

Honorable Mayor, City Council,
Finance Committee, and Management
City of Norman, Oklahoma
Norman, Oklahoma

As part of our audit of the financial statements of the City of Norman, Oklahoma (the City) as of and for the year ended June 30, 2022, we wish to communicate the following to you.

AUDIT SCOPE AND RESULTS

Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America and the Standards Applicable to Financial Audits Contained in *Government Auditing Standards*, Issued by the Comptroller General of the United States

An audit performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, is designed to obtain reasonable, rather than absolute, assurance about the financial statements. In performing auditing procedures, we establish scopes of audit tests in relation to the opinion unit being audited. Our engagement does not include a detailed audit of every transaction. Our contract more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement audit that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. 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.

An audit of the financial statements does not relieve management or those charged with governance of their responsibilities. Our contract more specifically describes your responsibilities.

Other Information Accompanying the Audited Financial Statements

The audited financial statements are presented along with management's Annual Comprehensive Financial Report (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 annual report and as a result our opinion does not provide assurance as to the completeness and accuracy of the information contained therein. Instead, our objectives with regard to such information 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

The other information contained in the ACFR consists of the introductory and statistical sections, as listed in the table of contents of the ACFR. We read the sections and agreed financial information within the ACFR and considered whether a material inconsistency exists between the other information and the basic financial statements. We did not find material inconsistencies that were not corrected.

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

The City's significant accounting policies are described in Note 1 of the audited financial statements.

GASB 87

Effective July 1, 2021, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB 87 creates one model for recognizing leases for both lessees and lessors. Substantially all leases are recognized on the lessees' 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 is 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 City's key performance indicators related to the statement of net position (such as the current ratio) are likely not comparable to historical results.

Alternative Accounting Treatments

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. The following areas involve significant estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Other postemployment benefit liability
- Net pension liability (asset)
- Claims and judgments payable
- Allowance for uncollectible receivables

Significant Unusual Transactions

No matters are reportable.

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
- Other postemployment benefits

Audit Adjustments

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, 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. Some adjustments proposed were not recorded because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

Areas in which adjustments were proposed include:

Proposed Audit Adjustments Recorded

- No matters are reportable.

Proposed Audit Adjustments Not Recorded

- Attached is a summary of uncorrected misstatements we aggregated during the current engagement and pertaining to the latest period presented 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.
- We would like to call your attention to the fact that although these uncorrected misstatements, individually and in the aggregate, were deemed to be immaterial to the current year 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.

Auditor's Judgments About the Quality of the City's Accounting Principles

No matters are reportable.

Significant Issues Discussed with Management*Prior to Retention*

During our discussion with management prior to our engagement, the following issue regarding application of accounting principles or auditing standards was discussed:

- Implementation of GASB 87

During the Audit Process

During the audit process, the following issues were discussed or were the subject of correspondence with management:

- Implementation of GASB 87
- Restatement of fund balances related to the transfer of the Westwood Park fund from being a segment of the Norman Municipal Authority to a stand-alone governmental fund due to the retirement of debt

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter (attached)
- We orally communicated to management deficiencies in internal control identified during our audit that are not considered material weaknesses or significant deficiencies

This communication is intended solely for the information and use of management, the City's Finance Committee, the City Council, and others within the City and is not intended to be and should not be used by anyone other than these specified parties.

FORVIS,LLP

Oklahoma City, Oklahoma
December 8, 2022



The City of NORMAN

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OFFICE OF THE FINANCE DIRECTOR
Phone 405-366-5413
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Representation of:

City of Norman, Oklahoma
210 W. Gray Street, Bldg. C
Norman, OK 73069

Provided to:

FORVIS, LLP
Certified Public Accountants
211 N. Robinson Avenue, Ste. 600
Oklahoma City, OK 73102-9421

The undersigned ("We") are providing this letter in connection with FORVIS' audit of our financial statements as of and for the year ended June 30, 2022.

Our representations are current and effective as of the date of FORVIS' report: December 8, 2022.

Our engagement with FORVIS is based on our contract for services dated: July 6, 2022.

Our Responsibility and Consideration of Material Matters

We confirm that we are responsible for the fair presentation of the financial statements subject to FORVIS' 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' Report

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

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 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 everything we need to keep our books and records.
4. 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 records, 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 meetings of the governing body 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 governing body, if applicable, and maintained as part of our records.
 - e. All significant contracts and grants.
5. All transactions have been recorded in the accounting records and are reflected in the financial statements.
6. 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, or net position/fund balance.
7. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
8. We have no knowledge of any known or suspected fraudulent financial reporting or misappropriation of assets involving:
 - a. Management or employees who have significant roles in internal control, or
 - b. Others, where activities of others could have a material effect on the financial statements.
9. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, customers, regulators, suppliers or others.
10. 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.

11. 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. The entity has not entered into any new agreements with a related party or modified terms related to an existing related-party transaction during the year under audit, or as of the date of this letter. Further, we do not have any existing or ongoing agreements with related parties that are still in effect as of the date of this letter.

We understand that the term related party refers to an affiliate, management and members of their immediate families, component units, and any other party with which the entity may deal if the entity can significantly influence, or be influenced by, the management or operating policies of the other. The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

12. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
13. We are not aware of any side agreements or other arrangements (either written or oral) that are in place.
14. 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, and net position/fund balance.
 - b. Material transactions omitted or improperly recorded in the financial records.
 - c. Material gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.
 - d. Events occurring subsequent to the statement of net position/balance sheet date through the date of this letter requiring adjustment or disclosure in the financial statements.
 - e. Agreements to purchase assets previously sold.
 - f. Restrictions on cash balances or compensating balance agreements.
 - g. Guarantees, whether written or oral, under which the entity is contingently liable.
 - h. Known or suspected asset retirement obligations.
15. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
16. 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.
17. 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.
18. Adequate provisions and allowances have been accrued for any material losses from:
- a. Uncollectible receivables.

- b. Reducing obsolete or excess inventories to estimated net realizable value.
 - c. Sales commitments, including those unable to be fulfilled.
 - d. Purchase commitments in excess of normal requirements or above prevailing market prices.
19. Except as disclosed in the financial statements, the entity has:
- a. Satisfactory title to all recorded assets, and they 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.
20. The financial statements disclose all significant estimates and material concentrations known to us. Significant estimates are estimates at the statement of net position/balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur that would significantly disrupt normal finances within the next year. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
21. The fair values of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto are reasonable estimates based on the methods and assumptions used. The methods and significant assumptions used result in measurements of fair value appropriate for financial statement recognition and disclosure purposes and have been applied consistently from period to period, taking into account any changes in circumstances. The significant assumptions appropriately reflect market participant assumptions.
22. 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.
23. With respect to any nonattest services you have provided us during the year, including completion of the auditee portion of the Data Collection Form and limited assistance with the preparation of the financial statements and related notes:
- 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 received the deliverables from you and have stored these deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.
24. We have notified you of any instances of noncompliance with applicable disclosure requirements of the SEC Rule 15c2-12 and applicable state laws.

25. With regard to deposit and investment activities:

- a. All deposit 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.
26. 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.
27. 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.
28. 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.
29. 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.
30. 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.
31. 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.
32. 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.
33. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
34. 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.
35. 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.

36. 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.
37. With regard to pension and other postemployment benefit (OPEB) activities:
- a. We believe that 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.
38. We have identified and evaluated all potential tax abatements, and we believe there are no material tax abatements
39. 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.
40. As an entity subject to *Government Auditing Standards*:
- a. We acknowledge that we are responsible for compliance with applicable laws, regulations, and provisions of contracts and grant agreements.
 - b. 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.
 - c. We have identified and disclosed to you any violations or possible violations of laws, regulations, 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.
 - d. 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.
 - e. We have a process to track the status of audit findings and recommendations.
 - f. 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.
41. 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 with the exception of the 2020 balances for the MD&A, which were not restated for the adoption of GASB 84, *Leases*, 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.

42. 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.
- d. We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.
- e. If the supplementary information is not presented with the audited financial statements, we acknowledge 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.

43. With regard to other information that is presented in the form of our annual comprehensive financial report (ACFR):

- a. We confirm that the annual comprehensive financial report comprise the annual report for the entity.
- b. We have provided you with the final draft of the annual report.
- c. We have exercised due care in the preparation of the introductory and statistical sections included in our ACFR and are not aware of any information contained therein that is inconsistent with the information contained in our basic financial statements.

44. In connection with the adoption of GASB Statement No. 87, *Leases*, (GASB 87), we represent the following:

- a. We have identified a complete population of potential leases as of the implementation date.
- b. We have reviewed all significant contracts to identify lease and nonlease components as of the earliest date of adoption. Allocation of contract prices between lease and nonlease components are based upon standalone prices or other reasonable factors.
- c. Measurements of the lease assets and liabilities are based upon facts and circumstances that existed at the beginning of the period of implementation.
- d. The estimates related to any options to extend or terminate the lease terms within the measurement of lease assets and liabilities agree to management's plans for the leases.

- e. The discount rates for each lease are based upon what would be obtained by the entity for similar loans as an incremental rate.
 - f. The classification and accounting of related-party leases between entities, for which separate financial statements are issued, have been modified to recognize the substance of the transaction rather than only its legal form.
 - g. We have adequate controls in place to prevent and/or detect errors in lease assets and liabilities on a recurring basis.
 - h. The footnotes to the financial statements appropriately describe the adoption of GASB 87 and include all additional disclosures required under the Statement.
45. We agree with the findings of specialists in evaluating the City's pension, OPEB and worker's compensation estimated 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.
46. We acknowledge the current economic volatility presents difficult circumstances and challenges for our industry. Entities are potentially facing large volatility in the fair values of investments and other assets, constraints on liquidity, and difficulty obtaining financing, etc. We understand the values of the assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments to asset values, allowances for accounts receivable, pension, OPEB and other liability estimates, etc., that could negatively impact the entity's ability to meet debt covenants or maintain sufficient liquidity.

We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the entity's financial statements. Further, management and governance are solely responsible for all aspects of managing the entity, including questioning the quality and valuation of investments, inventory, and other assets; reviewing allowances for uncollectible amounts; evaluating capital needs and liquidity plans; actuarial assumptions for estimated pension and OPEB liabilities, etc.



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City of Norman, OK

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	241,553,150		241,553,150	
Non-Current Assets & Deferred Outflows	544,325,944		544,325,944	
Current Liabilities	(61,607,772)		(61,607,772)	
Non-Current Liabilities & Deferred Inflows	(241,530,372)		(241,530,372)	
Current Ratio			3.92	
Total Assets & Deferred Outflows	785,879,094		785,879,094	
Total Liabilities & Deferred Inflows	(303,138,144)		(303,138,144)	
Total Net Position	(482,740,950)		(482,740,950)	
General Revenues & Transfers	(143,031,176)		(143,031,176)	
Net Program Revenues/ Expenses	111,037,606	(351,904)	110,685,702	-0.32%
Change in Net Position	(31,993,570)	(351,904)	(32,345,474)	1.10%

Client: City of Norman, OK
Period Ending: June 30, 2022

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

		Assets & Deferred Outflows		Liabilities & Deferred Inflows		Net Effect on Following Year					
Description	Financial Statement Line Item	Factual (F), Judgmental (J) or Projected (P)	Current		Noncurrent		General Revenues & Transfers	Net Program Revenues/ Expenses	Net Position	Change in Net Position	
			DR	(CR)	DR	(CR)				DR	(CR)
			DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR
Turnaround effect of accumulated increase of accounts payable and accrued liabilities		F	0	0	0	0	0	(351,904)	351,904	0	0
	Net Position: Unrestricted								351,904	N/A - Turnaround Effect	
	Capital Outlay							(351,904)			
Adjustment to include the capital assets in accounts payable within the Net Investment in Capital Assets balance of Net position		F	0	0	0	0	0	0	0	0	0
	Net Position: Net Investment in Capital								2,619,715	N/A - Top Side Recalculation	
	Net Position: Unrestricted								(2,619,715)		
Total passed adjustments			0	0	0	0	0	(351,904)	351,904	0	0
							Impact on Change in Net Position		(351,904)		
							Impact on Net Position		0		

City of Norman, OK

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Business Type Activities (Government-Wide Statements)

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	81,109,071	252,648	81,361,719	0.31%
Non-Current Assets & Deferred Outflows	302,456,564		302,456,564	
Current Liabilities	(14,789,948)	(252,648)	(15,042,596)	1.71%
Non-Current Liabilities & Deferred Inflows	(67,431,828)		(67,431,828)	
Current Ratio	5.48		5.41	-1.37%
Total Assets & Deferred Outflows	383,565,635	252,648	383,818,283	0.07%
Total Liabilities & Deferred Inflows	(82,221,776)	(252,648)	(82,474,424)	0.31%
Total Net Position	(301,343,859)		(301,343,859)	
General Revenues & Transfers	1,281,832		1,281,832	
Net Program Revenues/ Expenses	(2,508,215)		(2,508,215)	
Change in Net Position	(1,226,383)		(1,226,383)	

Client: City of Norman, OK
Period Ending: June 30, 2022

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

Description	Financial Statement Line Item	Factual (F), Judgmental (J) or Projected (P)	Assets & Deferred Outflows		Liabilities & Deferred Inflows		General Revenues & Transfers		Net Program Revenues/ Expenses	Net Position	Net Effect on Following Year	
			Current	Noncurrent	Current	Noncurrent					Change in Net Position	Net Position
			DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	(CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)
To reclass negative balance customer utility accounts receivable		F	252,648	0	(252,648)	0	0		0	0	0	0
	Accounts receivable, net		252,648								N/A - No income statement impact	
	Accounts payable and other accrued liabilities				(252,648)							
Adjustment to include the deferred outflow balances in the Net Investment in Capital Assets balance of Net Position		F	0	0	0	0	0		0	0	0	0
	Net Position: Net Investment in Capital									429,563	N/A Top Side Reconciliation	
	Net Position: Unrestricted									(429,563)		
Adjustment to include the capital assets in accounts payable within the Net Investment in Capital Assets balance of Net position		F	0	0	0	0	0		0	0	0	0
	Net Position: Net Investment in Capital									975,928	N/A - Top Side Recalculation	
	Net Position: Unrestricted									(975,928)		
Total passed adjustments			252,648	0	(252,648)	0	0		0	0	0	0
Impact on Change in Net Position										0		
Impact on Net Position										0		

City of Norman, OK
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 Forward

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets & Deferred Outflows	67,709,048		67,709,048	
Total Liabilities & Deferred Inflows	(3,688,898)		(3,688,898)	
Total Fund Balance	(64,020,150)		(64,020,150)	
Revenues	(15,614,529)		(15,614,529)	
Expenditures	23,383,577	(191,180)	23,192,397	-0.82%
Change in Fund Balance	3,971,634	(191,180)	3,780,454	-4.81%

Client: City of Norman, OK
Period Ending: June 30, 2022

Norman Forward
SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

														Net Effect on Following Year			
		Factual (F), Judgmental (J) or Projected (P)	Assets & Deferred		Liabilities &		Revenues		Expenditures		Fund Balance		Change in Fund		Fund		
			Outflows		Deferred Inflows								Balance		Balance		
Description	Financial Statement Line Item		DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	
To record the turnaround effect of prior year A/P that should have been accrued in FY21		F		0		0		0		(191,180)		191,180		0		0	
	Capital Outlay									(191,180)			N/A - Turnaround Effect				
	Fund Balance											191,180					
Total passed adjustments				0		0		0		(191,180)		191,180		0		0	
Impact on Change in Fund Balance												(191,180)					
Impact on Fund Balance												0					

City of Norman, OK
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.

ARF

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets & Deferred Outflows	114,400,354	170,562	114,570,916	0.15%
Total Liabilities & Deferred Inflows	(5,316,962)		(5,316,962)	
Total Fund Balance	(109,083,392)	(170,562)	(109,253,954)	0.16%
Revenues	(31,372,872)	50,951	(31,321,921)	-0.16%
Expenditures	55,505,364	(26,540)	55,478,824	-0.05%
Change in Fund Balance	25,526,997	24,411	25,551,408	0.10%

Client: City of Norman, OK
Period Ending: June 30, 2022

ARF

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

												Net Effect on Following Year					
		Factual (F), Judgmental (J) or Projected (P)	Assets & Deferred		Liabilities &								Change in Fund		Fund		
			Outflows		Deferred Inflows		Revenues		Expenditures		Fund Balance		Balance		Balance		
Description	Financial Statement Line Item		DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	
To record the turnaround effect of the difference in taxes receivable compared to the confirmation received from the Cleveland County Treasurer in the PY		F		0		0		50,951		0		(50,951)		0		0	
	Revenues: Taxes							50,951					N/A - Turnaround Effect				
	Fund Balance											(50,951)					
To record the turnaround effect on the portion of insurance expenses that should have been recorded as prepaid assets in the PY		F		0		0		0		144,022		(144,022)		0		0	
	Fund Balance											(144,022)	N/A - Turnaround Effect				
	Service, maintenance and claims									144,022							
To record the portion of insurance expense that should be a prepaid asset		F		170,562		0		0		(170,562)		0		170,562		(170,562)	
	Prepaid Asset			170,562												(170,562)	
	Services, maintenance and claims									(170,562)				170,562			
Total passed adjustments			170,562		0		50,951		(26,540)		(194,973)		170,562		(170,562)		
Impact on Change in Fund Balance												24,411					
Impact on Fund Balance												(170,562)					

City of Norman, OK
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.

General Fund

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets & Deferred Outflows	35,650,567		35,650,567	
Total Liabilities & Deferred Inflows	(8,901,678)	52,809	(8,848,869)	-0.59%
Total Fund Balance	(26,748,889)	(52,809)	(26,801,698)	0.20%
Revenues	(90,545,317)	45,000	(90,500,317)	-0.05%
Expenditures	83,418,417	64,226	83,482,643	0.08%
Change in Fund Balance	(8,035,757)	109,226	(7,926,531)	-1.36%

Client: City of Norman, OK
Period Ending: June 30, 2022

General Fund

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								Balance		Balance		
			DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	
To record the turnaround effect of the difference in taxes receivable compared to the confirmation received from the Cleveland County Treasurer in the PY		F		0		0		45,000		0		(45,000)		0		0	
	Revenues: Taxes							45,000					N/A - Turnaround Effect				
	Fund Balance											(45,000)					
To record the turnaround effect of PY vacation accrual adjustment		P		0		0		0		117,035		(117,035)		0		0	
	Expenditures									117,035			N/A - Turnaround Effect				
	Fund Balance											(117,035)					
To adjust AP balances for amounts improperly included in FY22		F		0		52,809		0		(52,809)		0		52,809		(52,809)	
	Accounts payable and other accrued exp					52,809									(52,809)		
	Expenditures									(52,809)				52,809			
Total passed adjustments			0		52,809		45,000		64,226		(162,035)		52,809		(52,809)		
Impact on Change in Fund Balance												109,226					
Impact on Fund Balance												(52,809)					

City of Norman, OK
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.

PSST

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets & Deferred Outflows	11,599,560		11,599,560	
Total Liabilities & Deferred Inflows	(588,816)		(588,816)	
Total Fund Balance	(11,010,744)		(11,010,744)	
Revenues	(14,388,863)		(14,388,863)	
Expenditures	14,087,869	69,609	14,157,478	0.49%
Change in Fund Balance	(300,994)	69,609	(231,385)	-23.13%

Client: City of Norman, OK
Period Ending: June 30, 2022

PSST
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								Balance		Balance		
			DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	
To record the turnaround effect of PY vacation accrual adjustment		P		0		0		0		69,609		(69,609)		0		0	
	Expenditures									69,609			N/A - Turnaround Effect				
	Fund Balance											(69,609)					
Total passed adjustments				0		0		0		69,609		(69,609)		0		0	
Impact on Change in Fund Balance												69,609					
Impact on Fund Balance												0					

City of Norman, OK
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.

Capital Projects

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets & Deferred Outflows	85,628,723		85,628,723	
Total Liabilities & Deferred Inflows	(3,987,321)		(3,987,321)	
Total Fund Balance	(81,641,402)		(81,641,402)	
Revenues	(18,274,500)		(18,274,500)	
Expenditures	31,150,076	(57,940)	31,092,136	-0.19%
Change in Fund Balance	(8,156,101)	(57,940)	(8,214,041)	0.71%

Client: City of Norman, OK
Period Ending: June 30, 2022

Capital Projects

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 Balance		Fund Balance	
			Outflows		Deferred Inflows								DR (CR)		DR (CR)	
			DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)
To record the turnaround impact of the PY adjustment to AP balances for amounts improperly included in FY21		F		0		0		0		(57,940)		57,940		0		
	Capital Outlay									(57,940)				N/A - Turnaround Effect		
	Fund Balance											57,940				
Total passed adjustments				0		0		0		(57,940)		57,940		0		

Impact on Change in Fund Balance	(57,940)
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Impact on Fund Balance	0
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City of Norman, OK

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.

NMA

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	16,423,454	69,379	16,492,833	0.42%
Non-Current Assets & Deferred Outflows	13,440,257	(69,379)	13,370,878	-0.52%
Current Liabilities	(1,684,591)		(1,684,591)	
Non-Current Liabilities & Deferred Inflows	(363,194)		(363,194)	
Current Ratio	9.749		9.790	0.42%
Total Assets & Deferred Outflows	29,863,711		29,863,711	
Total Liabilities & Deferred Inflows	(2,047,785)		(2,047,785)	
Total Net Position	(27,815,926)		(27,815,926)	
Operating Revenues	(16,629,125)		(16,629,125)	
Operating Expenses	15,200,594		15,200,594	
Nonoperating (Revenues) Exp	522,858		522,858	
Change in Net Position	(365,673)		(365,673)	

Client: City of Norman, OK
Period Ending: June 30, 2022

NMA
SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

		Assets & Deferred Outflows				Liabilities & Deferred Inflows				Net Effect on Following Year						
Description	Financial Statement Line Item	Factual (F), Judgmental (J) or Projected (P)	Current		Noncurrent		Current		Noncurrent		Operating Revenues	Operating Expenses	Nonoperating (Revenues) Exp.	Net Position	Change in Net Position	
			DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)
To reclass negative balance customer utility accounts receivable		F	69,379	(69,379)	0	0	0	0	0	0	0	0	0	0	0	
	Account, net		69,379											N/A - No income statement impact		
	Accounts payable and other accrued liabilities			(69,379)												
Adjustment to include the capital assets in accounts payable within the Net Investment in Capital Assets balance of Net position		F	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Net Position: Net Investment in Capital												146,775	N/A - Top Side Recalculation		
	Net Position: Unrestricted												(146,775)			
Total passed adjustments			69,379	(69,379)	0	0	0	0	0	0	0	0	0	0	0	
											Impact on Change in Net Position				0	
											Impact on Net Position				0	

City of Norman, OK

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.

NUA

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	64,685,617	183,269	64,868,886	0.28%
Non-Current Assets & Deferred Outflows	289,016,307		289,016,307	
Current Liabilities	(13,105,357)	(183,269)	(13,288,626)	1.40%
Non-Current Liabilities & Deferred Inflows	(67,068,634)		(67,068,634)	
Current Ratio	4.936		4.882	-1.09%
Total Assets & Deferred Outflows	353,701,924	183,269	353,885,193	0.05%
Total Liabilities & Deferred Inflows	(80,173,991)	(183,269)	(80,357,260)	0.23%
Total Net Position	(273,527,933)		(273,527,933)	
Operating Revenues	(42,421,781)		(42,421,781)	
Operating Expenses	41,804,463		41,804,463	
Nonoperating (Revenues) Exp	1,489,019		1,489,019	
Change in Net Position	(860,710)		(860,710)	

Client: City of Norman, OK
Period Ending: June 30, 2022

NUA

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

		Assets & Deferred Outflows				Liabilities & Deferred Inflows				Net Effect on Following Year						
Description	Financial Statement Line Item	Factual (F), Judgmental (J) or Projected (P)	Current		Noncurrent		Current		Noncurrent		Operating Revenues	Operating Expenses	Nonoperating (Revenues) Exp	Net Position	Change in Net	
			DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	Position	Net Position
To reclass negative balance customer utility accounts receivable		F	183,269	0	(183,269)	0				0	0	0	0		0	0
	Account receivable, net		183,269											N/A - No income statement impact		
	Accounts payable and other accrued liabilities				(183,269)											
Adjustment to include the deferred outflow balances in the Net Investment in Capital Assets balancew of Net Position		F	0	0	0	0				0	0	0	0		0	0
	Net Position: Net Investment in Capital												429,563	N/A Top Side Reconciliation		
	Net Position: Unrestricted												(429,563)			
Adjustment to include the capital assets in accounts payable within the Net Investment in Capital Assets balance of Net position		F	0	0	0	0				0	0	0	0		0	0
	Net Position: Net Investment in Capital												829,153	N/A - Top Side Recalculation		
	Net Position: Unrestricted												(829,153)			
Total passed adjustments			183,269	0	(183,269)	0					0	0	0	0	0	
Impact on Change in Net Position															0	
Impact on Net Position															0	