



Forvis Mazars Report to the Honorable Mayor, City Council, Finance Committee, and Management

City of Norman, Oklahoma

Results of the 2024 Financial Statement Audit, Including Required Communications

June 30, 2024

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

The following matters are required communications we must make to you, including these responsibilities:

Overview & Responsibilities

Scope of Our Audit &
Inherent Limitation to
Reasonable Assurance

Your & Our
Responsibilities

Extent of Our
Communication &
Distribution Restriction

Independence Matters

Matter	Discussion
Scope of Our Audit	<p>This report covers audit results related to your financial statements and supplementary information</p> <ul style="list-style-type: none"> • As of and for the year ended June 30, 2024 • Conducted in accordance with our contract dated August 4, 2024
Our Responsibilities	<p>Forvis Mazars is responsible for forming and expressing opinions about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).</p>
Audit Scope & Inherent Limitations to Reasonable Assurance	<p>An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States (GAGAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the opinion unit being audited and did not include a detailed audit of all transactions.</p>
Extent of Our Communication	<p>In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.</p>
Independence	<p>The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.</p>
Your Responsibilities	<p>Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.</p>

Matter	Discussion
Distribution Restriction	<p>This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties:</p> <ul style="list-style-type: none"> • City Council, Finance Committee, and Management • Others within the Entity

Government Auditing Standards

Matter	Discussion
Additional GAGAS Reporting	<p>We also provided reports as of June 30, 2024 on the following as required by GAGAS:</p> <ul style="list-style-type: none"> • Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with GAGAS
Reporting Limitations	<p>Our consideration of internal control over financial reporting and our tests of compliance were not designed with an objective of forming an opinion on the effectiveness of internal control or on compliance and, accordingly, we do not express such an opinion.</p>

Other Information Accompanying the Audited Financial Statements

The audited financial statements are presented along with management's ACFR. Management, or those charged with governance, is responsible for preparing the annual report.

We were not engaged to audit the information contained in the ACFR, and as a result, our opinion does not provide assurance as to the completeness and accuracy of the information contained therein.

As part of our procedures, we read the entire report to determine if financial information discussed in sections outside the financial statements materially contradicts the audited financial statements. If we identify any such matters, we bring them to management's attention and review subsequent revisions.

Auditor Objectives Related to Other Information

Our objectives related to the other information accompanying the audited financial statements were to:

- Consider whether a material inconsistency exists between the other information and the financial statements
- Remain alert for indications that:
 - A material inconsistency exists between the other information and the auditor's knowledge obtained in the audit, or
 - A material misstatement of fact exists or the other information is otherwise misleading
- Respond appropriately when we identify that such material inconsistencies appear to exist or when we otherwise become aware that other information appears to be materially misstated. Potential responsive actions would include requesting management to correct the identified inconsistency
- Include the appropriate communication in our auditor's report, disclosing the procedures performed on the Other Information, as well as the results obtained

Qualitative Aspects of Significant Accounting Policies and Practices

The following matters are detailed in the following pages and included in our assessment:

**Significant Accounting
Policies**

**Unusual Policies or
Methods**

**Alternative Accounting
Treatments**

**Management Judgments
& Accounting Estimates**

**Financial Statement
Disclosures**

**Our Judgment About the
Quality of the Entity's
Accounting Principles**

Significant Accounting Policies

Significant accounting policies are described in Note 1 of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topics detailed in the following pages:

- No matters are reportable

Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature):

- No matters are reportable

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within GAAP for policies and practices for material items, including recognition, measurement and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows.

- No matters are reportable

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- Net pension liability (asset)
- Other postemployment benefit (OPEB) liability

- Claims and judgments payable
- Allowance for uncollectible receivables

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Pension plans
- OPEB

Our Judgment About the Quality of the Entity's Accounting Principles

During the course of the audit, we made the following observations regarding the Entity's application of accounting principles:

- No matters are reportable

Significant Accounting Policies & Alternative Treatments – Details

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*

Effective , the Entity adopted GASB 87, *Leases*. GASB 87 creates one model for recognizing leases for both lessees and lessors. Substantially all leases are recognized on the lessee's statement of net position.

In the activity statement, lessees no longer report rent expense for the previously classified operating leases but instead report interest expense on the liability and amortization expense related to the asset. Lessors recognize a lease receivable and corresponding deferred inflow of resources. Interest income associated with the receivable are recognized using the effective interest method.

Adoption of GASB 87 required significant time to identify a complete list of lease contracts for consideration of adoption and measure the lease assets and liabilities for recognition. In addition, due to adoption of the standard, the Entity's key performance indicators related to the statement of net position (such as the current ratio) are likely not comparable to historical results.

Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

- No matters are reportable

Uncorrected Misstatements

Some adjustments proposed were **not recorded** because their effect is not currently considered material. We request that all identified misstatements be corrected.

Uncorrected misstatements that were determined by management to be immaterial, both individually and in the aggregate, but more than trivial to the financial statements as a whole, are listed below.

While these uncorrected misstatements were deemed to be immaterial to the current-period financial statements, it is possible that the impact of these uncorrected misstatements, or matters underlying these uncorrected misstatements, could potentially cause future-period financial statements to be materially misstated.

Current-Period Uncorrected Misstatements

- Prepaid insurance asset

Other Required Communications

Other Material Communication

Listed below is another material communication between management and us related to the audit:

- Management representation letter (see Attachments)

We orally communicated to management deficiencies in internal control identified during our audit that are not considered material weaknesses or significant deficiencies.

Attachments

Management Representation Letter (Attachment A)

As a material communication with management, included herein is a copy of the representation letter provided by management at the conclusion of our engagement.



Attachment A

Management Representation Letter



The City of NORMAN

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

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

Representation of:
City of Norman, Oklahoma
225 N. Webster Ave
Norman, OK 73069

Provided to:
Forvis Mazars, LLP
Certified Public Accountants
211 N. Robinson Avenue, Suite 600
Oklahoma City, OK 73102-9421

The undersigned ("We") are providing this letter in connection with Forvis Mazars' audit of our financial statements as of and for the year ended June 30, 2024.

We are also providing this letter in connection with:

Our representations are current and effective as of the date of Forvis Mazars' report: December 5, 2024.

Our engagement with Forvis Mazars is based on our contract for services dated: August 4, 2024.

Our Responsibility & Consideration of Material Matters

We confirm that we are responsible for the fair presentation of the financial statements subject to Forvis Mazars' report in conformity with accounting principles generally accepted in the United States of America.

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

Confirmation of Matters Specific to the Subject Matter of Forvis Mazars' Report

We confirm, to the best of our knowledge and belief, the following:

Broad Matters

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility for the design, implementation, and maintenance of:
 - a. Internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
 - b. Internal control to prevent and detect fraud.

3. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. All minutes of City Council and Finance Committee meetings held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the City Council and Finance Committee, as applicable, and maintained as part of our records.
 - e. All significant contracts and grants.
4. We have responded fully and truthfully to all your inquiries.

Government Auditing Standards

5. We acknowledge that we are responsible for compliance with applicable laws, regulations, and provisions of contracts and grant agreements.
6. We have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.
7. We have identified and disclosed to you any violations or possible violations of laws, regulations, including those pertaining to adopting, approving, and amending budgets, and provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.
8. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts, or violations of provisions of contracts or grant agreements that you or other auditors report.
9. We have a process to track the status of audit findings and recommendations.
10. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements, or other studies.

Misappropriation, Misstatements, & Fraud

11. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:
 - a. Misappropriation of assets.
 - b. Misrepresented or misstated assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position or fund balance.

12. We have no knowledge of fraud or suspected fraud affecting the entity involving:
 - a. Management or employees who have significant roles in internal control over financial reporting, or
 - b. Others when the fraud could have a material effect on the financial statements.
13. We understand that the term "fraud" includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity's assets where the effect of the theft causes the financial statements not to be presented in conformity with accounting principles generally accepted in the United States of America.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, customers, analysts, SEC or other regulators, citizens, suppliers, or others.
15. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

Ongoing Operations

Related Parties

16. We have disclosed to you the identity of all of the entity's related parties and all the related-party relationships of which we are aware.

In addition, we have disclosed to you all related-party transactions and amounts receivable from or payable to related parties of which we are aware, including any modifications during the year that were made to related-party transaction agreements which existed prior to the beginning of the year under audit, as well as new related-party transaction agreements that were executed during the year under audit.

Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

17. We understand that the term related party refers to:

- Affiliates
- Trusts for the benefits of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management
- Management and members of their immediate families
- Any other party with which the entity may deal if one party can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Another party is also a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

Litigation, Laws, Rulings & Regulations

18. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
19. We have no knowledge of communications, other than those specifically disclosed, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.
20. We have disclosed to you all known instances of violations or noncompliance or possible violations or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.
21. Except for the ongoing arbitrage calculation examination by the IRS, there are no regulatory examinations currently in progress for which we have not received examination reports.
22. We have no reason to believe the entity owes any penalties or payments under the Employer Shared Responsibility Provisions of the *Patient Protection and Affordable Care Act*, nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.
23. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations:

Nonattest Services

24. You have provided nonattest services, including the following, during the period of this engagement:
 - Assistance with preparing a draft of the financial statements and related notes and supplementary information
 - Preparing a draft of the schedule of expenditures of federal awards
 - Completing the auditee portion of the Form SF-SAC (Data Collection Form) through the Federal Audit Clearinghouse
25. With respect to these services:
 - a. We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.
 - b. We have established and monitored the performance of the nonattest services to ensure they meet our objectives.
 - c. We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.
 - d. We have evaluated the adequacy of the services performed and any findings that resulted.

- e. We have established and maintained internal controls, including monitoring ongoing activities.
- f. When we receive final deliverables from you, we will store those deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.

Financial Statements & Reports

26. With regard to supplementary information:

- a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.
- b. We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.
- c. The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- d. We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.
- e. We understand that combining supplementary information is for purposes of additional analysis of the financial statements rather than to present the financial position and results of operations of each of the individual funds.
- f. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to intended users of the supplementary information no later than the date such information and the related auditor's report are issued.

27. With regard to other information that is presented in the form of our Annual Comprehensive Financial Report (ACFR):

- a. We confirm that the ACFR comprise the annual report for the entity.
- b. We have provided you with the final draft of the ACFR.

Transactions, Records, & Adjustments

- 28. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 29. We have everything we need to keep our books and records.
- 30. We have disclosed any significant unusual transactions the entity has entered into during the period, including the nature, terms, and business purpose of those transactions.
- 31. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the entity's accounts.
- 32. We believe the effects of the uncorrected financial statement misstatements and omitted disclosures summarized in the attached schedule and aggregated by you during the current

engagement are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Governmental Accounting & Disclosure Matters

33. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
34. With regard to deposit and investment activities:
 - a. All deposit, repurchase agreements, and investment transactions have been made in accordance with legal and contractual requirements.
 - b. Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.
 - c. We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.
35. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
36. We have identified and evaluated all potential fiduciary activities. The financial statements include all fiduciary activities required by GASB Statement No. 84, *Fiduciary Activities*, as amended.
37. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
38. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
39. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance is available and have determined that net position is properly recognized under the policy.
40. The entity has properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in debt agreements related to significant default or termination events with finance-related consequences, and significant subjective acceleration clauses in accordance with GASB Statement No. 88.
41. We have identified and evaluated all potential tax abatements, and we believe there are no material tax abatements .
42. The entity's ability to continue as a going concern was evaluated and that appropriate disclosures are made in the financial statements as necessary under GASB requirements.
43. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis, budgetary comparisons, pension, and

other postemployment benefit information, has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions, and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.

44. With regard to pension and other postretirement benefits (OPEB):
- a. We believe the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
 - b. We have provided you with the entity's most current pension and OPEB plan instrument for the audit period, including all plan amendments.
 - c. The participant data provided to you related to pension and OPEB plans are true copies of the data submitted or electronically transmitted to the plan's actuary.
 - d. The participant data that we provided the plan's actuary for the purposes of determining the actuarial present value of accumulated plan benefits and other actuarially determined amounts in the financial statements were complete.

General Government Matters

45. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
46. All funds that meet the quantitative criteria in in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, and No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus—an Amendment of GASB Statements No. 21 and No. 34*, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
47. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
48. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
49. We have appropriately disclosed that the entity is following either its established accounting policy regarding which governmental fund resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or is following paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes and have determined that fund balance is properly recognized under the policy.
50. We have exercised due care in the preparation of the introductory and statistical sections included in our annual comprehensive financial report (ACFR) and are not aware of any information contained therein that is inconsistent with the information contained in our basic

financial statements.

Accounting & Disclosure

51. All transactions entered into by the entity are final. We are not aware of any unrecorded transactions, side agreements or other arrangements (either written or oral) that are in place.
52. Except as reflected in the financial statements, there are no:
- a. Plans or intentions that may materially affect carrying values or classifications of assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position or fund balance.
 - b. Material transactions omitted or improperly recorded in the financial records.
 - c. Material unasserted claims or assessments that are probable of assertion or other gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.
 - d. Events occurring subsequent to the balance sheet date through the date of this letter, which is the date the financial statements were available to be issued, requiring adjustment or disclosure in the financial statements.
 - e. Agreements to purchase assets previously sold.
 - f. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements.
 - g. Guarantees, whether written or oral, under which the entity is contingently liable.
 - h. Known or anticipated asset retirement obligations.
53. Except as disclosed in the financial statements, the entity has:
- a. Satisfactory title to all recorded assets, and those assets are not subject to any liens, pledges, or other encumbrances.
 - b. Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.
54. We agree with the findings of specialists in evaluating the entity's pension, OPEB, and worker's compensation estimated assets or liabilities and have adequately considered the qualification of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.

Revenue, Accounts Receivable, & Inventory

55. Adequate provisions and allowances have been accrued for any material losses from:
- a. Uncollectible receivables.

- b. Excess or obsolete inventories.
- c. Sales commitments, including those unable to be fulfilled.
- d. Purchase commitments in excess of normal requirements or at prices in excess of prevailing market prices.

Estimates

- 56. We have identified all accounting estimates that could be material to the financial statements and we confirm the appropriateness of the methods and the consistency in their application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in making the accounting estimates, including those measured at fair value reported in the financial statements.
- 57. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that "near term" means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations, which refer to volumes of business, revenues, available sources of supply, or markets, loans, investments, or deposits, existing at the date of the financial statements that would make the entity vulnerable to the risk of severe impact in the near term that have not been properly disclosed in the financial statements.


Fair Value


- 58. With respect to the fair value measurements of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto:
 - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated course of action.
 - b. The measurement methods and significant assumptions used in determining fair value are appropriate in the circumstances for financial statement measurement and disclosure purposes and have been consistently applied.
 - c. The significant assumptions appropriately reflect market participant assumptions.
 - d. The disclosures related to fair values are complete, adequate, and in conformity with accounting principles generally accepted in the United States of America.
 - e. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Tax-Exempt Bonds

- 59. Tax-exempt bonds issued have retained their tax-exempt status.
- 60. We have notified you of any instances of noncompliance with applicable disclosure requirements of the SEC Rule 15c2-12 and applicable state laws.



Darrel Pyle, City Manager
Darrel.Pyle@NormanOK.gov

Anthony Francisco, Director of Finance
Anthony.Francisco@NormanOK.gov

Clint Mercer, Chief Accountant
Clint.Mercer@NormanOK.gov

City of Norman
Period Ending: June 30, 2024
ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflect the effects on the financial statements if the uncorrected misstatements identified were corrected.

Governmental Activities (Government-Wide Statements)

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	202,816,254		202,816,254	
Non-Current Assets & Deferred Outflows	638,858,537		638,858,537	
Current Liabilities	(60,958,306)	100,850	(60,857,456)	-0.17%
Non-Current Liabilities & Deferred Inflows	(249,433,033)		(249,433,033)	
Current Ratio			3.33	
Total Assets & Deferred Outflows	841,674,791		841,674,791	
Total Liabilities & Deferred Inflows	(310,391,339)	477,976	(309,913,363)	-0.15%
Total Net Assets	(531,283,452)	(477,976)	(531,761,428)	0.09%
General Revenues & Transfers	(160,777,741)		(160,777,741)	
Net Program Revenues/ Expenses	128,937,602	(477,976)	128,459,626	-0.37%
Change in Net Assets	(31,840,139)	(477,976)	(32,318,115)	1.50%

Client: City of Norman
Period Ending: June 30, 2024

Governmental Activities (Government-Wide Statements)
SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

		Assets & Deferred Outflows				Liabilities & Deferred Inflows				Net Effect on Following Year											
		Factual (F), Judgmental (J) or Projected (P)	Current		Noncurrent		Current		Noncurrent		General Revenues & Transfers		Revenues Expenses		Net Assets		Change in Net Assets		Net Assets		
Description	Financial Statement Line Item		DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	
To adjust accrued liabilities to the estimated amount for incurred claims		J	0		0		100,850		377,126			0		(477,976)		0		0		0	
	Accrued Liabilities						100,850		377,126									N/A - Estimate			
	General government expenses													(477,976)							
Total passed adjustments			0		0		100,850		377,126				(477,976)		0				0		
														Impact on Change in Net Assets		(477,976)					
														Impact on Net Assets		(477,976)					

City of Norman
Period Ending: June 30, 2024
ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflect the effects on the financial statements if the uncorrected misstatements identified were corrected.

Business Type Activities (Government-Wide Statements)

QUANTITATIVE ANALYSIS

		Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	Current Assets	89,527,666	254,403	89,782,069	0.28%
	Current Liabilities	295,349,274		295,349,274	
	Current Liabilities	(15,248,130)	(254,403)	(15,502,533)	1.67%
Non-Current Liabilities & Deferred Inflows		(52,096,305)		(52,096,305)	
	Current Ratio	5.87		5.79	-1.36%
Total Assets & Deferred Outflows		384,876,940	254,403	385,131,343	0.07%
Total Liabilities & Deferred Inflows		(67,344,435)	(254,403)	(67,598,838)	0.38%
Total Net Position		(317,532,505)		(317,532,505)	
General Revenues & Transfers		(4,682,177)		(4,682,177)	
Net Program Revenues/ Expenses		(4,709,406)		(4,709,406)	
Change in Net Position		(9,391,583)		(9,391,583)	

Client: City of Norman
Period Ending: June 30, 2024

Governmental Activities (Government-Wide Statements)
SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

		Factual (F), Judgmental (J) or Projected (P)	Assets		Liabilities		General Revenues & Transfers			Revenues/ Expenses	Net Position	Net Effect on Following Year			
Description	Financial Statement Line Item		Current	Noncurrent	Current	Noncurrent	DR	CR	DR	CR	DR	CR	Change in Net Position	Net Position	
			DR	CR	DR	CR							DR	CR	DR
To reclassify to the credit		F	254,403	0	(254,403)	0		0	0	0			0	0	
	Receivables: Accounts		254,403										N/A Balance Sheet only		
	Accrued Liabilities				(254,403)										
Total passed adjustments			254,403	0	(254,403)	0		0	0	0			0	0	
							Impact on Change in Net Position			0					
							Impact on Net Position			0					

City of Norman
Period Ending: June 30, 2024
ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflect the effects on the financial statements if the uncorrected misstatements identified were corrected.

Other Aggregate

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets & Deferred Outflows	147,518,729	234,259	147,752,988	0.16%
Total Liabilities & Deferred Inflows	(6,409,431)	477,976	(5,931,455)	-7.46%
Total Fund Balance	(141,109,298)	(712,235)	(141,821,533)	0.50%
Revenues	(81,690,138)		(81,690,138)	
Expenditures	58,350,980	(515,159)	57,835,821	-0.88%
Change in Fund Balance	(23,601,775)	(515,159)	(24,116,934)	2.18%

Client: City of Norman
Period Ending: June 30, 2024

Other Aggregate
SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

													Net Effect on Following Year			
Description	Financial Statement Line Item	Factual (F), Judgmental (J) or Projected (P)	Assets & Deferred		Liabilities &		Revenues	Expenditures	Fund Balance	Change in Fund		Fund				
			Outflows	Deferred Inflows	DR	(CR)				DR	(CR)	DR	(CR)	DR	(CR)	
Turnaround effect of recording a portion of insurance expense that should have been a prepaid asset.		F		0	0		0	197,076		(197,076)		0		0		
	Services, maintenance and claims							197,076				N/A - Turnaround effect				
	Fund Balance									(197,076)						
Recording portion of insurance expenses that should have been a prepaid asset		F		234,259	0		0	(234,259)		0		234,259		234,259		
	Prepaid Insurance			234,259								234,259				
	Services, maintenance and claims							(234,259)						234,259		
To adjust accrued liabilities to the estimated amount for incurred claims.		J		0	477,976		0	(477,976)		0		0		0		
	Accrued liabilities				477,976							N/A - Estimate				
	Services, maintenance and claims							(477,976)								
Total passed adjustments				234,259	477,976		0	(515,159)		(197,076)		234,259		234,259		
													Impact on Change in Fund Balance		(515,159)	
													Impact on Fund Balance		(712,235)	

City of Norman
Period Ending: June 30, 2024
ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflect the effects on the financial statements if the uncorrected misstatements identified were corrected.

Norman Municipal Authority

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	12,950,503	72,734	13,023,237	0.56%
Non-Current Assets & Deferred Outflows	19,491,690		19,491,690	
Current Liabilities	(1,649,894)	(72,734)	(1,722,628)	4.41%
Non-Current Liabilities & Deferred Inflows	(406,875)		(406,875)	
Current Ratio	7.849		7.560	-3.68%
Total Assets & Deferred Outflows	32,442,193	72,734	32,514,927	0.22%
Total Liabilities & Deferred Inflows	(2,056,769)	(72,734)	(2,129,503)	3.54%
Total Net Position	(30,385,424)		(30,385,424)	
Operating Revenues	(17,695,750)		(17,695,750)	
Operating Expenses	17,450,911		17,450,911	
Nonoperating (Revenues) Exp	(1,286,415)		(1,286,415)	
Change in Net Position	(1,531,254)		(1,531,254)	

Client: City of Norman
Period Ending: June 30, 2024

Norman Municipal Authority
SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

		Assets & Deferred Outflows				Liabilities & Deferred Inflows				Operating Revenues	Operating Expenses	Nonoperating (Revenues) Exp	Net Position	Net Effect on Following Year	
		Factual (F), Judgmental (J) or Projected (P)	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent		Current	Current	Current	Current	Change in Net Position	Net Position
Description	Financial Statement Line Item		DR - (CR)	DR - (CR)	DR - (CR)	DR - (CR)	DR - (CR)	DR - (CR)	DR - (CR)	DR - (CR)	DR - (CR)	DR - (CR)	DR - (CR)	DR - (CR)	DR - (CR)
To reclassify the credit balances in Utilities A/R to AP		F	72,734	0	(72,734)	0				0	0	0	0	0	0
	Receivables: Accounts		72,734											N/A Balance Sheet only	
	Accrued Liabilities				(72,734)										
Total passed adjustments			72,734	0	(72,734)	0				0	0	0	0	0	0
													Impact on Change in Net Position		0
													Impact on Net Position		0

City of Norman
Period Ending: June 30, 2024
ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflect the effects on the financial statements if the uncorrected misstatements identified were corrected.

Norman Utilities Authority

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	76,577,163	181,669	76,758,832	0.24%
Non-Current Assets & Deferred Outflows	275,857,584		275,857,584	
Current Liabilities	(13,598,236)	(181,669)	(13,779,905)	1.34%
Non-Current Liabilities & Deferred Inflows	(51,689,430)		(51,689,430)	
Current Ratio	5.631		5.570	-1.08%
Total Assets & Deferred Outflows	352,434,747	181,669	352,616,416	0.05%
Total Liabilities & Deferred Inflows	(65,287,666)	(181,669)	(65,469,335)	0.28%
Total Net Position	(287,147,081)		(287,147,081)	
Operating Revenues	(46,925,699)		(46,925,699)	
Operating Expenses	45,259,163		45,259,163	
Nonoperating (Revenues) Exp	(2,860,967)		(2,860,967)	
Change in Net Position	(7,860,329)		(7,860,329)	

Client: City of Norman
Period Ending: June 30, 2024

Norman Utilities Authority

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

		Assets & Deferred Outflows				Liabilities & Deferred Inflows				Operating Revenues	Operating Expenses	Nonoperating (Revenues) Exp	Net Position	Net Effect on Following Year	
		Factual (F), Judgmental (J) or Projected (P)	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Current	Current	Current	Current	Change in Net Position	Net Position
Description	Financial Statement Line Item		000 (000)	000 (000)	000 (000)	000 (000)	000 (000)	000 (000)	000 (000)	000 (000)	000 (000)	000 (000)	000 (000)	000 (000)	000 (000)
To reclassify the credit balances in Utilities A/R to AP		F	181,669	0	(181,669)	0				0	0	0	0	0	0
	Receivables: Accounts		181,669											N/A Balance Sheet only	
	Accrued Liabilities				(181,669)										
Total passed adjustments			181,669	0	(181,669)	0				0	0	0	0	0	0
														Impact on Change in Net Position	
														0	
														Impact on Net Position	
														0	