City of Norman, Oklahoma

Single Audit Reports

June 30, 2013

BKD LLP
CPAs & Advisors

City of Norman, Oklahoma

June 30, 2013

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City of Norman, Oklahoma
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Cluster/Program	Federal Agency/ Pass-Through Entity	CFDA Number	Grant or Identifying Number	Amount
U.S. Department of Housing and Urban Development				
CDBG – Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	U.S. Department of Housing and Urban Development	14.218	B10MC400002	$ 26,431
			B11MC400002	777,779
			B12MC400002	6,594
Total CDBG – Entitlement Grants Cluster				***810,804***
Emergency Solutions Grant Program	U.S. Department of Housing and Urban Development/Oklahoma State Department of Commerce	14.231	14805 ESG 11	7,551
			14806 ESG 11	4,001
			14866 ESG 11	5,629
			15189 ESG2 11	84,031
			15380 ESG 12	37,785
			15381 ESG 12	21,533
			15382 ESG 12	34,273
			15383 ESG 12	59,557
			15384 ESG 12	27,893
				282,253
HOME Investment Partnership Program	U.S. Department of Housing and Urban Development	14.239	M10MC400204	31,614
			M11MC400204	198,186
			M12MC400204	10,000
				239,800
Total U.S. Department of Housing and Urban Development				**1,332,857**
U.S. Department of Interior				
Historic Preservation Fund	U.S. Department of Interior/Oklahoma State Historic Preservation Office	15.904	11-612	300
			12-612	6,200
Total U.S. Department of Interior				**6,500**
U.S. Department of Justice				
Paul Coverdell Forensic Sciences Improvement Grant Program	U.S. Department of Justice/Oklahoma District Attorney's Council	16.742	FSF12-005	2,628
Bulletproof Vest Partnership Program	U.S. Department of Justice	16.607		1,720
Public Safety Partnership and Community Policing Grants	U.S. Department of Justice	16.710	2009-CK WX 0089	149,800
			2010-CK WX 0089	249,637
				399,437
JAG Program Cluster				
Edward Byrne Memorial Justice Assistance Grant Program	U.S. Department of Justice	16.738	2009-DJ-BX-1396	2,908
			2010-DJ-BX-1234	983
			2011-DJ-BX-2941	927
			2012-DJ-BX-0165	6,892
				11,710
ARRA – Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to Units of Local Government	U.S. Department of Justice	16.804	2009-SB-B9-0453	16,883
Total JAG Program Cluster				***28,593***
Total U.S. Department of Justice				**432,378**

City of Norman, Oklahoma
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Cluster/Program	Federal Agency/ Pass-Through Entity	CFDA Number	Grant or Identifying Number	Amount
U.S. Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	U.S. Department of Transportation/ Oklahoma Department of Transportation	20.205	SAFETEALU-11-07	$ 184
Highway Planning and Construction	U.S. Department of Transportation/ Association of Central Oklahoma Governments	20.205	J/P 11767(27)	10,000
Total Highway Planning and Construction Cluster				***10,184***
Highway Safety Cluster				
State and Community Highway Safety DRE Training	U.S. Department of Transportation/ Oklahoma State Highway Safety Office	20.600	AL-12-02-03-12	6,712
			AL-13-02-03-13	35,924
			OP-12-03-04-04	8,584
			OP-13-03-03-05	4,786
			PT-13-03-13-05	75,808
				131,814
Alcohol Impaired Driving Countermeasures Incentive Grants I	U.S. Department of Transportation/ Oklahoma State Highway Safety Office	20.601	K8-12-03-28-04	10,289
			K8-13-03-20-05	16,574
				26,863
Total Highway Safety Cluster				***158,677***
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants	U.S. Department of Transportation/ Oklahoma State Highway Safety Office	20.614	CE-12-03-21-04	2,194
			CE-12-03-21-05	2,643
				4,837
Total U.S. Department of Transportation				**173,698**
U.S. Environmental Protection Agency				
Clean Water State Revolving Fund	U.S. Environmental Protection Agency/ Oklahoma Water Resources Board	66.458	ORF-09-0017-CW	22,106
Total U.S. Environmental Protection Agency				**22,106**
U.S. Department of Energy				
ARRA – State Energy Program	U.S. Department of Energy	81.041	14220 SSEP 09	24,997
Total U.S. Department of Energy				**24,997**
U.S. Department of Health and Human Services				
Medical Reserve Corps Small Grant Program	U.S. Department of Health and Human Services/National Association of County & City Health Officials	93.008	MRC 11 333	908
			MRC 12 333	1,545
			MRC 13 333	3,053
Total U.S. Department of Health and Human Services				**5,506**

City of Norman, Oklahoma

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2013

Cluster/Program	Federal Agency/ Pass-Through Entity	CFDA Number	Grant or Identifying Number	Amount
U.S. Department of Homeland Security				
Non-Profit Security Program	U.S. Department of Homeland Security/ Oklahoma Office of Homeland Security	97.008	131.029	$ 2,900
			290.069	162,609
				165,509
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	U.S. Department of Homeland Security/Oklahoma Department of Civil Emergency Management	97.036	FEMA 4117 DR OK	307,295
Citizens-Community Resilience Innovation Challenge	U.S. Department of Homeland Security/ Oklahoma Office of Homeland Security	97.053	148.010	15,206
			280.541	5,451
			380.521	7,399
				28,056
Law Enforcement Protection Program	U.S. Department of Homeland Security/ Oklahoma Office of Homeland Security	97.074	240.014	35,242
			340.014	18,963
				54,205
Total U.S. Department of Homeland Security				**555,065**
Total Expenditures of Federal Awards				**$ 2,553,107**

Notes to Schedule

1. This schedule includes the federal awards activity of the City of Norman, Oklahoma, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. Of the federal expenditures presented in this schedule, the City of Norman, Oklahoma, provided no federal awards to subrecipients.

BKD LLP
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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Norman, Oklahoma (the City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 5, 2013, which contained an emphasis of matter paragraph regarding the implementation of new accounting standards.

Internal Control over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit, we considered the City's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

Honorable Mayor and City Council
City of Norman, Oklahoma

Compliance

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

Other Matter

We noted certain matters that we reported to the City's management in a separate letter dated December 5, 2013.

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

BKD, LLP

Oklahoma City, Oklahoma
December 5, 2013

BKD LLP
CPAs & Advisors

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Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and Schedule of Expenditures of Federal Awards

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

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Norman, Oklahoma (the City) with the types of compliance requirements described in the OMB, *Circular A-133 Compliance Supplement*, that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the City's compliance with those requirements.

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

Honorable Mayor and City Council
City of Norman, Oklahoma

Opinion on Each Major Federal Program

In our opinion, the City of Norman, Oklahoma, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Honorable Mayor and City Council
City of Norman, Oklahoma

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Norman, Oklahoma, as of and for the year ended June 30, 2013, and have issued our report thereon dated December 5, 2013, which contained an unmodified opinion on those financial statements and an emphasis of matter paragraph regarding the implementation of new accounting standards. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

BKD, LLP

Oklahoma City, Oklahoma
December 5, 2013

City of Norman, Oklahoma
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Summary of Auditor's Results

1. The opinions expressed in the independent auditor's report were:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:

   Significant deficiency(ies)? ☐ Yes ☒ None reported

   Material weakness(es)? ☐ Yes ☒ No

3. Noncompliance considered material to the financial statements was disclosed by the audit? ☐ Yes ☒ No

4. The independent auditor's report on internal control over compliance with requirements that could have a direct and material effect on major federal awards programs disclosed:

   Significant deficiency(ies)? ☐ Yes ☒ None reported

   Material weakness(es)? ☐ Yes ☒ No

5. The opinions expressed in the independent auditor's report on compliance with requirements that could have a direct and material effect on major federal awards were:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. The audit disclosed findings required to be reported by OMB Circular A-133? ☐ Yes ☒ No

7. The City's major programs were:

Cluster/Program	CFDA Number
CDBG – Entitlement Grants Cluster	14.218
Public Safety Partnership and Community Policing Grants	16.710
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 was $300,000.

9. The City qualified as a low-risk auditee as that term is defined in OMB Circular A-133? ☒ Yes ☐ No

City of Norman, Oklahoma

Schedule of Findings and Questioned Costs, continued

Year Ended June 30, 2013

Findings Required to be Reported by *Government Auditing Standards*

No matters are reportable.

Findings Required to be Reported by OMB Circular A-133

No matters are reportable.

City of Norman, Oklahoma

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2013

Reference Number	Summary of Finding	Status
No matters are reportable.		