES | | | | | | | |
| Nonspendable: | | | | | | | |
| Inventory | \$ 141,925 | \$ - | \$ - | \$ - | \$ - | \$ 110,204 | \$ 252,129 |
| Restricted: | | | | | | | |
| Debt service reserve | - | - | - | - | - | 9,520,373 | 9,520,373 |
| Arts and humanities | - | - | - | - | - | 883 | 883 |
| Grant activities | - | - | - | - | - | 3,438,486 | 3,438,486 |
| Bond capital projects | - | - | - | 68,102,963 | - | - | 68,102,963 |
| Other capital projects | - | - | - | 25,886,128 | 4,754,488 | 2,145,297 | 32,785,913 |
| Seizures | - | - | - | - | - | 1,947,906 | 1,947,906 |
| Transit & Parking | - | - | - | - | - | 1,324,687 | 1,324,687 |
| Public safety | - | 4,212,539 | - | - | - | - | 4,212,539 |
| Parks and recreation | - | - | - | - | - | - | - |
| Assessment District | - | - | - | 478,000 | - | - | 478,000 |
| Committed: | | | | | | | |
| Economic stabilization | 4,750,438 | - | - | - | - | - | 4,750,438 |
| Assigned: | | | | | | | |
| Other capital projects | - | - | - | 5,087,805 | 3,336,579 | 496,575 | 8,920,959 |
| Grant activities | - | - | 4,898,852 | - | - | - | 4,898,852 |
| Orders on purchase | 4,572,631 | - | - | - | - | - | 4,572,631 |
| Unassigned: | <u>22,420,434</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(110,204)</u> | <u>22,310,230</u> |
| Total fund balances | <u>\$ 31,885,428</u> | <u>\$ 4,212,539</u> | <u>\$ 4,898,852</u> | <u>\$ 99,554,896</u> | <u>\$ 8,091,067</u> | <u>\$ 18,874,207</u> | <u>\$ 167,516,989</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, 2024 the Rainy Day Fund had a balance of \$4,450,438.

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, 2024 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, 2024, 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, 2024, 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 2023 | \$ 3,000,122 | \$ 18,035,363 | \$ (17,235,485) | \$ 3,800,000 |
| Fiscal year 2024 | \$ 3,800,000 | \$ 17,538,493 | \$ (17,538,493) | \$ 3,800,000 |

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 \$ _____.

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, 2024, the City paid the District \$792,209.

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, 2024 is as follows:

| | Total Construction In Progress | Total Project | Remaining To Complete |
|-----------------------------|---|--------------------------|----------------------------------|
| General Government | \$ 72,434,077 | \$ 114,002,865 | \$ 41,568,788 |
| Norman Municipal Authority: | | | |
| Sanitation | 660,090 | 3,956,504 | 3,296,414 |
| Norman Utilities Authority: | | | |
| Water Fund | 19,991,563 | 51,836,772 | 31,845,209 |
| Wastewater Fund | <u>4,756,254</u> | <u>6,061,253</u> | <u>1,304,999</u> |
| | <u>\$ 97,841,984</u> | <u>\$ 175,857,394</u> | <u>\$ 78,015,410</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, 2024 the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

| | |
|------------------------------|----------------------|
| General fund | \$ 4,572,631 |
| Public safety sales tax fund | 2,694,261 |
| Special grants fund | 5,723,683 |
| Capital projects fund | 9,147,425 |
| Norman forward fund | 3,804,729 |
| Nonmajor governmental funds | <u>2,427,840</u> |
| Total | <u>\$ 28,370,569</u> |

9. RECENTLY ISSUED ACCOUNTING STANDARDS

The following accounting standards have been recently issued and will be adopted as applicable by the

City in future years.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of GASB 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.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

- The concentration or constraint
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk

The requirements of GASB Statement No. 102 are effective for fiscal years beginning after June 15, 2024 and all reporting periods thereafter (effective for the City's June 30, 2025 year-end). Earlier application is encouraged.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues to the following items:

- Management's Discussion and Analysis
- Unusual or Infrequent Items
- Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position
- Major Component Unit Information
- Budgetary Comparison Information

The requirements of GASB Statement No. 103 are effective for fiscal years beginning after June 15, 2025 and all reporting periods thereafter (effective for the City's June 30, 2026 year-end). Earlier application is encouraged.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter (effective for the City's June 30, 2026 year-end). Earlier application is encouraged.

* * * * *

THE CITY OF NORMAN, OKLAHOMA

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

Oklahoma Firefighters Pension and Retirement System (OFPRS)

Year Ended June 30, 2024

| | 2015 * | 2016 * | 2017 * | 2018 * | 2019 * | 2020 * | 2021 * | 2022 * | 2023 * | 2024 * |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 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% | 4.2537% |
| 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 | \$ 54,883,506 |
| 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 | \$ 14,887,745 |
| 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% | 368.649% |
| 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% | 70.85% |

* - The amounts present for each fiscal year were determined as of the measurement date, June 30, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023 respectively.

Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
Oklahoma Police Pension and Retirement System (OPPRS)
Year Ended June 30, 2024

| | 2015 * | 2016 * | 2017 * | 2018 * | 2019 * | 2020 * | 2021 * | 2022 * | 2023 * | 2024 * |
|---|---------------|--------------|--------------|--------------|---------------|--------------|--------------|----------------|---------------|---------------|
| 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% | 3.8539% |
| 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) | \$(1,176,908) |
| 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 | \$ 14,536,315 |
| 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% | -8.096% |
| 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% | 101.02% |

* - The amounts present for each fiscal year were determined as of the measurement date, June 30, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023 respectively.

THE CITY OF NORMAN, OKLAHOMA

Schedule of the City's Contributions

Oklahoma Firefighters Pension and Retirement System (OFPRS)

Year Ended June 30, 2024

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Contractually required contribution | \$ 1,586,248 | \$ 1,615,405 | \$ 1,650,048 | \$ 1,711,565 | \$ 1,713,665 | \$ 1,785,165 | \$ 1,793,453 | \$ 1,961,771 | \$ 2,084,284 | \$ 2,200,441 |
| Contributions in relation to the contractually required contribution | <u>1,586,248</u> | <u>1,615,405</u> | <u>1,650,048</u> | <u>1,711,565</u> | <u>1,713,665</u> | <u>1,785,165</u> | <u>1,793,453</u> | <u>1,961,771</u> | <u>2,084,284</u> | <u>2,200,441</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <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 | \$ 15,717,437 |
| Contributions as a percentage of covered payroll | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 14% |

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, 2024

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Contractually required cont | \$ 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 | \$ 2,052,139 |
| 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> | <u>2,052,139</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <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 | \$15,785,685 |
| Contributions as a percentage of covered payroll | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% |

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, 2023, certain changes in assumptions, to the OPPRS Plan, were made based on the Plan's most recent actuarial experience study covering the July 1, 2017 to June 30, 2022 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

| | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|--|-------------------|-------------------|-------------------|------------------|------------------|------------------|
| 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, 2024

| | Original Budget | Revisions | Revised Budget | Expenditures | Encum- brances | Actual | Variance- Positive (Negative) |
|--|--------------------|----------------|-------------------|--------------|-------------------|-------------------|-------------------------------------|
| Taxes: | | | | | | | |
| Sales taxes | \$ 55,179,654 | \$ - | \$ 55,179,654 | | | \$ 55,199,598 | \$ 19,944 |
| Franchise fees | 7,153,746 | - | 7,153,746 | | | 7,229,764 | 76,018 |
| State use taxes | 12,480,000 | - | 12,480,000 | | | 12,712,346 | 232,346 |
| Total taxes | <u>74,813,400</u> | <u>-</u> | <u>74,813,400</u> | | | <u>75,141,708</u> | <u>328,308</u> |
| Licenses and permits: | | | | | | | |
| Licenses | 468,596 | - | 468,596 | | | 546,898 | 78,302 |
| Permits | 532,891 | 2,429 | 535,320 | | | 556,015 | 20,695 |
| Total licenses and permits | <u>1,001,487</u> | <u>2,429</u> | <u>1,003,916</u> | | | <u>1,102,913</u> | <u>98,997</u> |
| State Shared Revenues: | | | | | | | |
| Alcoholic beverage | 335,493 | - | 335,493 | | | 593,540 | 258,047 |
| Cigarette | 906,031 | - | 906,031 | | | 621,310 | (284,721) |
| State motor fuel and vehicle registration | 1,230,475 | - | 1,230,475 | | | 1,383,824 | 153,349 |
| Total intergovern- mental revenues | <u>2,471,999</u> | <u>-</u> | <u>2,471,999</u> | | | <u>2,598,674</u> | <u>126,675</u> |
| Charges for services: | | | | | | | |
| Zoning & subdivision | 194,292 | - | 194,292 | | | 218,405 | 24,113 |
| Public safety | 645,130 | - | 645,130 | | | 341,383 | (303,747) |
| Health | 333,047 | - | 333,047 | | | 138,508 | (194,539) |
| Recreation fees | 701,633 | - | 701,633 | | | 376,723 | (324,910) |
| Credit card convenience fees | 1,019,283 | - | 1,019,283 | | | 299,546 | (719,737) |
| 911 emergency fees | 52,967 | - | 52,967 | | | 357,958 | 304,991 |
| Total charges for services | <u>2,946,352</u> | <u>-</u> | <u>2,946,352</u> | | | <u>1,732,523</u> | <u>(1,213,829)</u> |
| Fines and forfeitures: | | | | | | | |
| Police court fines | 1,173,645 | - | 1,173,645 | | | 1,577,917 | 404,272 |
| Miscellaneous forfeitures | - | - | - | | | 7,293 | 7,293 |
| Total fines and forfeits | <u>1,173,645</u> | <u>-</u> | <u>1,173,645</u> | | | <u>1,585,210</u> | <u>411,565</u> |
| Investment earnings | <u>193,214</u> | <u>-</u> | <u>193,214</u> | | | <u>520,588</u> | <u>327,374</u> |
| Other revenue: | | | | | | | |
| Contributions | 30,257 | 76,718 | 106,975 | | | 91,448 | (15,527) |
| Rents and royalties | 369,563 | - | 369,563 | | | 198,660 | (170,903) |
| Cost allocations | 13,614,756 | - | 13,614,756 | | | 13,317,624 | (297,132) |
| Sale of fixed assets | 176,143 | - | 176,143 | | | 769,174 | 593,031 |
| Miscellaneous revenues | 1,427,016 | 200,328 | 1,627,344 | | | 322,779 | (1,304,565) |
| Total other revenue | <u>15,617,735</u> | <u>277,046</u> | <u>15,894,781</u> | | | <u>14,699,685</u> | <u>(1,195,096)</u> |
| Total revenues | <u>98,217,832</u> | <u>279,475</u> | <u>98,497,307</u> | | | <u>97,381,301</u> | <u>(1,116,006)</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, 2024

| | Original Budget | Revisions | Revised Budget | Expenditures | Encum- brances | Actual | Variance- Positive (Negative) |
|---------------------------------|--------------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------------------------|
| General government: | | | | | | | |
| City council | \$ 1,613,381 | \$ (928,217) | \$ 685,164 | \$ 549,695 | \$ 41,782 | \$ 591,477 | \$ 93,687 |
| Internal audit | 150,305 | - | 150,305 | 123,237 | 674 | 123,911 | 26,394 |
| ADA compliance | - | - | - | - | - | - | - |
| City manager's office | 718,141 | 941,447 | 1,659,588 | 1,261,130 | - | 1,261,130 | 398,458 |
| Community relations | 206,003 | 17,778 | 223,781 | 217,518 | - | 217,518 | 6,263 |
| Communications | 306,287 | 7,049 | 313,336 | 293,523 | - | 293,523 | 19,813 |
| Stormwater quality | 390,851 | 16,713 | 407,564 | 361,907 | 6,823 | 368,730 | 38,834 |
| Environmental services | 1,105,686 | (74,992) | 1,030,694 | 646,305 | 10,878 | 657,183 | 373,511 |
| City clerk's office | 733,079 | 62,815 | 795,894 | 715,419 | 66 | 715,485 | 80,409 |
| Municipal court | 1,285,787 | 79,726 | 1,365,513 | 1,316,316 | 1,600 | 1,317,916 | 47,597 |
| Legal administration | 1,613,018 | 47,250 | 1,660,268 | 1,616,889 | 2,050 | 1,618,939 | 41,329 |
| Information technology | 4,235,502 | 129,747 | 4,365,249 | 4,072,950 | 87,274 | 4,160,224 | 205,025 |
| Printing services | 352,755 | 34,501 | 387,256 | 290,803 | 30,458 | 321,261 | 65,995 |
| Human resource admin | 1,027,806 | 34,821 | 1,062,627 | 800,060 | 5,550 | 805,610 | 257,017 |
| Safety administration | 187,009 | 17,957 | 204,966 | 140,009 | 2,965 | 142,974 | 61,992 |
| Social & voluntary services | 225,000 | 7,805 | 232,805 | 216,433 | 5,624 | 222,057 | 10,748 |
| Norman public library | 690,363 | 54,882 | 745,245 | 520,865 | 197,909 | 718,774 | 26,471 |
| Human rights commision | 230 | - | 230 | - | - | - | 230 |
| Juvenile services | 27,733 | (3,130) | 24,603 | 3,291 | 715 | 4,006 | 20,597 |
| Culture & social responsibility | 303,677 | (115,945) | 187,732 | 178,148 | - | 178,148 | 9,584 |
| Employee assitance program | 29,444 | - | 29,444 | 29,400 | - | 29,400 | 44 |
| Special studies & contributions | 5,000 | - | 5,000 | - | - | - | 5,000 |
| Municipal elections | 137,115 | - | 137,115 | 128,877 | - | 128,877 | 8,238 |
| Sister cities program | 25,000 | (21,761) | 3,239 | 3,239 | - | 3,239 | - |
| Total general government | 15,369,172 | 308,446 | 15,677,618 | 13,486,014 | 394,368 | 13,880,382 | 1,797,236 |
| Planning: | | | | | | | |
| Planning commission | 347 | - | 347 | - | - | - | 347 |
| Historic district commission | 3,089 | - | 3,089 | 521 | - | 521 | 2,568 |
| Greenbelt commission | 490 | - | 490 | - | - | - | 490 |
| Planning administration | 721,702 | 110,043 | 831,745 | 779,219 | 6,846 | 786,065 | 45,680 |
| Geographic information | 561,804 | 12,575 | 574,379 | 544,135 | 35 | 544,170 | 30,209 |
| Development services | 1,892,300 | 40,882 | 1,933,182 | 1,893,767 | 17,410 | 1,911,177 | 22,005 |
| Code compliance | 656,492 | 30,714 | 687,206 | 673,629 | - | 673,629 | 13,577 |
| Current planning | 641,804 | (260,672) | 381,132 | 368,803 | - | 368,803 | 12,329 |
| Total planning | 4,478,028 | (66,458) | 4,411,570 | 4,260,074 | 24,291 | 4,284,365 | 127,205 |

(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, 2024

| | Original Budget | Revisions | Revised Budget | Expenditures | Encum- brances | Actual | Variance- Positive (Negative) |
|--|--------------------|--------------------|--------------------|-----------------------|---------------------|--------------------|-------------------------------------|
| City controller: | | | | | | | |
| Finance administration | \$ 557,602 | \$ (8,954) | \$ 548,648 | \$ 479,580 | \$ 12 | \$ 479,592 | \$ 69,056 |
| Accounting services | 988,209 | 24,472 | 1,012,681 | 978,717 | - | 978,717 | 33,964 |
| Budget services | 255,432 | 3,078 | 258,510 | 256,649 | - | 256,649 | 1,861 |
| Treasury services | 944,506 | 29,420 | 973,926 | 869,419 | 3,156 | 872,575 | 101,351 |
| Utility services | 893,241 | 54,872 | 948,113 | 843,553 | 9,968 | 853,521 | 94,592 |
| Total city controller | <u>3,638,990</u> | <u>102,888</u> | <u>3,741,878</u> | <u>3,427,918</u> | <u>13,136</u> | <u>3,441,054</u> | <u>300,824</u> |
| Parks and recreation: | | | | | | | |
| Parks board | 767 | - | 767 | 747 | - | 747 | 20 |
| Santa Fe Depot | 5,943 | 390 | 6,333 | 5,153 | 78 | 5,231 | 1,102 |
| Administration | 760,027 | 152,895 | 912,922 | 904,561 | 3,099 | 907,660 | 5,262 |
| Park maintenance | 4,573,014 | 181,128 | 4,754,142 | 4,385,989 | 261,036 | 4,647,025 | 107,117 |
| Park development | 265,029 | 65,478 | 330,507 | 288,661 | 1,081 | 289,742 | 40,765 |
| Recreation programs | 2,028,177 | 650,810 | 2,678,987 | 2,082,967 | 104,485 | 2,187,452 | 491,535 |
| Senior citizens center | 36,906 | 61,209 | 98,115 | 98,699 | - | 98,699 | (584) |
| Facility administration | 497,548 | 1,069,072 | 1,566,620 | 1,490,455 | 17,585 | 1,508,040 | 58,580 |
| Facility maintenance | 1,048,299 | 63,908 | 1,112,207 | 1,060,368 | 72,285 | 1,132,653 | (20,446) |
| Custodial services | 204,805 | 59,806 | 264,611 | 261,848 | 557 | 262,405 | 2,206 |
| Firehouse art center | 140,097 | 5,971 | 146,068 | 144,382 | - | 144,382 | 1,686 |
| Historical museum | 56,580 | 2,321 | 58,901 | 56,756 | - | 56,756 | 2,145 |
| Sooner theatre | 88,250 | 3,313 | 91,563 | 88,586 | - | 88,586 | 2,977 |
| Total parks & recreation | <u>9,705,442</u> | <u>2,316,301</u> | <u>12,021,743</u> | <u>10,869,172</u> | <u>460,206</u> | <u>11,329,378</u> | <u>692,365</u> |
| Public works: | | | | | | | |
| Public works administratic | 429,493 | (20,820) | 408,673 | 375,915 | 117 | 376,032 | 32,641 |
| Engineering department | 1,455,798 | (27,411) | 1,428,387 | 1,362,425 | 1 | 1,362,426 | 65,961 |
| Street maintenance | 6,119,309 | (196,140) | 5,923,169 | 5,178,489 | 464,275 | 5,642,764 | 280,405 |
| Stormwater drainage | 3,355,092 | (522,821) | 2,832,271 | 2,761,081 | 231,112 | 2,992,193 | (159,922) |
| Stormwater quality | - | 60,536 | 60,536 | 56,699 | - | 56,699 | 3,837 |
| Traffic control | 4,935,946 | 110,594 | 5,046,540 | 4,617,088 | 176,019 | 4,793,107 | 253,433 |
| Fleet maintenance admin | 690,391 | 258,975 | 949,366 | 773,973 | 2,430 | 776,403 | 172,963 |
| Fleet repair light duty | 752,906 | 7,885 | 760,791 | 716,013 | 6,117 | 722,130 | 38,661 |
| Fleet repair heavy duty | 1,001,200 | 12,666 | 1,013,866 | 973,783 | 8,211 | 981,994 | 31,872 |
| Fleet fuel and parts | 4,023,443 | (846,183) | 3,177,260 | 2,912,643 | 548,279 | 3,460,922 | (283,662) |
| CNG Station | 424,454 | (148,381) | 276,073 | 172,469 | 129,510 | 301,979 | (25,906) |
| Total public works | <u>23,188,032</u> | <u>(1,311,100)</u> | <u>21,876,932</u> | <u>19,900,578</u> | <u>1,566,071</u> | <u>21,466,649</u> | <u>410,283</u> |
| Public safety: | | | | | | | |
| Police department admin | 1,613,261 | 418,841 | 2,032,102 | 1,546,607 | 58,622 | 1,605,229 | 426,873 |
| Staff services | 5,153,521 | 1,497,931 | 6,651,452 | 6,083,274 | 179,750 | 6,263,024 | 388,428 |
| Criminal investigations | 3,306,270 | 454,771 | 3,761,041 | 3,610,559 | 37,658 | 3,648,217 | 112,824 |
| Patrol | 11,623,563 | 2,003,268 | 13,626,831 | 11,766,385 | 469,466 | 12,235,851 | 1,390,980 |
| Special Investigations | 1,135,529 | 36,130 | 1,171,659 | 1,063,712 | 8,103 | 1,071,815 | 99,844 |
| Animal control | 1,979,331 | 169,986 | 2,149,317 | 2,043,335 | 16,236 | 2,059,571 | 89,746 |
| 911 services | 2,927,286 | 409,156 | 3,336,442 | 2,975,096 | 300,718 | 3,275,814 | 60,628 |
| Fire department admin | 1,225,617 | 98,514 | 1,324,131 | 1,063,258 | 80,604 | 1,143,862 | 180,269 |
| Training - fire department | 305,226 | 31,876 | 337,102 | 303,537 | 21,739 | 325,276 | 11,826 |
| Fire prevention | 775,762 | 306,073 | 1,081,835 | 1,071,444 | - | 1,071,444 | 10,391 |
| Fire suppression | 18,826,103 | 900,440 | 19,726,543 | 19,390,631 | 479,023 | 19,869,654 | (143,111) |
| Diaster preparedness servi | 268,755 | 3,969 | 272,724 | 189,697 | 62,647 | 252,344 | 20,380 |
| Total public safety | <u>49,140,224</u> | <u>6,330,955</u> | <u>55,471,179</u> | <u>51,107,535</u> | <u>1,714,566</u> | <u>52,822,101</u> | <u>2,649,078</u> |
| Total expenditures and encumbrances | <u>105,519,658</u> | <u>7,681,032</u> | <u>113,200,690</u> | <u>\$ 103,051,291</u> | <u>\$ 4,172,638</u> | <u>107,223,929</u> | <u>5,976,761</u> |

| | Original Budget | Revisions | Revised Budget | Actual | Variance- Positive (Negative) |
|--|----------------------------|--------------------|---------------------------|--------------------|--|
| Excess (deficiency) of revenues over expendi- tures and encumbrances | <u>(7,301,826)</u> | <u>(7,401,557)</u> | <u>(14,703,383)</u> | <u>(9,842,628)</u> | <u>4,860,755</u> |
| OTHER FINANCING | | | | | |
| SOURCES (USES): | | | | | |
| Transfers in: | | | | | |
| Norman Utilities | | | | | |
| Authority | 1,741,300 | - | 1,741,300 | 2,025,750 | 284,450 |
| Capital Projects Fund | 4,720,756 | - | 4,720,756 | 9,402,319 | 4,681,563 |
| Norman Forward Fund | 377,998 | - | 377,998 | 377,998 | - |
| Insurance Fund | - | 3,375 | 3,375 | 3,375 | - |
| Loan proceeds | <u>-</u> | <u>-</u> | <u>-</u> | <u>232,400</u> | <u>232,400</u> |
| Total transfers in | <u>6,840,054</u> | <u>3,375</u> | <u>6,843,429</u> | <u>12,041,842</u> | <u>5,198,413</u> |
| Transfers out: | | | | | |
| Capital Fund | (1,391,635) | 511,928 | (879,707) | (405,000) | 474,707 |
| YFAC Fund | - | - | - | (446,372) | (446,372) |
| CLEET Fund | - | - | - | (13,689) | (13,689) |
| Westwood Fund | (93,392) | - | (93,392) | - | 93,392 |
| Transit & Parking Fund | <u>(615,694)</u> | <u>(176,078)</u> | <u>(791,772)</u> | <u>(791,772)</u> | <u>-</u> |
| Total transfers out | <u>(2,100,721)</u> | <u>335,850</u> | <u>(1,764,871)</u> | <u>(1,656,833)</u> | <u>108,038</u> |
| Net other financing sources (uses) | <u>4,739,333</u> | <u>339,225</u> | <u>5,078,558</u> | <u>10,385,009</u> | <u>5,306,451</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, 2024**

| | Original Budget | Revisions | Revised Budget | Actual | Variance- Positive (Negative) |
|---|----------------------|-----------------------|---------------------|----------------------|-------------------------------------|
| Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances, and other uses | (2,562,493) | (7,062,332) | (9,624,825) | 542,381 | 10,167,206 |
| Fund balance, July 1, 2023 (Non-GAAP budgetary basis) | <u>12,792,720</u> | <u>-</u> | <u>12,792,720</u> | <u>12,792,720</u> | <u>-</u> |
| Fund balance, June 30, 2024 (Non-GAAP budgetary basis) | <u>\$ 10,230,227</u> | <u>\$ (7,062,332)</u> | <u>\$ 3,167,895</u> | <u>\$ 13,335,101</u> | <u>\$ 10,167,206</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, 2024

| | Original Budget | Revisions | Revised Budget | Expenditures | Encum- brances | Actual | Variance- Positive (Negative) |
|---|--------------------|-----------------------|-----------------------|----------------------|---------------------|---------------------|-------------------------------------|
| REVENUES: | | | | | | | |
| Taxes: | | | | | | | |
| Sales tax | \$ 12,675,272 | \$ - | \$ 12,675,272 | | | \$ 11,999,913 | \$ (675,359) |
| Use tax | <u>1,854,351</u> | <u>-</u> | <u>1,854,351</u> | | | <u>2,118,725</u> | <u>264,374</u> |
| Total taxes | 14,529,623 | - | 14,529,623 | | | 14,118,638 | (410,985) |
| SRO reimbursement-NPS | 698,055 | - | 698,055 | | | 500,000 | (198,055) |
| Investment earnings | 50,000 | - | 50,000 | | | 248,238 | 198,238 |
| Miscellaneous income | <u>-</u> | <u>-</u> | <u>-</u> | | | <u>-</u> | <u>-</u> |
| Total revenues | <u>15,277,678</u> | <u>-</u> | <u>15,277,678</u> | | | <u>14,866,876</u> | <u>(410,802)</u> |
| EXPENDITURES AND ENCUMBRANCES: | | | | | | | |
| Public safety: | | | | | | | |
| Police staff services | 50,027 | 2,269 | 52,296 | \$ 48,611 | \$ 284 | 48,895 | 3,401 |
| Police criminal investigations | 759,664 | - | 759,664 | 709,845 | - | 709,845 | 49,819 |
| Police patrol | 5,604,859 | 436,027 | 6,040,886 | 4,305,257 | 388,006 | 4,693,263 | 1,347,623 |
| SRO | 1,218,544 | 901,731 | 2,120,275 | 1,657,080 | 326,466 | 1,983,546 | 136,729 |
| 911 | 283,886 | 3 | 283,889 | 108,725 | 5,050 | 113,775 | 170,114 |
| Fleet Heavy Repair | 555,108 | 22,782 | 577,890 | 479,429 | 38,796 | 518,225 | 59,665 |
| Fire suppression | 6,293,850 | 2,127,182 | 8,421,032 | 6,198,620 | 542,142 | 6,740,762 | 1,680,270 |
| Capital projects | - | 4,317,126 | 4,317,126 | (325,897) | 325,897 | - | 4,317,126 |
| Debt services | <u>2,381,075</u> | <u>-</u> | <u>2,381,075</u> | <u>2,380,104</u> | <u>-</u> | <u>2,380,104</u> | <u>971</u> |
| Total expenditures and encumbrances | <u>17,147,013</u> | <u>7,807,120</u> | <u>24,954,133</u> | <u>\$ 15,561,774</u> | <u>\$ 1,626,641</u> | <u>17,188,415</u> | <u>7,765,718</u> |
| Excess (deficiency) of revenues over (under) expenditures and encumbrances | (1,869,335) | (7,807,120) | (9,676,455) | | | (2,321,539) | 7,354,916 |
| 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>(1,869,335)</u> | <u>(7,807,120)</u> | <u>(9,676,455)</u> | | | <u>(2,321,539)</u> | <u>7,354,916</u> |
| Fund balance, July 1, 2023 (Non-GAAP budgetary basis) | <u>2,035,104</u> | <u>-</u> | <u>2,035,104</u> | | | <u>2,035,104</u> | <u>-</u> |
| Fund balance, June 30, 2024 (Non-GAAP budgetary (basis)) | <u>\$ 165,769</u> | <u>\$ (7,807,120)</u> | <u>\$ (7,641,351)</u> | | | <u>\$ (286,435)</u> | <u>\$ 7,354,916</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, 2024

| | Original Budget | Revisions | Revised Budget | Expenditures | Encum- brances | Actual | Variance- Positive (Negative) |
|--|--------------------|------------|-------------------|--------------|-------------------|-----------|-------------------------------------|
| REVENUES: | | | | | | | |
| Intergovernmental: | | | | | | | |
| County Court DUI | \$ 56,577 | \$ - | \$ 56,577 | | | \$ 15,808 | \$ (40,769) |
| Public safety grants | - | 182,928 | 182,928 | | | 2,067,934 | 1,885,006 |
| Public service grants | - | 18,375 | 18,375 | | | 5,354,932 | 5,336,557 |
| Recreation grants | - | - | - | | | 18,840 | 18,840 |
| Public works grants | - | 2,945,129 | 2,945,129 | | | 1,580,201 | (1,364,928) |
| Total intergovernmental | 56,577 | 3,146,432 | 3,203,009 | | | 9,037,715 | 5,834,706 |
| Investment earnings | - | - | - | | | 552,562 | 552,562 |
| Total revenues | 56,577 | 3,146,432 | 3,203,009 | | | 9,590,277 | 6,387,268 |
| EXPENDITURES AND | | | | | | | |
| JAG grant | - | 57,782 | 57,782 | \$ 17,091 | \$ 14,095 | 31,186 | 26,596 |
| VOCA grant | 55,561 | 71,489 | 127,050 | 67,263 | - | 67,263 | 59,787 |
| Emergency management grant | - | 50,699 | 50,699 | 26,108 | - | 26,108 | 24,591 |
| Homeland security grant | - | 86,758 | 86,758 | 37,425 | - | 37,425 | 49,333 |
| Misc police grants | - | 6,500 | 6,500 | 3,129 | 3,370 | 6,499 | 1 |
| SHPO / CLG grant | 1,016 | 18,375 | 19,391 | 18,043 | - | 18,043 | 1,348 |
| Firehouse art grant | - | 325,000 | 325,000 | - | - | - | 325,000 |
| Sutton wilderness grant | - | 85,700 | 85,700 | - | - | - | 85,700 |
| Tree grant | - | 10,000 | 10,000 | 10,000 | - | 10,000 | - |
| Northbase EV chargers grant | - | 284 | 284 | - | - | - | 284 |
| 12th & Highmeadows grant | - | 1,630,685 | 1,630,685 | 1,630,682 | - | 1,630,682 | 3 |
| Traffic mgmt ctr grant | - | 378,548 | 378,548 | - | - | - | 378,548 |
| ACOG fleet conversion | - | 2,886,782 | 2,886,782 | 120,000 | 356,525 | 476,525 | 2,410,257 |
| Transit grant | - | 3,099,618 | 3,099,618 | 136 | 776,714 | 776,850 | 2,322,768 |
| Affordable housing ARPA | - | 5,654,216 | 5,654,216 | 24,691 | - | 24,691 | 5,629,525 |
| Vehicle wash facility | - | 350,140 | 350,140 | 1,653 | 9,341 | 10,994 | 339,146 |
| Midway drive drainage | - | 35,025 | 35,025 | (9,450) | - | (9,450) | 44,475 |
| Environmental services grant | - | 6,000 | 6,000 | 6,000 | - | 6,000 | - |
| Imhoff creek stabilization | - | 2,031,117 | 2,031,117 | 52,515 | 602,374 | 654,889 | 1,376,228 |
| The vineyard detention | - | 499,634 | 499,634 | 124,031 | - | 124,031 | 375,603 |
| ECOC building | - | 10,138,402 | 10,138,402 | (57,205) | 1,184,350 | 1,127,145 | 9,011,257 |
| Total expenditures and encumbrances | 56,577 | 27,422,754 | 27,479,331 | | | 5,018,881 | 22,460,450 |

(Continued)

THE CITY OF NORMAN, OKLAHOMA

SPECIAL GRANTS FUND SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2024

| | 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>(24,276,325)</u> | <u>(24,276,325)</u> | | | <u>4,571,396</u> | <u>28,847,721</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | | |
| Operating transfers in: | | | | | | | |
| Capital Fund | - | 2,655,572 | 2,655,572 | | | 2,991,594 | 336,022 |
| Operating transfers out: | | | | | | | |
| Capital Fund | <u>-</u> | <u>-</u> | <u>-</u> | | | <u>(2,655,572)</u> | <u>(2,655,572)</u> |
| Net other financing sources | <u>-</u> | <u>2,655,572</u> | <u>2,655,572</u> | | | <u>336,022</u> | <u>(2,319,550)</u> |
| Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other sources | - | (21,620,753) | (21,620,753) | | | 4,907,418 | 26,528,171 |
| Fund balance (deficit), July 1, 2023 (Non-GAAP budgetary basis) | <u>(6,145,970)</u> | <u>-</u> | <u>(6,145,970)</u> | | | <u>(6,145,970)</u> | <u>-</u> |
| Fund balance (deficit), June 30, 2024 (Non-GAAP budgetary basis) | <u>\$ (6,145,970)</u> | <u>\$ (21,620,753)</u> | <u>\$ (27,766,723)</u> | | | <u>\$ (1,238,552)</u> | <u>\$ 26,528,171</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, 2024, are as follows:

| | General Fund | Public Safety Sales Tax Fund | Special Grants Fund |
|--|-------------------------|---|------------------------------------|
| Fund balances - budgetary basis, June 30, 2024 | \$ 13,335,101 | \$ (286,435) | \$ (1,238,552) |
| Current year encumbrances included in expenditures | 4,172,638 | 1,626,641 | 2,946,769 |
| Prior year encumbrances outstanding | 402,195 | 1,067,618 | 2,776,912 |
| Current year revenue accrual | 12,688,201 | 2,273,008 | 1,022,018 |
| Current year expenditure accrual | (3,230,694) | (690,313) | (608,295) |
| Rainy Day Fund Balance | 4,517,987 | - | - |
| Fund balances - fund financial statements, June 30, 2023 | <u>\$ 31,885,428</u> | <u>\$ 3,990,519</u> | <u>\$ 4,898,852</u> |
| | | | |
| Revenues - budgetary basis | \$ 97,381,301 | \$ 14,866,876 | \$ 9,590,277 |
| Current year revenue accrual | 12,688,201 | 2,273,008 | 1,022,018 |
| Prior year revenue accrual | (12,930,663) | (2,274,791) | (941,042) |
| Interest earned within Rainy Day Fund | 232,450 | - | - |
| Revenues - fund financial statements | <u>\$ 97,371,289</u> | <u>\$ 14,865,093</u> | <u>\$ 9,671,253</u> |
| | | | |
| Expenditures - budgetary basis | \$ 107,223,929 | \$ 17,188,415 | \$ 5,018,881 |
| Current year encumbrances included in expenditures | (4,172,638) | (1,626,641) | (2,946,769) |
| Prior year encumbrances paid | 5,073,555 | 4,667,691 | 9,454,629 |
| Current year expenditure accrual | 3,230,694 | 690,313 | 608,295 |
| Prior year expenditure accrual | (2,839,269) | (585,616) | (2,583) |
| Expenditures - fund financial statements | <u>\$ 108,516,271</u> | <u>\$ 20,334,162</u> | <u>\$ 12,132,453</u> |

THE CITY OF NORMAN, OKLAHOMA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2024

| | 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 | YFAC Fund | Total Nonmajor Governmental Total |
|--|----------------------------|----------------------------------|----------------------|--------------------------------------|-----------------|------------------------------|------------------------------------|-------------------------|-------------------|------------------|--|
| ASSETS | | | | | | | | | | | |
| Cash and cash equivalents | \$ 930,869 | \$ 2,388,634 | \$ 537,902 | \$ 1,521,980 | \$ 553 | \$ 1,514,946 | \$ 891 | \$ - | \$ 717,480 | \$ 82,923 | \$ 7,696,178 |
| Investments | 234,113 | - | 301,846 | 566,191 | 782 | 399,320 | - | 2,404,454 | - | - | 3,906,706 |
| Receivables: | | | | | | | | | | | |
| Taxes | 315,295 | - | - | - | - | 568,343 | - | - | - | - | 883,638 |
| Accounts | - | - | - | 165 | - | - | 246 | - | - | - | 411 |
| Interest | 2,915 | - | 3,759 | 7,050 | 10 | 4,972 | - | 29,941 | - | - | 48,647 |
| Due from Federal Government | - | 1,029,713 | - | - | - | 452,020 | - | - | - | - | 1,481,733 |
| Due from other funds | 10,372 | 45,261 | 7,113 | 16,512 | 7 | - | 12 | 87,569 | - | 1,093 | 167,939 |
| Inventory | - | - | - | - | - | - | - | - | 110,204 | - | 110,204 |
| Restricted Assets: | | | | | | | | | | | |
| Cash and cash equivalents | - | - | - | - | - | - | - | 6,998,409 | - | - | 6,998,409 |
| Total assets | <u>\$ 1,493,564</u> | <u>\$ 3,463,608</u> | <u>\$ 850,620</u> | <u>\$ 2,111,898</u> | <u>\$ 1,352</u> | <u>\$ 2,939,601</u> | <u>\$ 1,149</u> | <u>\$ 9,520,373</u> | <u>\$ 827,684</u> | <u>\$ 84,016</u> | <u>\$ 21,293,865</u> |
| LIABILITIES AND FUND BALANCE | | | | | | | | | | | |
| Liabilities: | | | | | | | | | | | |
| Accounts payable and other accrued liabilities | \$ - | \$ 5,739 | \$ 21,467 | \$ - | \$ 1,352 | \$ 709,600 | \$ - | \$ - | \$ 649,638 | \$ 46,714 | \$ 1,434,510 |
| Payroll payable | - | 14,627 | - | - | - | 36,221 | - | - | 168,602 | 37,302 | 256,752 |
| Due to other funds | - | - | - | - | - | 728,396 | - | - | - | - | 728,396 |
| Total liabilities | <u>-</u> | <u>20,366</u> | <u>21,467</u> | <u>-</u> | <u>1,352</u> | <u>1,474,217</u> | <u>-</u> | <u>-</u> | <u>818,240</u> | <u>84,016</u> | <u>2,419,658</u> |
| Fund balance: | | | | | | | | | | | |
| Inventory | - | - | - | - | - | - | - | - | 110,204 | - | 110,204 |
| Restricted | 1,426,319 | 3,438,486 | 718,978 | 1,947,906 | - | 1,324,687 | 883 | 9,520,373 | - | - | 18,377,632 |
| Assigned | 67,245 | 4,756 | 110,175 | 163,992 | - | 140,697 | 266 | - | 9,444 | - | 496,575 |
| Unassigned | - | - | - | - | - | - | - | - | (110,204) | - | (110,204) |
| Total fund balance | <u>1,493,564</u> | <u>3,443,242</u> | <u>829,153</u> | <u>2,111,898</u> | <u>-</u> | <u>1,465,384</u> | <u>1,149</u> | <u>9,520,373</u> | <u>9,444</u> | <u>-</u> | <u>18,874,207</u> |

Total liabilities and

THE CITY OF NORMAN, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

| | 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 | YFAC Fund | Total Nonmajor Governmental Total |
|---|----------------------------|----------------------------------|----------------------|--------------------------------------|-----------------|------------------------------|------------------------------------|-------------------------|------------------|------------------|--|
| Revenues: | | | | | | | | | | | |
| Taxes | \$ 3,600,483 | \$ - | \$ - | \$ - | \$ - | \$ 3,527,400 | \$ - | \$ 15,785,200 | \$ - | \$ - | \$ 22,913,083 |
| Intergovernmental revenues | - | 1,455,871 | - | - | 18,714 | 3,473,377 | - | - | - | - | 4,947,962 |
| Charges for services | - | - | 56,528 | - | - | - | - | - | 2,293,013 | 238,209 | 2,587,750 |
| Investment earnings | 35,609 | 6,714 | 43,532 | 85,481 | 87 | 74,059 | 88 | 355,979 | 136,090 | - | 737,639 |
| Other | - | - | - | 357,322 | - | 87,853 | 5,370 | - | 209,083 | 21,874 | 681,502 |
| Total revenues | <u>3,636,092</u> | <u>1,462,585</u> | <u>100,060</u> | <u>442,803</u> | <u>18,801</u> | <u>7,162,689</u> | <u>5,458</u> | <u>16,141,179</u> | <u>2,638,186</u> | <u>260,083</u> | <u>31,867,936</u> |
| Expenditures: | | | | | | | | | | | |
| Current: | | | | | | | | | | | |
| Parks and recreation | 43,953 | - | 67,856 | - | - | - | 7,774 | - | 2,960,808 | 706,455 | 3,786,846 |
| Public service | 2,918,277 | 1,480,431 | - | - | - | - | - | - | - | - | 4,398,708 |
| Public safety | - | - | - | 674 | 32,490 | - | - | - | - | - | 33,164 |
| Public works | - | - | - | - | - | 6,443,148 | - | - | - | - | 6,443,148 |
| Capital outlay | - | - | 46,050 | - | - | 1,565,847 | - | - | 45,090 | - | 1,656,987 |
| Debt service: | | | | | | | | | | | |
| Principal retirement | 365,000 | - | - | - | - | - | - | 8,050,000 | - | - | 8,415,000 |
| Interest and fiscal charges | 63,327 | - | - | - | - | - | - | 2,963,095 | - | - | 3,026,422 |
| Total expenditures | <u>3,390,557</u> | <u>1,480,431</u> | <u>113,906</u> | <u>674</u> | <u>32,490</u> | <u>8,008,995</u> | <u>7,774</u> | <u>11,013,095</u> | <u>3,005,898</u> | <u>706,455</u> | <u>27,760,275</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>245,535</u> | <u>(17,846)</u> | <u>(13,846)</u> | <u>442,129</u> | <u>(13,689)</u> | <u>(846,306)</u> | <u>(2,316)</u> | <u>5,128,084</u> | <u>(367,712)</u> | <u>(446,372)</u> | <u>4,107,661</u> |
| Other financing sources (uses): | | | | | | | | | | | |
| Issuance of debt | - | - | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | 13,689 | 791,772 | - | 373,193 | 272,217 | 446,372 | 1,897,243 |
| Transfers out | - | (1,258,058) | - | - | - | - | - | (263,069) | - | - | (1,521,127) |
| Net other financing sources (uses) | <u>-</u> | <u>(1,258,058)</u> | <u>-</u> | <u>-</u> | <u>13,689</u> | <u>791,772</u> | <u>-</u> | <u>110,124</u> | <u>272,217</u> | <u>446,372</u> | <u>376,116</u> |
| Net change in fund balances | <u>245,535</u> | <u>(1,275,904)</u> | <u>(13,846)</u> | <u>442,129</u> | <u>-</u> | <u>(54,534)</u> | <u>(2,316)</u> | <u>5,238,208</u> | <u>(95,495)</u> | <u>-</u> | <u>4,483,777</u> |
| Fund balance - beginning | <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>-</u> | <u>14,390,430</u> |
| Fund balance - ending | <u>\$ 1,493,564</u> | <u>\$ 3,443,242</u> | <u>\$ 829,153</u> | <u>\$ 2,111,898</u> | <u>\$ -</u> | <u>\$ 1,465,384</u> | <u>\$ 1,149</u> | <u>\$ 9,520,373</u> | <u>\$ 9,444</u> | <u>\$ -</u> | <u>\$ 18,874,207</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, 2024**

| | Original Budget | Revisions | Revised Budget | Expenditures | Encum- brances | Actual | Variance- Positive (Negative) |
|--|-----------------------|-------------------|-----------------------|---------------------|-------------------|---------------------|-------------------------------------|
| REVENUES: | | | | | | | |
| Taxes: | | | | | | | |
| Hotel/motel tax | \$ 3,439,166 | \$ - | \$ 3,439,166 | | | \$ 3,183,673 | \$ (255,493) |
| Airbnb tax | - | - | - | | | 285,133 | 285,133 |
| Airbnb fees | - | - | - | | | 54,350 | 54,350 |
| Investment earnings | 2,500 | - | 2,500 | | | 28,341 | 25,841 |
| Total revenues | <u>3,441,666</u> | <u>-</u> | <u>3,441,666</u> | | | <u>3,551,497</u> | <u>109,831</u> |
| EXPENDITURES AND ENCUMBRANCES: | | | | | | | |
| Public service: | | | | | | | |
| Parks & recreation | 3,096,667 | 8,250 | 3,104,917 | \$ 1,004,230 | \$ 624 | 1,004,854 | 2,100,063 |
| Debt services | <u>429,578</u> | <u>-</u> | <u>429,578</u> | <u>\$ 428,327</u> | <u>\$ -</u> | <u>428,327</u> | <u>1,251</u> |
| Total expenditures and encumbrances | <u>3,526,245</u> | <u>8,250</u> | <u>3,534,495</u> | <u>\$ 1,432,557</u> | <u>\$ 624</u> | <u>1,433,181</u> | <u>2,101,314</u> |
| Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other uses | <u>(84,579)</u> | <u>(8,250)</u> | <u>(92,829)</u> | | | <u>2,118,316</u> | <u>2,211,145</u> |
| Fund balance, July 1, 2023 (Non-GAAP budgetary basis) | <u>(939,834)</u> | | <u>(939,834)</u> | | | <u>(939,834)</u> | <u>-</u> |
| Fund balance, June 30, 2024 (Non-GAAP budgetary basis) | <u>\$ (1,024,413)</u> | <u>\$ (8,250)</u> | <u>\$ (1,032,663)</u> | | | <u>\$ 1,178,482</u> | <u>\$ 2,211,145</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, 2024

| | Original Budget | Revisions | Revised Budget | Expenditures | Encum- brances | Actual | Variance- Positive (Negative) |
|--|---------------------|-----------------------|-------------------|---------------------|-------------------|---------------------|-------------------------------------|
| REVENUES: | | | | | | | |
| Intergovernmental: | | | | | | | |
| Community development | | | | | | | |
| block grant ("CDBG") | \$ 941,659 | \$ - | \$ 941,659 | | | \$ 776,796 | \$ (164,863) |
| CDBG - CV2 grant | - | - | - | | | 133,426 | 133,426 |
| Home grant | 458,765 | - | 458,765 | | | 613,998 | 155,233 |
| Interest | - | - | - | | | 6,713 | 6,713 |
| Total revenues | <u>1,400,424</u> | <u>-</u> | <u>1,400,424</u> | | | <u>1,530,933</u> | <u>130,509</u> |
| EXPENDITURES AND ENCUMBRANCES: | | | | | | | |
| Public service: | | | | | | | |
| Community development | 327,850 | 478,652 | 806,502 | \$ 423,941 | \$ - | 423,941 | 382,561 |
| CDBG housing | 419,689 | 213,261 | 632,950 | 616,051 | - | 616,051 | 16,899 |
| CDBG public service | 194,120 | 66,772 | 260,892 | 129,128 | 6,598 | 135,726 | 125,166 |
| CDBG-CV | - | 137,801 | 137,801 | 73,701 | - | 73,701 | 64,100 |
| CDBG-CV2 | - | 136,223 | 136,223 | 108,838 | - | 108,838 | 27,385 |
| Home grants | 458,765 | 896,685 | 1,355,450 | 98,807 | - | 98,807 | 1,256,643 |
| Home ARPA grants | - | 1,560,908 | 1,560,908 | 3,500 | - | 3,500 | 1,557,408 |
| Total expenditures and encumbrances | <u>1,400,424</u> | <u>3,490,302</u> | <u>4,890,726</u> | <u>\$ 1,453,966</u> | <u>\$ 6,598</u> | <u>1,460,564</u> | <u>3,430,162</u> |
| Excess (deficiency) of revenues over (under) expenditures and encumbrances | - | (3,490,302) | (3,490,302) | | | 70,369 | 3,560,671 |
| OTHER FINANCING SOURCES (USES): | | | | | | | |
| Operating transfers in: | | | | | | | |
| Capital Fund | - | - | - | | | - | - |
| Operating transfers out: | | | | | | | |
| Capital Fund | - | - | - | | | (1,258,058) | (1,258,058) |
| Excess (deficiency) of revenues over (under) expenditures, encumbrances and other uses | - | (3,490,302) | (3,490,302) | | | (1,187,689) | 2,302,613 |
| Fund balance (deficit), | | | | | | | |
| July 1, 2023 (Non-GAAP budgetary basis) | <u>3,609,247</u> | <u>-</u> | <u>3,609,247</u> | | | <u>3,609,247</u> | <u>-</u> |
| Fund balance (deficit), | | | | | | | |
| June 30, 2024 (Non-GAAP budgetary basis) | <u>\$ 3,609,247</u> | <u>\$ (3,490,302)</u> | <u>\$ 118,945</u> | | | <u>\$ 2,421,558</u> | <u>\$ 2,302,613</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, 2024

| | Original Budget | Revisions | Revised Budget | Expenditures | Encum- brances | Actual | Variance- Positive (Negative) |
|--|--------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------------------------|
| REVENUES: | | | | | | | |
| Investment earnings | \$ 10,000 | \$ - | \$ 10,000 | | | \$ 34,377 | \$ 24,377 |
| Charges for services | <u>85,000</u> | <u>-</u> | <u>85,000</u> | | | <u>56,528</u> | <u>(28,472)</u> |
| Total revenues | <u>95,000</u> | <u>-</u> | <u>95,000</u> | | | <u>90,905</u> | <u>(4,095)</u> |
| EXPENDITURES AND ENCUMBRANCES: | | | | | | | |
| Parks and recreation | <u>300,000</u> | <u>426,764</u> | <u>726,764</u> | <u>\$ 112,706</u> | <u>\$ 4,910</u> | <u>117,616</u> | <u>609,148</u> |
| Total expenditures and encumbrances | <u>300,000</u> | <u>426,764</u> | <u>726,764</u> | <u>\$ 112,706</u> | <u>\$ 4,910</u> | <u>117,616</u> | <u>609,148</u> |
| Excess (deficiency) of revenues over (under) expenditures and encumbrances | (205,000) | (426,764) | (631,764) | | | (26,711) | 605,053 |
| 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>(205,000)</u> | <u>(426,764)</u> | <u>(631,764)</u> | | | <u>(26,711)</u> | <u>605,053</u> |
| Fund balance, July 1, 2023 (Non-GAAP budgetary basis) | <u>852,082</u> | <u>-</u> | <u>852,082</u> | | | <u>852,082</u> | <u>-</u> |
| Fund balance, June 30, 2024 (Non-GAAP budgetary basis) | <u>\$ 647,082</u> | <u>\$ (426,764)</u> | <u>\$ 220,318</u> | | | <u>\$ 825,371</u> | <u>\$ 605,053</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, 2024

| | Original Budget | Revisions | Revised Budget | Expenditures | Encum- brances | Actual | Variance- Positive (Negative) |
|---|--------------------|---------------|--------------------|---------------|---------------------|--------------------|-------------------------------------|
| REVENUES: | | | | | | | |
| Intergovernmental: | | | | | | | |
| State Seizure/Restitution | \$ - | \$ - | \$ - | | | \$ 288,413 | \$ 288,413 |
| Federal Seizure/Restitution | - | - | - | | | 68,909 | 68,909 |
| Investment earnings | 500 | - | 500 | | | 70,227 | 69,727 |
| Miscellaneous income | - | - | - | | | - | - |
| Total revenues | <u>500</u> | <u>-</u> | <u>500</u> | | | <u>427,549</u> | <u>427,049</u> |
| EXPENDITURES AND ENCUMBRANCES: | | | | | | | |
| Public Safety: | | | | | | | |
| State seizures | 1,254,780 | (82,800) | 1,171,980 | \$ - | \$ 1,171,979 | 1,171,979 | 1 |
| Federal seizures | <u>207,000</u> | <u>82,800</u> | <u>289,800</u> | <u>674</u> | <u>289,237</u> | <u>289,911</u> | <u>(111)</u> |
| Total expenditures and encumbrances | <u>1,461,780</u> | <u>-</u> | <u>1,461,780</u> | <u>\$ 674</u> | <u>\$ 1,461,216</u> | <u>1,461,890</u> | <u>(110)</u> |
| Excess (deficiency) of revenues over (under) expenditures and encumbrances | <u>(1,461,280)</u> | <u>-</u> | <u>(1,461,280)</u> | | | <u>(1,034,341)</u> | <u>426,939</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | | |
| Transfers in: | | | | | | | |
| General Fund | - | - | - | | | - | - |
| Net other financing sources | <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>(1,461,280)</u> | <u>-</u> | <u>(1,461,280)</u> | | | <u>(1,034,341)</u> | <u>426,939</u> |
| Fund balance, July 1, 2023 (Non-GAAP budgetary basis) | <u>1,686,975</u> | <u>-</u> | <u>1,686,975</u> | | | <u>1,686,975</u> | <u>-</u> |
| Fund balance, June 30, 2024 (Non-GAAP budgetary basis) | <u>\$ 225,695</u> | <u>\$ -</u> | <u>\$ 225,695</u> | | | <u>\$ 652,634</u> | <u>\$ 426,939</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, 2024**

| | Original Budget | Revisions | Revised Budget | Expenditures | Encum- brances | Actual | Variance- Positive (Negative) |
|--|--------------------|-----------------|--------------------|------------------|-------------------|-------------------|-------------------------------------|
| REVENUES: | | | | | | | |
| Fines and forfeitures: | | | | | | | |
| Cleet training revenue | \$ 32,000 | \$ - | \$ 32,000 | | | \$ 18,714 | \$ (13,286) |
| Investment earnings | - | - | - | | | 87 | 87 |
| Miscellaneous revenue | - | - | - | | | - | - |
| | <u>32,000</u> | <u>-</u> | <u>32,000</u> | | | <u>18,801</u> | <u>(13,199)</u> |
| Total revenues | <u>32,000</u> | <u>-</u> | <u>32,000</u> | | | <u>18,801</u> | <u>(13,199)</u> |
| EXPENDITURES AND ENCUMBRANCES: | | | | | | | |
| Public Safety: | | | | | | | |
| Court Cleet Training | 1,500 | - | 1,500 | \$ 1,176 | \$ - | 1,176 | 324 |
| Police Cleet Training | <u>29,005</u> | <u>12,066</u> | <u>41,071</u> | <u>19,248</u> | <u>9,751</u> | <u>28,999</u> | <u>12,072</u> |
| Total expenditures and encumbrances | <u>30,505</u> | <u>12,066</u> | <u>42,571</u> | <u>\$ 20,424</u> | <u>\$ 9,751</u> | <u>30,175</u> | <u>12,396</u> |
| Excess (deficiency) of revenues over (under) expenditures and encumbrances | 1,495 | (12,066) | (10,571) | | | (11,374) | (803) |
| OTHER FINANCING USES: | | | | | | | |
| Transfers in | - | - | - | | | 13,689 | 13,689 |
| Excess (deficiency) of revenue and other sources over (under) expenditures, | <u>1,495</u> | <u>(12,066)</u> | <u>(10,571)</u> | | | <u>2,315</u> | <u>12,886</u> |
| Fund balance, July 1, 2023 (Non-GAAP budgetary basis) | <u>(12,067)</u> | <u>-</u> | <u>(12,067)</u> | | | <u>(12,067)</u> | <u>-</u> |
| Fund balance, June 30, 2024 (Non-GAAP budgetary basis) | <u>\$ (10,572)</u> | <u>#####</u> | <u>\$ (22,638)</u> | | | <u>\$ (9,752)</u> | <u>\$ 12,886</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, 2024

| | Original Budget | Revisions | Revised Budget | Expenditures | Encum- brances | Actual | Variance- Positive (Negative) |
|---|--------------------|------------------|-------------------|---------------------|-------------------|------------------|-------------------------------------|
| REVENUES: | | | | | | | |
| Sales taxes | \$ 3,168,818 | \$ - | \$ 3,168,818 | | | \$ 2,999,979 | \$ (168,839) |
| Use taxes | 472,633 | - | 472,633 | | | 529,681 | 57,048 |
| Investment earnings | - | - | - | | | 59,581 | 59,581 |
| Grant revenue | 2,510,933 | 207,400 | 2,718,333 | | | 3,457,522 | 739,189 |
| Miscellaneous income | 62,000 | - | 62,000 | | | 141,688 | 79,688 |
| Total revenues | 6,214,384 | 207,400 | 6,421,784 | | | 7,188,451 | 766,667 |
| EXPENDITURES AND ENCUMBRANCES: | | | | | | | |
| Public Works: | | | | | | | |
| Fleet repair | 1,899,459 | 1,614,331 | 3,513,790 | \$ 1,073,948 | \$ 424,195 | 1,498,143 | 2,015,647 |
| Transit & parking admin | 4,894,730 | 993,367 | 5,888,097 | 4,565,203 | 480,224 | 5,045,427 | 842,670 |
| Transit & parking services | 35,890 | 12,819 | 48,709 | 44,328 | 4,375 | 48,703 | 6 |
| Capital projects | - | - | - | - | - | - | - |
| Total expenditures and encumbrances | 6,830,079 | 2,620,517 | 9,450,596 | \$ 5,683,479 | \$ 908,794 | 6,592,273 | 2,858,323 |
| Excess (deficiency) of revenues over (under) expenditures and encumbrances | (615,695) | (2,413,117) | (3,028,812) | | | 596,178 | 3,624,990 |
| OTHER FINANCING SOURCES (USES): | | | | | | | |
| Transfers in: | | | | | | | |
| General fund | 615,694 | 176,078 | 791,772 | | | 791,772 | - |
| Capital fund | - | - | - | | | - | - |
| Transfers out: | | | | | | | |
| Capital fund | - | - | - | | | - | - |
| Net other financing sources | 615,694 | 176,078 | 791,772 | | | 791,772 | - |
| Excess (deficiency) of revenues over (under) expenditures and encumbrances and other financing sources (uses) | (1) | (2,237,039) | (2,237,040) | | | 1,387,950 | 3,624,990 |
| Fund balance, July 1, 2023 (Non-GAAP budgetary basis) | (1,814,805) | - | (1,814,805) | | | (1,814,805) | - |
| Fund balance, June 30, 2024 (Non-GAAP budgetary basis) | \$ (1,814,806) | \$ (2,237,039) | \$ (4,051,845) | | | \$ (426,855) | \$ 3,624,990 |

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, 2024

| | Original Budget | Revisions | Revised Budget | Expenditures | Encum- brances | Actual | Variance- Positive (Negative) |
|---|--------------------|-------------|-------------------|-----------------|-------------------|-----------------|-------------------------------------|
| REVENUES: | | | | | | | |
| Other revenue | \$ 16,000 | \$ - | \$ 16,000 | | | \$ 5,458 | \$ (10,542) |
| Total revenues | <u>16,000</u> | <u>-</u> | <u>16,000</u> | | | <u>5,458</u> | <u>(10,542)</u> |
| EXPENDITURES AND ENCUMBRANCES: | | | | | | | |
| Parks & recreation | | | | | | | |
| Donation | <u>16,000</u> | <u>-</u> | <u>16,000</u> | \$ 7,774 | \$ - | <u>7,774</u> | <u>8,226</u> |
| Total expenditures and encumbrances | <u>16,000</u> | <u>-</u> | <u>16,000</u> | <u>\$ 7,774</u> | <u>\$ -</u> | <u>7,774</u> | <u>8,226</u> |
| Excess (deficiency) of revenues over (under) expenditures and encumbrances and other financing sources (uses) | - | - | - | | | (2,316) | (2,316) |
| Fund balance, July 1, 2023 (Non-GAAP budgetary basis) | <u>3,465</u> | <u>-</u> | <u>3,465</u> | | | <u>3,465</u> | <u>-</u> |
| Fund balance, June 30, 2024 (Non-GAAP budgetary basis) | <u>\$ 3,465</u> | <u>\$ -</u> | <u>\$ 3,465</u> | | | <u>\$ 1,149</u> | <u>\$ (2,316)</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, 2024

| | Original Budget | Revisions | Revised Budget | Expenditures | Encum- brances | Actual | Variance- Positive (Negative) |
|---|---------------------|-------------|---------------------|----------------------|-------------------|---------------------|-------------------------------------|
| REVENUES: | | | | | | | |
| Taxes: | | | | | | | |
| Property tax | \$ 10,174,096 | \$ - | \$ 10,174,096 | | | \$ 15,785,200 | \$ 5,611,104 |
| Sales tax | <u>-</u> | <u>-</u> | <u>-</u> | | | <u>-</u> | <u>-</u> |
| Total taxes | 10,174,096 | - | 10,174,096 | | | 15,785,200 | 5,611,104 |
| Investment earnings | <u>25,000</u> | <u>-</u> | <u>25,000</u> | | | <u>277,720</u> | <u>252,720</u> |
| Total revenues | <u>10,199,096</u> | <u>-</u> | <u>10,199,096</u> | | | <u>16,062,920</u> | <u>5,863,824</u> |
| EXPENDITURES AND ENCUMBRANCES: | | | | | | | |
| Debt service: | | | | | | | |
| Principal | 8,050,000 | - | 8,050,000 | \$ 8,050,000 | \$ - | 8,050,000 | - |
| Interest and fiscal charges | <u>2,961,346</u> | <u>-</u> | <u>2,961,346</u> | <u>2,963,095</u> | <u>-</u> | <u>2,963,095</u> | <u>(1,749)</u> |
| Total expenditures and encumbrances | <u>11,011,346</u> | <u>-</u> | <u>11,011,346</u> | <u>\$ 11,013,095</u> | <u>\$ -</u> | <u>11,013,095</u> | <u>(1,749)</u> |
| Excess (deficiency) of revenues over (under) expenditures and encumbrances | <u>(812,250)</u> | <u>-</u> | <u>(812,250)</u> | | | <u>5,049,825</u> | <u>5,862,075</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | | |
| Transfers in: | | | | | | | |
| Insurance fund | - | - | - | | | 373,193 | 373,193 |
| Transfers out: | | | | | | | |
| Insurance fund | <u>(500,000)</u> | <u>-</u> | <u>(500,000)</u> | | | <u>(263,069)</u> | <u>236,931</u> |
| Net other financing sources (uses) | <u>(500,000)</u> | <u>-</u> | <u>(500,000)</u> | | | <u>110,124</u> | <u>236,931</u> |
| Excess (deficiency) of revenues and other sources over (under) expenditures, encumbrances and other sources (uses) | <u>(1,312,250)</u> | <u>-</u> | <u>(1,312,250)</u> | | | <u>5,159,949</u> | <u>6,472,199</u> |
| Fund balance, July 1, 2023 (Non-GAAP budgetary basis) | <u>4,369,409</u> | <u>-</u> | <u>4,369,409</u> | | | <u>4,369,409</u> | <u>-</u> |
| Fund balance, June 30, 2024 (Non-GAAP budgetary basis) | <u>\$ 3,057,159</u> | <u>\$ -</u> | <u>\$ 3,057,159</u> | | | <u>\$ 9,529,358</u> | <u>\$ 6,472,199</u> |

THE CITY OF NORMAN, OKLAHOMA

CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2024

| | Original Budget | Revisions | Revised Budget | Expenditures | Encum- brances | Actual | Variance- Positive (Negative) |
|---|----------------------|------------------------|---------------------|----------------------|---------------------|----------------------|-------------------------------------|
| REVENUES: | | | | | | | |
| Taxes: | | | | | | | |
| Sales tax | \$ 17,169,150 | \$ - | \$ 17,169,150 | | | \$ 16,799,878 | \$ (369,272) |
| Property tax - Center Cty TIF | 1,470,414 | - | 1,470,414 | | | 1,254,780 | (215,634) |
| Special assessment | 200,000 | - | 200,000 | | | 3,651 | (196,349) |
| Investment earnings | 726,000 | - | 726,000 | | | 3,226,332 | 2,500,332 |
| Miscellaneous | - | - | - | | | 128,497 | 128,497 |
| Total revenues | <u>19,565,564</u> | <u>-</u> | <u>19,565,564</u> | | | <u>21,413,138</u> | <u>1,847,574</u> |
| EXPENDITURES AND ENCUMBRANCES: | | | | | | | |
| Personnel costs | 1,418,610 | (66,619) | 1,351,991 | \$ 1,358,686 | \$ - | 1,358,686 | (6,695) |
| Services and maintenance | 164,755 | 423,598 | 588,353 | 208,327 | 102,043 | 310,370 | 277,983 |
| Cost allocation charges | 378 | - | 378 | 378 | - | 378 | - |
| Capital projects | 22,514,475 | 54,872,537 | 77,387,012 | 18,165,635 | 6,340,530 | 24,506,165 | 52,880,847 |
| Capital projects - Center City | - | 218,000 | 218,000 | 29,820 | 188,780 | 218,600 | (600) |
| Capital projects - | | | | | | | |
| UNP TIF | - | 5,021,918 | 5,021,918 | 64,986 | - | 64,986 | 4,956,932 |
| Debt service | - | 124,071 | 124,071 | 124,070 | - | 124,070 | 1 |
| Total expenditures and encumbrances | <u>24,098,218</u> | <u>60,593,505</u> | <u>84,691,723</u> | <u>\$ 19,951,902</u> | <u>\$ 6,631,353</u> | <u>26,583,255</u> | <u>58,108,468</u> |
| Excess (deficiency) of revenues over (under) expenditures and encumbrances | <u>(4,532,654)</u> | <u>(60,593,505)</u> | <u>(65,126,159)</u> | | | <u>(5,170,117)</u> | <u>59,956,042</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | | |
| Transfers Out: | | | | | | | |
| General fund | (4,720,756) | (4,734,845) | (9,455,601) | | | (9,402,319) | 53,282 |
| Westwood fund | (75,897) | - | (75,897) | | | (129,179) | (53,282) |
| Special grants fund | - | (2,991,594) | (2,991,594) | | | (2,991,594) | - |
| Transfers In: | | | | | | | |
| General fund | 1,391,635 | 405,000 | 1,796,635 | | | 405,000 | (1,391,635) |
| Special grants fund | - | - | - | | | 2,655,572 | 2,655,572 |
| Community development fund | - | - | - | | | 1,258,058 | 1,258,058 |
| Debt proceeds | - | - | - | | | 16,486,552 | 16,486,552 |
| Net other financing sources (uses) | <u>(3,405,018)</u> | <u>(7,321,439)</u> | <u>(10,726,457)</u> | | | <u>8,282,090</u> | <u>19,008,547</u> |
| Excess (deficiency) of revenues over expenditures and encumbrances and other sources (uses) | <u>(7,937,672)</u> | <u>(67,914,944)</u> | <u>(75,852,616)</u> | | | <u>3,111,973</u> | <u>78,964,589</u> |
| Fund balance, July 1, 2023 (Non-GAAP budgetary basis) | | | | | | | |
| | <u>84,813,420</u> | <u>-</u> | <u>84,813,420</u> | | | <u>84,813,420</u> | <u>-</u> |
| Fund balance, June 30, 2024 (Non-GAAP budgetary basis) | | | | | | | |
| | <u>\$ 76,875,748</u> | <u>\$ (67,914,944)</u> | <u>\$ 8,960,804</u> | | | <u>\$ 87,925,393</u> | <u>\$ 78,964,589</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, 2024

| | Original Budget | Revisions | Revised Budget | Expenditures | Encum- brances | Actual | Variance- Positive (Negative) |
|---|---------------------|------------------------|------------------------|----------------------|-------------------|---------------------|-------------------------------------|
| REVENUES: | | | | | | | |
| Taxes: | | | | | | | |
| Sales tax | \$ 12,675,272 | \$ - | \$ 12,675,272 | | | \$ 11,999,913 | \$ (675,359) |
| Use tax | 1,890,533 | - | 1,890,533 | | | 2,118,725 | 228,192 |
| Investment earnings | 15,000 | - | 15,000 | | | 494,362 | 479,362 |
| Miscellaneous | 2,678,295 | - | 2,678,295 | | | 2,391,501 | (286,794) |
| Total revenues | <u>17,259,100</u> | <u>-</u> | <u>17,259,100</u> | | | <u>17,004,501</u> | <u>(254,599)</u> |
| EXPENDITURES AND ENCUMBRANCES: | | | | | | | |
| Services and maintenance | - | 76,629 | 76,629 | \$ (1,760) | \$ - | (1,760) | 78,389 |
| Capital projects | 5,042,767 | 19,162,022 | 24,204,789 | 4,309,994 | 596,932 | 4,906,926 | 19,297,863 |
| Debt service | 9,598,911 | 3,051 | 9,601,962 | 9,601,961 | - | 9,601,961 | 1 |
| Total expenditures and encumbrances | <u>14,641,678</u> | <u>19,241,702</u> | <u>33,883,380</u> | <u>\$ 13,910,195</u> | <u>\$ 596,932</u> | <u>14,507,127</u> | <u>19,376,253</u> |
| Excess (deficiency) of revenues over (under) expenditures and encumbrances | <u>2,617,422</u> | <u>(19,241,702)</u> | <u>(16,624,280)</u> | | | <u>2,497,374</u> | <u>19,121,654</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | | |
| Transfers Out: | | | | | | | |
| General fund | (377,998) | - | (377,998) | | | (377,998) | - |
| Westwood fund | (35,000) | - | (35,000) | | | (35,000) | - |
| Transfers In: | | | | | | | |
| General fund | - | - | - | | | - | - |
| Net other financing sources (uses) | <u>(412,998)</u> | <u>-</u> | <u>(412,998)</u> | | | <u>(412,998)</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures and encumbrances and other sources (uses) | <u>2,204,424</u> | <u>(19,241,702)</u> | <u>(17,037,278)</u> | | | <u>2,084,376</u> | <u>19,121,654</u> |
| Fund balance, July 1, 2023 (Non-GAAP budgetary basis) | <u>2,236,083</u> | <u>-</u> | <u>2,236,083</u> | | | <u>2,236,083</u> | <u>-</u> |
| Fund balance, June 30, 2024 (Non-GAAP budgetary basis) | <u>\$ 4,440,507</u> | <u>\$ (19,241,702)</u> | <u>\$ (14,801,195)</u> | | | <u>\$ 4,320,459</u> | <u>\$ 19,121,654</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, 2024

| | Original Budget | Revisions | Revised Budget | Expenditures | Encum- brances | Actual | Variance- Positive (Negative) |
|---|--------------------|---------------------|--------------------|---------------------|-------------------|-------------------|-------------------------------------|
| REVENUES: | | | | | | | |
| Pool charges | \$ 852,581 | \$ - | \$ 852,581 | | | \$ 897,029 | \$ 44,448 |
| Golf charges | 1,166,700 | - | 1,166,700 | | | 1,080,813 | (85,887) |
| Concessions pool charges | 205,000 | - | 205,000 | | | 216,889 | 11,889 |
| Concessions restaurant charges | 130,348 | - | 130,348 | | | 98,283 | (32,065) |
| Investment earnings | 7,500 | - | 7,500 | | | 136,090 | 128,590 |
| Miscellaneous | 200,000 | - | 200,000 | | | 209,082 | 9,082 |
| Total revenues | <u>2,562,129</u> | <u>-</u> | <u>2,562,129</u> | | | <u>2,638,186</u> | <u>76,057</u> |
| EXPENDITURES AND ENCUMBRANCES: | | | | | | | |
| Concessions | 346,390 | (6,567) | 339,823 | \$ 337,825 | \$ 12,449 | 350,274 | (10,451) |
| Swimming pool | 883,163 | 338,524 | 1,221,687 | 1,216,718 | 14,642 | 1,231,360 | (9,673) |
| Golf maintenance | 945,846 | (71,600) | 874,246 | 859,148 | 13 | 859,161 | 15,085 |
| Golf course | 507,183 | 64,395 | 571,578 | 565,977 | - | 565,977 | 5,601 |
| Capital projects | - | 57,765 | 57,765 | 7,859 | - | 7,859 | 49,906 |
| Total expenditures and encumbrances | <u>2,682,582</u> | <u>382,517</u> | <u>3,065,099</u> | <u>\$ 2,987,527</u> | <u>\$ 27,104</u> | <u>3,014,631</u> | <u>50,468</u> |
| Excess (deficiency) of revenues over (under) expenditures and encumbrances | <u>(120,453)</u> | <u>(382,517)</u> | <u>(502,970)</u> | | | <u>(376,445)</u> | <u>126,525</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | | |
| Transfers In: | | | | | | | |
| General fund | 93,392 | - | 93,392 | | | 108,038 | 14,646 |
| Capital fund | 75,897 | - | 75,897 | | | 129,179 | 53,282 |
| Norman Forward fund | 35,000 | - | 35,000 | | | 35,000 | - |
| Transfers OU: | | | | | | | |
| Room Tax fund | - | - | - | | | - | - |
| Net other financing sources (uses) | <u>204,289</u> | <u>-</u> | <u>204,289</u> | | | <u>272,217</u> | <u>67,928</u> |
| Excess (deficiency) of revenues over expenditures and encumbrances and other sources (uses) | 83,836 | (382,517) | (298,681) | | | (104,228) | 194,453 |
| Fund balance, July 1, 2023 (Non-GAAP budgetary basis) | <u>255,171</u> | <u>-</u> | <u>255,171</u> | | | <u>255,171</u> | <u>-</u> |
| Fund balance, June 30, 2024 (Non-GAAP budgetary basis) | <u>\$ 339,007</u> | <u>\$ (382,517)</u> | <u>\$ (43,510)</u> | | | <u>\$ 150,943</u> | <u>\$ 194,453</u> |

THE CITY OF NORMAN, OKLAHOMA

YOUNG FAMILY ATHLETIC CENTER (YFAC) FUND SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2024

| | Original Budget | Revisions | Revised Budget | Expenditures | Encum- brances | Actual | Variance- Positive (Negative) |
|---|--------------------|------------|-------------------|--------------|-------------------|-----------|-------------------------------------|
| REVENUES: | | | | | | | |
| Fees - membership/leagues | \$ - | \$ 259,875 | \$ 259,875 | | | \$ 46,745 | \$ (213,130) |
| Fees - passes | - | 60,682 | 60,682 | | | 4,401 | (56,281) |
| Fees - classes/camps | - | 88,957 | 88,957 | | | - | (88,957) |
| Fees - rental | - | 175,002 | 175,002 | | | 29,292 | (145,710) |
| Fees - tournament | - | 204,167 | 204,167 | | | 157,772 | (46,395) |
| Miscellaneous | - | 184,385 | 184,385 | | | 21,873 | (162,512) |
| Total revenues | - | 973,068 | 973,068 | | | 260,083 | (712,985) |
| EXPENDITURES AND ENCUMBRANCES: | | | | | | | |
| Administration | - | 509,610 | 509,610 | \$ 479,445 | \$ 12,787 | 492,232 | 17,378 |
| Gym | - | 174,797 | 174,797 | 83,020 | - | 83,020 | 91,777 |
| Swimming pool | - | 288,660 | 288,660 | 106,689 | 128 | 106,817 | 181,843 |
| Total expenditures and encumbrances | - | 973,067 | 973,067 | \$ 669,154 | \$ 12,915 | 682,069 | 290,998 |
| Excess (deficiency) of revenues over (under) expenditures and encumbrances | - | 1 | 1 | | | (421,986) | (421,987) |
| OTHER FINANCING SOURCES (USES): | | | | | | | |
| Transfers In: | | | | | | | |
| General fund | - | - | - | | | 446,372 | 446,372 |
| Transfers OU: | | | | | | | |
| General fund | - | - | - | | | - | - |
| Net other financing sources (uses) | - | - | - | | | 446,372 | 446,372 |
| Excess (deficiency) of revenues over expenditures and encumbrances and other sources (uses) | - | 1 | 1 | | | 24,386 | 24,385 |
| Fund balance, July 1, 2023 (Non-GAAP budgetary basis) | - | - | - | | | - | - |
| Fund balance, June 30, 2024 (Non-GAAP budgetary basis) | \$ - | \$ 1 | \$ 1 | | | \$ 24,386 | \$ 24,385 |

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, 2024, are as follows:

| | Special Revenue Funds | Debt Service Fund | Capital Projects Fund | Norman Forward Fund |
|---|--------------------------------------|----------------------------------|--------------------------------------|------------------------------------|
| Fund balances, June 30, 2024 (Non-GAAP budgetary basis) | \$14,347,274 | \$ 9,529,358 | \$ 87,925,393 | \$ 4,320,459 |
| Current year encumbrances included in expenditures | 2,431,911 | - | 6,631,352 | 596,932 |
| Prior year encumbrances outstanding | 834 | - | 2,516,074 | 3,207,797 |
| Current year revenue accrual | 2,350,939 | (8,985) | 2,679,974 | 2,266,084 |
| Current year expenditure accrual | <u>(256,751)</u> | <u>0</u> | <u>(197,897)</u> | <u>(2,300,205)</u> |
| GAAP basis fund balances, June 30, 2023 | <u>\$18,874,207</u> | <u>\$ 9,520,373</u> | <u>\$ 99,554,896</u> | <u>\$ 8,091,067</u> |
| | | | | |
| Budgetary basis revenues | \$31,774,783 | \$16,062,920 | \$ 21,413,138 | \$17,004,501 |
| Current year revenue accrual | 2,350,939 | (8,985) | 2,679,974 | 2,266,084 |
| Prior year revenue accrual | <u>(2,257,786)</u> | <u>87,244</u> | <u>(2,420,666)</u> | <u>(2,047,706)</u> |
| GAAP basis revenues | <u>\$31,867,936</u> | <u>\$16,141,179</u> | <u>\$ 21,672,446</u> | <u>\$17,222,879</u> |
| | | | | |
| Budgetary basis expenditures | \$25,813,268 | \$11,013,095 | \$ 26,583,255 | \$14,507,127 |
| Current year encumbrances included in expenditures | (2,431,911) | - | (6,631,352) | (596,932) |
| Prior year encumbrances paid | 4,335,081 | - | 13,080,227 | 12,879,682 |
| Current year expenditure accrual | 256,751 | - | 197,897 | 2,300,205 |
| Prior year expenditure accrual | <u>(212,914)</u> | <u>-</u> | <u>(570,177)</u> | <u>(1,950,008)</u> |
| GAAP basis expenditures | <u>\$27,760,275</u> | <u>\$11,013,095</u> | <u>\$ 32,659,850</u> | <u>\$27,140,074</u> |

THE CITY OF NORMAN, OKLAHOMA
COMBINING STATEMENT OF NET POSITION
ENTERPRISE FUND - NORMAN UTILITIES AUTHORITY
JUNE 30, 2024

| ASSETS | Water | Wastewater | Total |
|---|-----------------------|-----------------------|-----------------------|
| Current assets: | | | |
| Cash and cash equivalents | \$ 24,056,313 | \$ 14,462,119 | \$ 38,518,432 |
| Restricted cash and cash equivalents | 6,562,127 | 1,544,795 | 8,106,922 |
| Investments | 12,795,713 | 9,993,249 | 22,788,962 |
| Receivables: | | | |
| Accounts, net of allowance for estimated uncollectible accounts | 4,131,946 | 2,024,011 | 6,155,957 |
| Interest | 159,861 | 124,437 | 284,298 |
| Leases receivable | 155,363 | - | 155,363 |
| Due from other funds | 331,621 | 235,608 | 567,229 |
| Total current assets | <u>48,192,944</u> | <u>28,384,219</u> | <u>76,577,163</u> |
| Noncurrent assets: | | | |
| Restricted cash and cash equivalents | - | 2,982,039 | 2,982,039 |
| Leases receivable | 115,903 | - | 115,903 |
| Capital assets, net | 151,183,708 | 120,755,771 | 271,939,479 |
| Leases asset, net | 759,595 | - | 759,595 |
| Total noncurrent assets | <u>152,059,206</u> | <u>123,737,810</u> | <u>275,797,016</u> |
| Total assets | <u>200,252,150</u> | <u>152,122,029</u> | <u>352,374,179</u> |
| DEFERRED OUTFLOW OF RESOURCES | | | |
| Deferred charge on refunding | 267,705 | - | 267,705 |
| Total deferred outflows of resources | <u>267,705</u> | <u>-</u> | <u>267,705</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | 2,777,765 | 620,091 | 3,397,856 |
| Payroll payable | 228,040 | 123,821 | 351,861 |
| Accrued interest payable | 360,260 | 104,756 | 465,016 |
| Retainage payable | 313,772 | - | 313,772 |
| Guaranty deposits | 825,996 | 427,965 | 1,253,961 |
| Leases payable | 53,987 | - | 53,987 |
| Notes payable | 3,876,925 | 3,825,393 | 7,702,318 |
| Compensated absences | 35,431 | 24,034 | 59,465 |
| Total current liabilities | <u>8,472,176</u> | <u>5,126,060</u> | <u>13,598,236</u> |
| Noncurrent liabilities: | | | |
| Notes payable, net | 38,682,479 | 11,215,675 | 49,898,154 |
| Leases payable | 747,413 | - | 747,413 |
| Compensated absences | 471,942 | 320,137 | 792,079 |
| Total noncurrent liabilities | <u>39,901,834</u> | <u>11,535,812</u> | <u>51,437,646</u> |
| Total liabilities | <u>48,374,010</u> | <u>16,661,872</u> | <u>65,035,882</u> |
| DEFERRED INFLOW OF RESOURCES | | | |
| Deferred inflows from leases | 251,784 | - | 251,784 |
| Total deferred outflows of resources | <u>251,784</u> | <u>-</u> | <u>251,784</u> |
| NET POSITION | | | |
| Net invested in capital assets | 112,930,266 | 105,714,703 | 218,644,969 |
| Restricted for debt service | 1,167,155 | 3,994,113 | 5,161,268 |
| Restricted for capital projects | - | 2,982,040 | 2,982,040 |
| Unrestricted | 37,796,640 | 22,769,301 | 60,565,941 |
| Total net position | <u>\$ 151,894,061</u> | <u>\$ 135,460,157</u> | <u>\$ 287,354,218</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, 2024

| | Water | Wastewater | Total |
|--|-----------------------|-----------------------|-----------------------|
| Operating revenues: | | | |
| Water service, net | \$ 30,837,332 | \$ - | \$ 30,837,332 |
| Wastewater service, net | - | 15,742,616 | 15,742,616 |
| Other | <u>290,783</u> | <u>54,968</u> | <u>345,751</u> |
| Total operating revenues | <u>31,128,115</u> | <u>15,797,584</u> | <u>46,925,699</u> |
| Operating expenses: | | | |
| Salaries and benefits | 5,361,825 | 3,842,308 | 9,204,133 |
| Supplies and materials | 3,577,455 | 744,436 | 4,321,891 |
| Services and maintenance | 8,747,938 | 5,999,225 | 14,747,163 |
| Depreciation and amortization | <u>7,569,421</u> | <u>9,209,418</u> | <u>16,778,839</u> |
| Total operating expenses | <u>25,256,639</u> | <u>19,795,387</u> | <u>45,052,026</u> |
| Operating income | <u>5,871,476</u> | <u>(3,997,803)</u> | <u>1,873,673</u> |
| Nonoperating revenues (expenses): | | | |
| Tax revenue | - | 1,115,765 | 1,115,765 |
| Investment earnings | 2,100,130 | 1,498,686 | 3,598,816 |
| Interest and fiscal charges | (1,818,594) | (466,546) | (2,285,140) |
| Miscellaneous income (expense) | <u>218,429</u> | <u>213,097</u> | <u>431,526</u> |
| Net nonoperating revenues (expenses) | <u>499,965</u> | <u>2,361,002</u> | <u>2,860,967</u> |
| Income before capital contributions and operating transfers | <u>6,371,441</u> | <u>(1,636,801)</u> | <u>4,734,640</u> |
| Capital contributions - donated water and sewer distribution systems | 1,920,078 | 3,438,498 | 5,358,576 |
| Transfers in | 33,500 | - | 33,500 |
| Transfers out | <u>(1,431,427)</u> | <u>(627,823)</u> | <u>(2,059,250)</u> |
| Net capital contributions and transfers | <u>522,151</u> | <u>2,810,675</u> | <u>3,332,826</u> |
| Net income | 6,893,592 | 1,173,874 | 8,067,466 |
| Net position - beginning | <u>145,000,469</u> | <u>134,286,283</u> | <u>279,286,752</u> |
| Net position - ending | <u>\$ 151,894,061</u> | <u>\$ 135,460,157</u> | <u>\$ 287,354,218</u> |

THE CITY OF NORMAN, OKLAHOMA
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUND - NORMAN UTILITIES AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2024

| | Water | Wastewater | Total |
|---|----------------------|----------------------|----------------------|
| Cash flows from operating activities: | | | |
| Cash received from customers | \$ 30,162,255 | \$ 15,928,076 | \$ 46,090,331 |
| Cash paid to employees for services | (5,306,255) | (3,907,221) | (9,213,476) |
| Cash paid to suppliers | (10,226,826) | (6,542,357) | (16,769,183) |
| Other payments | 200,011 | 216,842 | 416,853 |
| Net cash provided by operating activities | <u>14,829,185</u> | <u>5,695,340</u> | <u>20,524,525</u> |
| Cash flows from noncapital financing activities: | | | |
| Transfers out | (1,431,427) | (594,323) | (2,025,750) |
| Transfers between Water and Wastewater | 33,500 | (33,500) | - |
| Net cash used for noncapital financing activities | <u>(1,397,927)</u> | <u>(627,823)</u> | <u>(2,025,750)</u> |
| Cash flows from capital and related financing activities: | | | |
| Proceeds from disposal of capital assets | 28,868 | 2,275 | 31,143 |
| Payments for the acquisition of capital assets | (2,808,249) | (3,034,056) | (5,842,305) |
| Payments from lease activity | (123,415) | - | (123,415) |
| Payments for lease assets | (53,188) | - | (53,188) |
| Proceeds from taxes | - | 1,115,765 | 1,115,765 |
| Principal payments on notes payable | (3,763,953) | (3,760,525) | (7,524,478) |
| Interest and fiscal charges paid | (1,926,269) | (492,056) | (2,418,325) |
| Net cash used for capital and related financing activities | <u>(8,646,206)</u> | <u>(6,168,597)</u> | <u>(14,814,803)</u> |
| Cash flows from investing activities: | | | |
| Proceeds from maturity of investments | 9,409,748 | 8,390,899 | 17,800,647 |
| Payments for purchases of investments | (4,733,627) | (3,696,887) | (8,430,514) |
| Investment earnings received | 1,572,318 | 1,063,446 | 2,635,764 |
| Net cash provided by investing activities | <u>6,248,439</u> | <u>5,757,458</u> | <u>12,005,897</u> |
| Net change in cash and cash equivalents | 11,033,491 | 4,656,378 | 15,689,869 |
| Cash and cash equivalents - beginning | <u>19,584,949</u> | <u>14,332,575</u> | <u>33,917,524</u> |
| Cash and cash equivalents - ending | <u>\$ 30,618,440</u> | <u>\$ 18,988,953</u> | <u>\$ 49,607,393</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | | |
| Operating income (loss) | \$ 5,871,476 | \$ (3,997,803) | \$ 1,873,673 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | |
| Miscellaneous income | 218,429 | 213,097 | 431,526 |
| Bad debt expense | 173,374 | 432,132 | 605,506 |
| Depreciation and amortization | 7,569,421 | 9,209,418 | 16,778,839 |
| Loss on disposal of property, plant and equipment | 110,317 | 52,576 | 162,893 |
| Increase in accounts receivable, net | (1,063,260) | (244,260) | (1,307,520) |
| Decrease due from other funds | (128,735) | (48,831) | (177,566) |
| Increase leases receivable | 180,066 | - | 180,066 |
| Increase in accounts payable and accrued liabilities | 2,053,213 | 213,881 | 2,267,094 |
| Increase (decrease) in payroll payable | 23,691 | (11,978) | 11,713 |
| Increase (decrease) in retainage payable | 41,835 | (12,577) | 29,258 |
| Decrease in guaranty deposits | (75,974) | (57,380) | (133,354) |
| Increase (decrease) in compensated absences | 31,879 | (52,935) | (21,056) |
| Decrease in deferred inflows leases | (176,547) | 0 | (176,547) |
| Net cash provided by operating activities | <u>\$ 14,829,185</u> | <u>\$ 5,695,340</u> | <u>\$ 20,524,525</u> |
| NONCASH ACTIVITIES: | | | |
| Donated water and sewer distribution systems | <u>\$ 1,920,078</u> | <u>\$ 3,438,498</u> | <u>\$ 5,358,576</u> |
| Change in unrealized gain on investments | <u>\$ (450,650)</u> | <u>\$ (379,612)</u> | <u>\$ (830,262)</u> |

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF PENSION TRUST FUND JUNE 30, 2024

| | Annuity Pool Fund | 401(a) Plan Fund | Total |
|--|----------------------------------|---------------------------------|-----------------------|
| ASSETS | | | |
| Investments - mutual funds | \$ 140,689 | \$ 120,073,436 | \$ 120,214,125 |
| Loans to 401(a) Plan participants | <u>-</u> | <u>3,779,072</u> | <u>3,779,072</u> |
| Total assets | <u>\$ 140,689</u> | <u>\$ 123,852,508</u> | <u>\$ 123,993,197</u> |
| LIABILITIES AND NET POSITION | | | |
| Net position: | | | |
| Restricted for defined pension benefits | \$ 140,689 | \$ - | \$ 140,689 |
| Restricted for defined contribution pension benefits | <u>-</u> | <u>123,852,508</u> | <u>123,852,508</u> |
| Total liabilities and net position | <u>\$ 140,689</u> | <u>\$ 123,852,508</u> | <u>\$ 123,993,197</u> |

THE CITY OF NORMAN, OKLAHOMA

COMBINING STATEMENT OF CHANGES IN PENSION TRUST FUND FOR THE YEAR ENDED JUNE 30, 2024

| ADDITIONS: | Annuity Pool Fund | 401(a) Fund | Total |
|---|----------------------|-----------------------|-----------------------|
| Contributions: | | | |
| Employer | \$ - | \$ 3,347,041 | \$ 3,347,041 |
| Employee | <u>-</u> | <u>2,998,270</u> | <u>2,998,270</u> |
| Total contributions | - | 6,345,311 | 6,345,311 |
| Investment income (loss) | <u>15,374</u> | <u>19,859,206</u> | <u>19,874,580</u> |
| Total additions | <u>15,374</u> | <u>26,204,517</u> | <u>26,219,891</u> |
| DEDUCTIONS: | | | |
| Pension benefits paid | 38,432 | 9,335,950 | 9,374,382 |
| Administration costs | <u>679</u> | <u>(162,448)</u> | <u>(161,769)</u> |
| Total deductions | <u>39,111</u> | <u>9,173,502</u> | <u>9,212,613</u> |
| NET (DECREASE) INCREASE | (23,737) | 17,031,015 | 17,007,278 |
| Net position restricted for pension and retirement benefits, Beginning of year | <u>164,426</u> | <u>106,821,493</u> | <u>106,985,919</u> |
| End of year | <u>\$ 140,689</u> | <u>\$ 123,852,508</u> | <u>\$ 123,993,197</u> |

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 | | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 482,262,933 | \$ 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 |
| Restricted | 64,069,408 | 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 |
| Unrestricted | (15,344,736) | (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) |
| Total governmental activities net position | \$ 530,987,605 | \$ 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 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 238,127,832 | \$ 233,526,892 | \$ 225,662,267 | \$ 228,867,966 | \$ 220,190,180 | \$ 210,610,975 | \$ 212,565,194 | \$ 211,414,863 | \$ 198,638,260 | \$ 183,385,272 |
| Restricted | 8,143,308 | 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 |
| Unrestricted | 71,468,502 | 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 |
| Total business-type activities net position | \$ 317,739,642 | \$ 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 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 720,390,765 | \$ 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 |
| Restricted | 72,212,716 | 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 |
| Unrestricted | 56,123,766 | 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) |
| Total primary government net position | \$ 848,727,247 | \$ 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 |

THE CITY OF NORMAN, OKLAHOMA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| EXPENSES | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 19,159,143 | \$ 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 |
| Planning | 4,057,475 | 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 |
| City controller | 845,105 | 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 |
| Parks and recreation | 16,081,719 | 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 |
| Public works | 52,795,961 | 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 |
| Public service | 4,460,812 | 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 |
| Public safety | 74,681,289 | 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 |
| Interest on long-term debt | 5,319,433 | 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 |
| Total governmental activities expenses | <u>177,400,937</u> | <u>164,016,097</u> | <u>140,064,130</u> | <u>148,129,723</u> | <u>130,602,566</u> | <u>105,718,925</u> | <u>115,353,697</u> | <u>115,592,132</u> | <u>102,713,938</u> | <u>92,510,705</u> |
| 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 |
| Water | 26,359,878 | 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 |
| Wastewater | 20,314,509 | 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 |
| Sanitation | <u>17,330,909</u> | <u>16,724,104</u> | <u>14,696,179</u> | <u>14,707,244</u> | <u>13,479,559</u> | <u>13,494,028</u> | <u>12,878,886</u> | <u>12,005,272</u> | <u>12,135,886</u> | <u>12,298,641</u> |
| Total business-type activities expenses | <u>64,005,296</u> | <u>58,062,211</u> | <u>57,065,376</u> | <u>55,156,939</u> | <u>52,666,308</u> | <u>48,654,657</u> | <u>45,329,592</u> | <u>43,245,071</u> | <u>45,542,005</u> | <u>42,386,543</u> |
| Total primary government expenses | | | | | | | | | | |
| | <u>\$ 241,406,233</u> | <u>\$ 222,078,308</u> | <u>\$ 197,129,506</u> | <u>\$ 203,286,662</u> | <u>\$ 183,268,874</u> | <u>\$ 154,373,582</u> | <u>\$ 160,683,289</u> | <u>\$ 158,837,203</u> | <u>\$ 148,255,943</u> | <u>\$ 134,897,248</u> |

THE CITY OF NORMAN, OKLAHOMA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| PROGRAM REVENUES | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 3,322,179 | \$ 2,850,501 | \$ 3,315,489 | \$ 3,174,550 | \$ 3,337,660 | \$ 3,002,995 | \$ 2,767,032 | \$ 2,730,336 | \$ 2,612,495 | \$ 2,644,776 |
| Planning | 1,116,543 | 1,229,377 | 1,327,181 | 1,461,693 | 913,979 | 844,712 | 992,383 | 1,061,776 | 1,353,411 | 1,369,582 |
| City controller | 303,786 | 210,550 | 174,989 | 309,657 | 515,612 | 670,685 | 683,215 | 661,162 | 642,726 | 624,135 |
| Parks and recreation | 3,044,954 | 2,865,262 | 2,822,989 | 399,599 | 405,547 | 520,044 | 497,538 | 530,140 | 653,613 | 609,175 |
| Public works | 268,778 | 482,635 | 286,103 | 265,448 | 497,224 | - | - | - | - | - |
| Public safety | 3,484,057 | 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 |
| Operating grants and contributions | 21,861,463 | 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 |
| Capital grants and contributions | 14,765,728 | 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 |
| Total governmental activities program revenues | 48,167,488 | 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 |
| 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 |
| Water | 30,124,897 | 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 |
| Wastewater | 15,742,616 | 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 |
| Sanitation | 17,695,750 | 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 |
| Capital grants and contributions | 5,358,576 | 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 |
| Total business-type activities program revenues | 68,921,839 | 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 |
| Total primary government revenues | \$ 117,089,327 | \$ 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 |
| NET (EXPENSE)/REVENUE | | | | | | | | | | |
| Governmental activities | \$ (129,233,449) | \$ (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) |
| Business-type activities | 4,916,543 | 5,797,539 | 2,508,215 | 14,914,428 | 5,197,911 | 6,859,688 | 13,371,839 | 12,100,632 | 17,840,634 | 12,138,208 |
| Total primary government net expense | \$ (124,316,906) | \$ (125,943,170) | \$ (108,529,391) | \$ (86,602,090) | \$ (99,378,050) | \$ (50,892,073) | \$ (69,738,352) | \$ (79,402,087) | \$ (50,523,669) | \$ (34,110,874) |

THE CITY OF NORMAN, OKLAHOMA

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

| | Fiscal Year | | | | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| GENERAL REVENUE AND OTHER CHANGES IN NET ASSETS | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Sales taxes | \$ 98,665,799 | \$ 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 |
| Franchise taxes | 7,170,092 | 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 |
| Property taxes | 17,039,980 | 9,650,382 | 13,887,375 | 8,957,836 | 12,062,899 | 11,395,748 | 11,971,525 | 14,739,604 | 9,794,490 | 11,620,098 |
| Use taxes | 17,735,378 | 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 |
| Hotel/Motel taxes | 3,600,483 | 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 |
| Alcoholic beverage taxes | 601,757 | 607,987 | 609,833 | 564,013 | 498,318 | 441,456 | 324,252 | 316,013 | 306,225 | 301,618 |
| Cigarette taxes | 607,394 | 684,271 | 755,712 | 764,783 | 704,411 | 657,982 | 834,649 | 894,092 | 839,492 | 771,946 |
| Investment earnings | 7,086,444 | 3,512,616 | (535,003) | 469,832 | 2,489,875 | 3,198,922 | 1,586,732 | 513,238 | 1,965,790 | 323,863 |
| Miscellaneous | 6,244,664 | 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 |
| Transfers | 2,025,750 | 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 |
| Total governmental activities | <u>160,777,741</u> | <u>148,443,072</u> | <u>143,031,176</u> | <u>119,496,123</u> | <u>111,924,173</u> | <u>110,607,397</u> | <u>107,592,612</u> | <u>105,743,620</u> | <u>99,125,601</u> | <u>93,883,876</u> |
| Business-type activities: | | | | | | | | | | |
| Sales taxes | - | - | - | - | - | - | - | - | - | - |
| Excise taxes | 1,115,765 | 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 |
| Investment earnings | 4,214,564 | 1,613,383 | (764,489) | 47,842 | 1,974,631 | 3,046,291 | 472,025 | 163,961 | 515,716 | 250,382 |
| Miscellaneous | 1,377,598 | 144,459 | 43,237 | 32,621 | 52,054 | 297,195 | (940,246) | 501,033 | 690,071 | 1,066,246 |
| Transfers | (2,025,750) | (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) |
| Total business-type activities | <u>4,682,177</u> | <u>999,524</u> | <u>(1,281,832)</u> | <u>444,511</u> | <u>2,260,500</u> | <u>3,549,798</u> | <u>(305,865)</u> | <u>900,943</u> | <u>1,656,949</u> | <u>2,380,424</u> |
| Total primary government | <u>\$ 165,459,918</u> | <u>\$ 149,442,596</u> | <u>\$ 141,749,344</u> | <u>\$ 119,940,634</u> | <u>\$ 114,184,673</u> | <u>\$ 114,157,195</u> | <u>\$ 107,286,747</u> | <u>\$ 106,644,563</u> | <u>\$ 100,782,550</u> | <u>\$ 96,264,300</u> |
| CHANGE IN NET POSITION | | | | | | | | | | |
| Governmental activities | \$ 31,544,292 | \$ 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 |
| Business-type activities | 9,598,720 | 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 |
| Total primary government | <u>\$ 41,143,012</u> | <u>\$ 23,499,426</u> | <u>\$ 33,219,953</u> | <u>\$ 33,338,544</u> | <u>\$ 14,806,623</u> | <u>\$ 63,265,122</u> | <u>\$ 36,348,395</u> | <u>\$ 27,242,476</u> | <u>\$ 50,258,881</u> | <u>\$ 62,153,426</u> |

THE CITY OF NORMAN, OKLAHOMA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| General fund | | | | | | | | | | |
| Nonspendable | \$ 141,925 | \$ 37,016 | \$ 202,496 | \$ 19,324 | \$ 14,065 | \$ 32,402 | \$ 24,898 | \$ 29,473 | \$ 20,896 | \$ 26,642 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Committed | 4,750,438 | 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 |
| Assigned | 4,572,631 | 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 |
| Unassigned | <u>22,420,434</u> | <u>22,724,887</u> | <u>18,490,142</u> | <u>11,773,244</u> | <u>10,836,506</u> | <u>13,223,749</u> | <u>13,046,521</u> | <u>7,166,425</u> | <u>8,861,932</u> | <u>8,290,555</u> |
| Total general fund | <u>\$ 31,885,428</u> | <u>\$ 32,753,439</u> | <u>\$ 26,748,889</u> | <u>\$ 18,713,132</u> | <u>\$ 17,589,318</u> | <u>\$ 19,591,735</u> | <u>\$ 18,905,836</u> | <u>\$ 12,796,611</u> | <u>\$ 14,390,405</u> | <u>\$ 14,399,358</u> |
| All other governmental funds | | | | | | | | | | |
| Nonspendable | \$ 110,204 | \$ - | \$ 705,994 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | 121,811,750 | 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 |
| Assigned | 13,819,811 | 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 |
| Unassigned | <u>(110,204)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total all other governmental funds | <u>\$ 135,631,561</u> | <u>\$ 151,555,518</u> | <u>\$ 173,805,228</u> | <u>\$ 183,986,209</u> | <u>\$ 145,694,724</u> | <u>\$ 151,571,982</u> | <u>\$ 160,525,534</u> | <u>\$ 183,828,463</u> | <u>\$ 166,197,667</u> | <u>\$ 125,623,462</u> |

THE CITY OF NORMAN, OKLAHOMA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

(Dollars in Thousands)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|-----------------|-----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| REVENUES | | | | | | | | | | |
| Taxes | \$ 144,212 | \$ 135,540 | \$ 136,018 | \$ 113,938 | \$ 104,731 | \$ 101,516 | \$ 100,061 | \$ 100,450 | \$ 92,812 | \$ 89,204 |
| Licenses & permits | 1,103 | 1,343 | 1,386 | 1,463 | 1,142 | 1,129 | 1,104 | 1,162 | 1,399 | 1,393 |
| Intergovernmental revenues | 16,667 | 16,135 | 9,487 | 22,489 | 6,622 | 5,740 | 10,501 | 8,358 | 6,396 | 4,553 |
| Charges for services | 17,648 | 15,668 | 14,251 | 10,887 | 11,046 | 11,694 | 11,657 | 10,427 | 10,966 | 11,484 |
| Fines and forfeitures | 1,585 | 1,189 | 1,090 | 1,548 | 1,794 | 1,473 | 2,366 | 2,300 | 2,425 | 2,644 |
| Investment earnings | 6,726 | 3,252 | (696) | 214 | 2,254 | 2,898 | 1,330 | 278 | 334 | 278 |
| Other | 4,730 | 6,193 | 5,610 | 3,733 | 3,324 | 2,737 | 3,466 | 2,652 | 1,762 | 2,403 |
| Total revenues | <u>192,671</u> | <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> |
| EXPENDITURES | | | | | | | | | | |
| General government | 14,603 | 12,428 | 18,149 | 16,588 | 10,015 | 10,993 | 10,681 | 10,022 | 9,742 | 9,431 |
| Planning | 4,360 | 3,984 | 3,816 | 3,480 | 3,394 | 3,528 | 3,637 | 3,429 | 3,454 | 3,416 |
| City controller | 3,471 | 3,303 | 3,755 | 3,702 | 3,623 | 3,378 | 3,503 | 3,353 | 3,141 | 2,940 |
| Parks & recreation | 15,549 | 12,316 | 11,219 | 6,227 | 6,239 | 5,293 | 5,249 | 5,999 | 5,167 | 4,665 |
| Public works | 41,681 | 38,432 | 30,154 | 30,744 | 28,266 | 17,147 | 18,907 | 22,634 | 18,572 | 18,137 |
| Public service | 4,458 | 6,902 | 3,067 | 3,827 | 1,996 | 4,120 | 2,662 | 3,892 | 2,963 | 2,920 |
| Public safety | 62,858 | 57,148 | 51,565 | 49,287 | 48,638 | 43,009 | 45,765 | 43,913 | 46,079 | 43,780 |
| Capital Outlay | 57,742 | 78,752 | 30,806 | 30,028 | 24,521 | 47,788 | 43,097 | 31,375 | 32,910 | 22,358 |
| Debt Service: | | | | | | | | | | |
| Principal | 18,311 | 17,898 | 18,081 | 15,350 | 8,415 | 27,269 | 16,245 | 11,671 | 9,668 | 9,542 |
| Interest and fiscal charges | 5,288 | 4,450 | 4,887 | 4,658 | 4,388 | 4,265 | 4,545 | 4,839 | 3,905 | 2,180 |
| Total expenditures | <u>228,321</u> | <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> |
| Excess of revenues over (under) expenditures | <u>(35,650)</u> | <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> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Issuance of debt | 16,232 | 39,500 | 3,882 | 47,000 | - | 30,000 | 6,105 | 30,950 | 65,935 | 45,909 |
| Premium on issuance of debt | 487 | 773 | - | 469 | - | 585 | - | - | 1,426 | - |
| Payment to refunded bond escrow agent | - | - | - | - | - | - | - | - | (7,707) | - |
| Transfers in | 21,017 | 15,139 | 27,114 | 28,275 | 18,646 | 5,736 | 16,729 | 10,533 | 35,034 | 7,456 |
| Transfers out | (18,878) | (15,364) | (25,215) | (26,710) | (17,943) | (4,986) | (16,222) | (9,946) | (34,616) | (7,235) |
| Total other financing sources (uses) | <u>18,858</u> | <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> |
| Net change in fund balances | \$ (16,792) | \$ (16,245) | \$ (2,572) | \$ 39,415 | \$ (7,879) | \$ (8,268) | \$ (17,194) | \$ 16,037 | \$ 40,565 | \$ 38,720 |
| Debt service as a percentage of noncapital expenditures | 13.83% | 14.25% | 15.87% | 14.95% | 11.14% | 26.50% | 18.70% | 15.04% | 13.22% | 12.08% |

THE CITY OF NORMAN, OKLAHOMA

TAXABLE SALES BY CATEGORY

LAST TEN FISCAL YEARS

(Dollars in Thousands)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|------------------------------------|-------------------------|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| General merchandise | \$ 23,042 | \$ 22,291 | \$ 20,974 | \$ 20,068 | \$ 18,579 | \$ 17,864 | \$ 17,324 | \$ 16,869 | \$ 15,678 | \$ 15,047 | \$ 14,991 |
| Eating and drinking establishments | 17,895 | 17,731 | 16,628 | 13,882 | 12,657 | 13,189 | 12,558 | 12,011 | 11,366 | 10,708 | 10,096 |
| Miscellaneous retail | 9,261 | 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 | 7,203 | 8,441 | 12,511 | 8,041 | 6,050 | 5,257 | 5,133 | 5,241 | 5,948 | 4,487 | 4,742 |
| Electric, gas & sanitary services | 5,235 | 5,737 | 4,735 | 3,981 | 3,820 | 3,986 | 4,242 | 3,864 | 3,460 | 3,586 | 3,512 |
| Home furnishings and appliances | 3,859 | 4,081 | 4,284 | 4,139 | 3,410 | 3,668 | 3,704 | 3,785 | 3,480 | 3,507 | 3,166 |
| Food stores | 4,656 | 4,702 | 4,456 | 4,194 | 3,843 | 3,849 | 4,019 | 4,158 | 4,062 | 3,849 | 4,058 |
| Apparel and accessory stores | 3,887 | 3,812 | 3,855 | 3,140 | 2,914 | 3,437 | 3,527 | 3,547 | 3,642 | 3,549 | 3,531 |
| Communications | 2,395 | 2,601 | 2,592 | 2,312 | 2,205 | 2,482 | 2,503 | 2,585 | 2,429 | 2,349 | 2,322 |
| Wholesale trade-durable goods | 7,035 | 7,685 | 6,345 | 5,224 | 4,855 | 4,539 | 4,571 | 4,657 | 4,392 | 4,042 | 3,341 |
| All other outlets | <u>14,670</u> | <u>77,448</u> | <u>12,818</u> | <u>9,453</u> | <u>7,028</u> | <u>7,141</u> | <u>7,204</u> | <u>8,097</u> | <u>7,377</u> | <u>6,327</u> | <u>6,484</u> |
| Total | <u>\$ 99,138</u> | <u>\$ 163,910</u> | <u>\$ 98,896</u> | <u>\$ 83,843</u> | <u>\$ 75,226</u> | <u>\$ 74,952</u> | <u>\$ 74,038</u> | <u>\$ 73,877</u> | <u>\$ 70,894</u> | <u>\$ 65,969</u> | <u>\$ 64,142</u> |
| City direct sales tax rate | 4.125% | 4.125% | 4.125% | 4.125% | 4.125% | 4.00% | 4.00% | 4.00% | 4.00% | 3.50% | 3.50% |

Sources: Oklahoma Tax Commission

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

THE CITY OF NORMAN, OKLAHOMA

DIRECT AND OVERLAPPING SALES TAX RATES LAST TEN FISCAL YEARS

| Fiscal Year | City Direct Rate | State of Oklahoma | Cleveland County |
|-------------|------------------|-------------------|------------------|
| 2024 | 4.125 % | 4.5 % | 0.125 % |
| 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 % |

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 2024 AND 2015

(Dollars in Thousands)

| | Fiscal Year 2024 | | | | Fiscal Year 2015 | | | |
|---|------------------|---------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|
| | Number of Filers | Percentage of Total | Tax Liability | Percentage of Total | Number of Filers | Percentage of Total | Tax Liability | Percentage of Total |
| Retail trade | 1,125 | 31.6 % | \$ 54,651 | 55.1 % | 1,172 | 39.6 % | \$ 38,958 | 59.1 % |
| Accommodation and food service | 330 | 9.3 % | 19,958 | 20.1 % | 278 | 9.4 % | 12,288 | 18.6 % |
| Wholesale trade | 629 | 17.7 % | 7,035 | 7.1 % | 501 | 16.9 % | 4,042 | 6.1 % |
| Utilities | 7 | 0.2 % | 5,235 | 5.3 % | 7 | 0.2 % | 3,586 | 5.4 % |
| Information | 193 | 5.4 % | 2,395 | 2.4 % | 146 | 4.9 % | 2,349 | 3.6 % |
| Manufacturing | 312 | 8.8 % | 2,263 | 2.3 % | 193 | 6.5 % | 1,682 | 2.5 % |
| Educational services | 9 | 0.3 % | 2,257 | 2.3 % | 4 | 0.1 % | 18 | 0.0 % |
| Real estate and rental and leasing | 205 | 5.8 % | 1,584 | 1.6 % | 200 | 6.8 % | 909 | 1.4 % |
| Other services (except public administration) | 145 | 4.1 % | 1,375 | 1.4 % | 101 | 3.4 % | 556 | 0.8 % |
| Arts, entertainment, and recreation | 52 | 1.5 % | 680 | 0.7 % | 28 | 0.9 % | 468 | 0.7 % |
| Professional, scientific, and technical services | 86 | 2.4 % | 394 | 0.4 % | 78 | 2.6 % | 231 | 0.4 % |
| Construction | 63 | 1.8 % | 309 | 0.3 % | 23 | 0.8 % | 152 | 0.2 % |
| Admin, support, waste mgmt and remediation services | 57 | 1.6 % | 221 | 0.2 % | 17 | 0.6 % | 163 | 0.2 % |
| Transportation and warehousing | 19 | 0.5 % | 204 | 0.2 % | 42 | 1.4 % | 66 | 0.1 % |
| Finance and insurance | 25 | 0.7 % | 155 | 0.2 % | 12 | 0.4 % | 54 | 0.1 % |
| Health care and social assistance | 24 | 0.7 % | 50 | 0.1 % | 5 | 0.2 % | 17 | 0.0 % |
| Agricultural, forestry, fishing and hunting | 8 | 0.2 % | 24 | 0.0 % | 4 | 0.1 % | 8 | 0.0 % |
| Mining, quarrying, and oil and gas extraction | 5 | 0.1 % | 11 | 0.0 % | 6 | 0.2 % | 16 | 0.0 % |
| Public administration | 6 | 0.2 % | 3 | 0.0 % | - | 0.0 % | 1 | 0.0 % |
| Nonclassifiable | 257 | 7.2 % | 335 | 0.3 % | 144 | 4.9 % | 408 | 0.6 % |
| Total | 3,557 | 100.0 % | \$ 99,139 | 100.0 % | 2,961 | 100.0 % | \$ 65,972 | 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 Obligation Bonds | Revenue Bonds | Leases | Term Loans | Revenue Bonds | Term Loans | Leases | | | |
| 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 |
| 2024 | 114,503 | - | 748 | 77,857 | - | 57,600 | 801 | 251,509 | 1.8 % | 1,934.00 |

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 |
|-------------|--------------------------|--|-----------|---|-------------------------|
| 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 |
| 2024 | 114,503 | 9,520 | 104,983 | 7.63% | 807.28 |

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, 2024

(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 | 116,020 | 95.37% | 110,648 |
| Debt repaid with property taxes: McLoud Public Schools | 850 | 0.02% | 0 |
| Debt repaid with property taxes: Robin Hill Public Schools | 745 | 0.10% | 1 |
| Debt repaid with property taxes: Noble Public Schools | 7,900 | 0.62% | 49 |
| Debt repaid with property taxes: Mid Del Public Schools | 46,875 | 0.02% | 9 |
| Debt repaid with property taxes: Little Axe Public Schools | 2,575 | 0.18% | 5 |
| Debt repaid with property taxes: Moore Public Schools | <u>138,630</u> | 3.13% | <u>4,339</u> |
| Subtotal, overlapping debt | 313,595 | | 115,051 |
| City of Norman direct debt | | | <u>193,108</u> |
| Total direct and overlapping debt | | | <u>\$ 308,159</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)

| | 2024 | 2023 | 2022 | 2021 | Fiscal Year | | 2018 | 2017 | 2016 | 2015 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | | | | 2020 | 2019 | | | | |
| Assessed value of property | \$ 1,375,296 | \$ 1,296,635 | \$ 1,187,461 | \$ 1,117,342 | \$ 1,073,220 | \$ 1,038,922 | \$ 993,913 | \$ 963,371 | \$ 930,798 | \$ 873,553 |
| Debt limit ¹ , 10% of assessed value | 137,530 | 129,664 | 118,746 | 111,734 | 107,322 | 103,892 | 99,391 | 96,337 | 93,080 | 87,355 |
| 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>\$ 137,530</u> | <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> |
| 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 | \$ 412,589 | \$ 388,991 | \$ 356,238 | \$ 335,203 | \$ 321,966 | \$ 311,677 | \$ 298,174 | \$ 289,011 | \$ 279,239 | \$ 262,066 |
| Amount of debt applicable to limit: | | | | | | | | | | |
| General Obligation Bonds | 114,503 | 104,240 | 72,790 | 81,875 | 66,205 | 69,230 | 50,360 | 61,445 | 71,419 | 64,196 |
| Less: Resources restricted to paying principal | (9,520) | (4,282) | (6,550) | (4,879) | (7,201) | (2,674) | (5,769) | (8,638) | (6,552) | (8,847) |
| Total net debt applicable to limit | 104,983 | 99,958 | 66,240 | 76,996 | 59,004 | 66,556 | 44,591 | 52,807 | 64,867 | 55,349 |
| Legal debt margin | <u>\$ 307,606</u> | <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> |
| Total net debt applicable to the limit as a percentage of debt limit | 25.44% | 25.70% | 18.59% | 22.97% | 18.33% | 21.35% | 14.95% | 18.27% | 23.23% | 21.12% |

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.

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

| Fiscal Year | NUA Revenue Bonds & Term Loans | | | | | | | NMA Revenue Bonds and Term Loans | | | | | | |
|-------------|--------------------------------|---------------------------------------|-----------------------|--------------|----------|----------|----------------------------|---------------------------------------|-----------------------|--------------|----------|----------|--|--|
| | Gross Revenue ¹ | Less: Operating Expenses ² | Net Available Revenue | Debt Service | | Coverage | Gross Revenue ¹ | Less: Operating Expenses ² | Net Available Revenue | Debt Service | | Coverage | | |
| | | | | Principal | Interest | | | | | Principal | Interest | | | |
| 2015 | \$ 32,212 | \$ 14,381 | \$ 17,831 | \$ 4,447 | \$ 2,544 | 2.55 | \$ 15,476 | \$ 12,075 | \$ 3,401 | \$ 665 | \$ 189 | 3.98 | | |
| 2016 | 37,308 | 11,657 | 25,651 | 6,508 | 1,287 | 3.29 | 16,021 | 11,781 | 4,240 | 680 | 171 | 4.98 | | |
| 2017 | 33,834 | 18,055 | 15,779 | 5,943 | 1,053 | 2.26 | 16,315 | 11,603 | 4,712 | 705 | 151 | 5.50 | | |
| 2018 | 34,050 | 17,747 | 16,303 | 5,508 | 1,262 | 2.41 | 16,624 | 12,346 | 4,278 | 725 | 131 | 5.00 | | |
| 2019 | 35,355 | 6,402 | 28,953 | 5,631 | 2,156 | 3.72 | 17,918 | 13,294 | 4,624 | 580 | 108 | 6.72 | | |
| 2020 | 35,946 | 18,177 | 17,769 | 7,296 | 2,389 | 1.83 | 17,891 | 12,950 | 4,941 | 1,750 | 88 | 2.69 | | |
| 2021 | 39,647 | 21,199 | 18,448 | 7,409 | 2,239 | 1.91 | 18,603 | 14,813 | 3,790 | 180 | 24 | 18.58 | | |
| 2022 | 37,433 | 24,521 | 12,912 | 7,143 | 2,366 | 1.36 | 16,084 | 14,033 | 2,051 | - | - | - | | |
| 2023 | 40,365 | 23,927 | 16,438 | 7,104 | 2,551 | 1.70 | 17,713 | 17,212 | 501 | - | - | - | | |
| 2024 | 46,283 | 26,486 | 19,797 | 7,786 | 2,418 | 1.94 | 18,982 | 15,336 | 3,646 | - | - | - | | |

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

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

² Total operating expenses exclusive of depreciation, amortization, Sewer Maintenance Fund expenses.

THE CITY OF NORMAN, OKLAHOMA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

| Fiscal year | Population ¹ | Personal Income (billions of dollars) ⁵ | Per Capita Income ² | Median Age ² | School Enrollment ³ | Unemployment Rate ⁴ |
|-------------|-------------------------|--|--------------------------------|-------------------------|--------------------------------|--------------------------------|
| 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% |
| 2024 | 130,046 | 13.9 | 35,102 | 32.9 | 15,867 | 3.50% |

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 | 2024 | | | 2015 | | |
|---|---------------|------|-------------------------------------|---------------|------|-------------------------------------|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| The University of Oklahoma | 11,683 | 1 | 17.15% | 12,446 | 1 | 20.86% |
| Norman Regional Hospital | 3,350 | 2 | 4.92% | 2,962 | 2 | 4.96% |
| Norman Public Schools | 2,123 | 3 | 3.12% | 1,880 | 3 | 3.15% |
| Walmart | 1,300 | 4 | 1.91% | | | |
| York International/Johnson Controls | 1,100 | 5 | 1.61% | 950 | 4 | 1.59% |
| City of Norman | 950 | 6 | 1.39% | 848 | 5 | 1.42% |
| Cleveland County | 563 | 7 | 0.83% | | | |
| Hitachi | 400 | 8 | 0.59% | 526 | 7 | 0.88% |
| NOAA National Severe Storm Laboratory | 400 | 9 | 0.59% | 550 | 6 | 0.92% |
| Department of Mental Health & Substance Abuse | | | | 506 | 8 | 0.85% |
| USPS National Center for Employee Development | | | | 407 | 9 | 0.68% |
| Oklahoma Veteran's Center | <u>398</u> | 10 | <u>0.58%</u> | <u>400</u> | 10 | <u>0.67%</u> |
| Total | <u>22,267</u> | | <u>32.69%</u> | <u>21,475</u> | | <u>35.98%</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 | | | | | | | | | |
|--------------------|--|------|------|------|------|------|------|------|------|------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| General government | 55 | 54 | 53 | 59 | 62 | 64 | 60 | 64 | 61 | 59 |
| Planning | 37 | 36 | 38 | 35 | 34 | 38 | 36 | 38 | 37 | 36 |
| City controller | 23 | 34 | 33 | 35 | 34 | 32 | 30 | 30 | 29 | 28 |
| Parks & recreation | 82 | 72 | 72 | 52 | 52 | 55 | 59 | 58 | 53 | 52 |
| Public works | 123 | 123 | 124 | 120 | 118 | 115 | 116 | 119 | 112 | 112 |
| Public safety | | | | | | | | | | |
| Police | 263 | 253 | 247 | 255 | 260 | 259 | 262 | 259 | 245 | 235 |
| Fire | 169 | 167 | 164 | 168 | 169 | 171 | 171 | 173 | 163 | 162 |
| Westwood | 35 | 36 | 33 | 34 | 34 | 37 | 18 | 16 | 17 | 17 |
| Water | 65 | 51 | 50 | 51 | 49 | 49 | 48 | 50 | 49 | 47 |
| Wastewater | 50 | 48 | 45 | 47 | 44 | 45 | 45 | 46 | 43 | 43 |
| Sanitation | 65 | 63 | 63 | 60 | 59 | 59 | 58 | 60 | 58 | 55 |
| Total | 967 | 937 | 922 | 916 | 915 | 924 | 903 | 913 | 867 | 846 |

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 | | | | | | | | | |
|--|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Planning | | | | | | | | | | |
| Building permits issued | 1,542 | 1,642 | 1,835 | 1,962 | 1,704 | 1,552 | 1,540 | 1,575 | 2,418 | 2,493 |
| Building inspections conducted | 21,950 | 26,348 | 27,897 | 26,403 | 24,719 | 23,216 | 23,799 | 25,846 | 26,556 | 29,348 |
| Police | | | | | | | | | | |
| Physical arrests | 5,319 | 4,679 | 4,478 | 4,018 | 5,172 | 6,478 | 6,076 | 5,594 | 5,709 | 5,637 |
| Parking violations | 8,829 | 8,339 | 6,145 | 5,607 | 6,576 | 12,029 | 14,836 | 17,438 | 13,433 | 15,616 |
| Traffic violations | 10,364 | 6,545 | 4,303 | 8,551 | 13,422 | 15,509 | 14,985 | 16,988 | 16,249 | 16,330 |
| Non-traffic violations | 3,133 | 2,580 | 2,476 | 2,534 | 2,421 | 3,585 | 3,792 | 4,704 | 4,012 | 4,444 |
| Fire | | | | | | | | | | |
| Calls answered | 18,249 | 17,781 | 17,962 | 17,648 | 16,071 | 15,925 | 15,491 | 14,425 | 13,761 | 12,650 |
| Inspections | 774 | 816 | 775 | 1,477 | 1,967 | 2,440 | 2,331 | 2,972 | 2,983 | 3,456 |
| Sanitation | | | | | | | | | | |
| Refuse collected (tons per day) | 336 | 338 | 337 | 338 | 319 | 321 | 288 | 272 | 316 | 286 |
| Recyclables collected (tons per day) | 19 | 19 | 19 | 17 | 18 | 20 | 22 | 28 | 32 | 32 |
| Highways and streets | | | | | | | | | | |
| Street resurfacing (miles) | 5 | 8 | 12 | 20 | 17 | 13 | 19 | 8 | 17 | 16 |
| Street patching (tons of asphalt used) | 3,796 | 2,700 | 3,030 | 1,583 | 523 | 1,091 | 1,611 | 2,502 | 2,767 | 1,814 |
| Parks and recreation | | | | | | | | | | |
| Athletic field permits issued | 162,950 | 171,359 | 171,313 | 189,564 | 135,485 | 189,663 | 150,173 | 119,904 | 146,641 | 143,878 |
| Community center admissions | 186,733 | 54,848 | 76,533 | 32,243 | 77,539 | 105,455 | 127,239 | 129,705 | 127,522 | 138,650 |
| Water | | | | | | | | | | |
| New connections | 387 | 364 | 550 | 630 | 478 | 441 | 407 | 458 | 496 | 649 |
| Water main breaks | 143 | 212 | 127 | 213 | 163 | 133 | 166 | 160 | 159 | 185 |
| Average daily consumption | | | | | | | | | | |
| (thousands of gallons) | 15,080 | 14,980 | 14,310 | 13,880 | 13,440 | 12,080 | 13,250 | 12,730 | 12,180 | 12,500 |
| Peak daily consumption | | | | | | | | | | |
| (thousands of gallons) | 23,350 | 25,520 | 20,880 | 26,000 | 22,200 | 21,290 | 20,560 | 22,290 | 19,870 | 21,800 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment | | | | | | | | | | |
| (thousands of gallons) | 11,400 | 11,200 | 11,200 | 10,800 | 11,200 | 12,300 | 11,000 | 9,700 | 9,800 | 9,500 |

Sources: Various city departments.

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

THE CITY OF NORMAN, OKLAHOMA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

| FUNCTION | Fiscal year | | | | | | | | | |
|--|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Public safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Patrol units | 103 | 108 | 119 | 119 | 122 | 115 | 117 | 116 | 117 | 116 |
| Fire stations | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Sanitation | | | | | | | | | | |
| Collection trucks | 39 | 38 | 43 | 43 | 54 | 44 | 43 | 40 | 41 | 45 |
| Highways and streets | | | | | | | | | | |
| Streets (miles) | 784 | 784 | 782 | 777 | 773 | 773 | 768 | 765 | 763 | 783 |
| Streetlights | 6,758 | 6,744 | 6,680 | 6,657 | 6,626 | 6,609 | 6,605 | 6,565 | 6,478 | 6,339 |
| Traffic signals | 256 | 256 | 258 | 256 | 257 | 256 | 256 | 256 | 250 | 246 |
| Parks and recreation | | | | | | | | | | |
| Acreage | 1,165 | 1,158 | 1,158 | 1,158 | 1,158 | 1,158 | 1,158 | 1,158 | 1,158 | 1,158 |
| Playgrounds | 57 | 56 | 56 | 56 | 55 | 54 | 53 | 53 | 52 | 52 |
| Swimming pools | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 5 | 5 |
| Tennis courts | 27 | 26 | 26 | 26 | 26 | 26 | 24 | 24 | 24 | 24 |
| Community centers | 6 | 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 | 5 | 4 | 4 | 4 | 4 | 4 |
| Skateparks/Skate spots | 4 | 4 | 4 | 4 | 4 | 3 | 1 | 1 | 1 | 1 |
| Bike parks | 1 | 1 | 1 | 1 | 1 | 1 | - | - | - | - |
| Fishing lakes | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Water | | | | | | | | | | |
| Water mains (miles) | 650 | 645 | 636 | 629 | 619 | 606 | 600 | 600 | 597 | 593 |
| Fire hydrants | 7,016 | 6,932 | 6,701 | 6,472 | 6,351 | 6,071 | 5,986 | 5,988 | 5,921 | 5,860 |
| Water towers | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 4 |
| Maximum daily capacity (thousands of gallons) | 23,940 | 25,780 | 25,700 | 23,500 | 23,500 | 23,300 | 23,300 | 23,300 | 23,500 | 23,500 |
| Wastewater | | | | | | | | | | |
| Sanitary sewers (miles) | 531 | 525 | 521 | 518 | 516 | 515 | 508 | 511 | 500 | 494 |
| Manholes | 12,551 | 12,399 | 12,288 | 12,186 | 12,147 | 12,097 | 11,927 | 11,928 | 11,656 | 11,625 |
| Maximum daily treatment capacity (thousands of gallons) | 36,000 | 36,000 | 36,000 | 36,000 | 36,000 | 36,000 | 36,000 | 36,000 | 30,000 | 30,000 |

Sources: Various city departments.

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

