

The Honorable Mayor, City Council and Audit Committee
The City of Oklahoma City, Oklahoma
Oklahoma City, Oklahoma

As part of our audits of the financial statements and compliance of the City of Oklahoma City, Oklahoma (the City), as of and for the year ended June 30, 2014, 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; the Standards Applicable to Financial Audits Contained in Government Auditing Standards, Issued by the Comptroller General of the United States; and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations

An audit performed 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*, is designed to obtain reasonable, rather than absolute, assurance about the financial statements and about whether noncompliance with the types of compliance requirements described in OMB Circular A-133 that could have a direct and material effect on a major federal program occurred. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our audit 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 audit contract more specifically describes your responsibilities.

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.

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 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:

- Fair value of investments
- Unbilled revenue
- Allowance for doubtful accounts
- Depreciable lives of capital assets
- Accruals for self-insurance
- Accounting for judgment liabilities
- Pollution remediation liabilities
- Liabilities for other post-employment benefits
- Pension obligations

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:

- Revenue recognition
- Prior period adjustments
- Litigation contingencies
- Post-employment benefit obligations

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. 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

- Capital asset-related items
- Revenue recognition items
- Cash reconciling item
- Prepaid assets
- Unearned revenue
- Accounts payable

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, to the financial statements as a whole.

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:

- Adoption of Governmental Accounting Standards Board (GASB) Statements No. 67 and 70

During the Audit Process

During the audit process, the following issue was discussed or was the subject of correspondence with management:

- Prior period adjustment

Other Material Written Communication

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

- Management representation letter (attached)

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements of the City as of and for the year ended June 30, 2014, 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*, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 of the City's financial statements on a timely basis. A deficiency in design exists when a control necessary to meet a control objective is missing or an existing control is not properly designed so that, even if the control operates as designed, a control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

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.

We observed the following matters that we consider to be a deficiency, significant deficiencies or material weaknesses.

Material Weaknesses

Refer to the 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*.

Significant Deficiencies

Refer to the 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*.

Deficiency

Passed Audit Adjustments

During the course of the audit, we proposed certain audit adjustments that were not recorded by management. Management should review each item identified which resulted in a passed audit adjustment and determine which internal control is responsible for identification and proper recording of each item. Where items were not identified and corrected by the existing internal control structure, management should consider changing the structure or implementing new controls to assist in identifying similar items in the future.

OTHER MATTERS

Although not considered material weaknesses, significant deficiencies or deficiencies in internal control over financial reporting, we observed the following matters that we offer for your consideration. Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not bring to light all weaknesses in policies and procedures that may exist. However, these matters are offered as constructive suggestions for the consideration of management as part of the ongoing process of modifying and improving financial and administrative practices and procedures. We can discuss these matters further at your convenience and may provide implementation assistance for changes or improvements.

Deposit Collateralization

The City maintains a policy that all deposits in excess of Federal Deposit Insurance Corporation insurable limits be collateralized with pledged assets of 110%. We noted the Oklahoma City Airports Trust (OCAT) failed to meet this requirement as of June 30, 2014. We suggest processes be reviewed for monitoring the collateral requirements by OCAT and the financial institutions be reminded of the City's requirements outlined in the banking agreements.

In addition, the Oklahoma City Redevelopment Authority did not maintain evidence of collateral on uninsured deposits. We recommend management maintain copies of critical information and review periodically to ensure information is updated.

Financial Statement Disclosures

GASB recently issued the following statements not yet required to be adopted by the City:

GASB Statement No. 68, *Financial Reporting for Pension Plans—an Amendment of GASB Statement No. 27* – This statement establishes standards of accounting and financial reporting for defined pension benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers that are administered through trusts or equivalent arrangements. GASB Statement No. 68 amends GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. The provisions of GASB Statement No. 68 are effective for periods beginning after June 15, 2014, and would be applied on a prospective basis. The City has not yet determined the full potential impact this statement could have on its financial statements but it is anticipated to be significant.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* – This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The term, “government combinations,” includes a variety of transactions referred to as mergers, acquisitions and transfers of operations. This standard is effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis. Earlier application is encouraged. The City has not yet determined the potential impact, if any, this statement could have on its financial statements.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an Amendment of GASB Statement No. 68* – The objective of this statement is to address an issue regarding application of the transition provisions of GASB Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. The provisions of this statement are required to be applied simultaneously with the provisions of GASB Statement No. 68. The City has not yet determined the potential impact, if any; this statement could have on its financial statements.

Significant Changes to Federal Grant Policies

In December 2013, the OMB issued final guidance to supersede and streamline requirements from OMB Circulars A-21, A-50, A-87, A-89, A-102, A-110, A-122 and A-133 by consolidating into one document the federal government’s guidance on *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. This guidance, commonly referred to as the Omni- or Super-Circular, is effective for all federal awards or funding increments provided after December 26, 2014, and the audit requirement changes contained therein will be effective for years beginning on or after December 26, 2014. The final guidance is located in Title 2 of the Code of Federal Regulations.

The new guidance raises the audit threshold and the minimum Type A/B program threshold to \$750,000, simplifies, in many instances, the support requirements for the indirect cost rate used and increases the focus on internal controls over compliance with federal program rules.

Personnel in your organization responsible for federal grant administration will need to become familiar with this new guidance and, in most cases, certain controls over compliance with federal program rules and guidance will require modification as a result of implementing this new guidance.

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

BKD, LLP

December 12, 2014



The City of
OKLAHOMA CITY
DEPARTMENT OF FINANCE

December 12, 2014

BKD, LLP

Certified Public Accountants
211 N. Robinson Avenue, Suite 600
Oklahoma City, OK 73102

We are providing this letter in connection with your audit of the City of Oklahoma City, Oklahoma (the City) financial statements as of and for the year ended June 30, 2014 and your audit of our compliance with requirements applicable to each of our major federal awards programs as of and for the year ended June 30, 2014. We confirm that we are responsible for the fair presentation of the financial statements 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.

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 audit contract dated April 29, 2014, 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 internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

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.
 - (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 entity procedures with respect to:
 - (a) Misappropriation of assets.
 - (b) Misrepresented or misstated assets, liabilities or net position.
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:
 - (a) Fraudulent financial reporting or misappropriation of assets involving management or employees who have significant roles in internal control.
 - (b) Fraudulent financial reporting or misappropriation of assets involving others that could have a material effect on the financial statements.
9. We have no knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, customers, regulators, suppliers or others.
10. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware. 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. 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 it 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 us.

11. Except as reflected in the financial statements, there are no:
 - (a) Plans or intentions that may materially affect carrying values or classifications of assets and liabilities.
 - (b) Material transactions omitted or improperly recorded in the financial statements.
 - (c) Material 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 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 City is contingently liable.

12. 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.

13. 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.

14. The Oklahoma City Risk Management, the Oklahoma City Municipal Authority's OCMFA Services funds and the Oklahoma City Post Employment Benefit Trust administer the risk management activities of the City and certain component units. These funds account for the risk financing activities and constitute a transfer of risk. For property and liability claims the City and certain components have no right of recovery under the coverage provided by the Oklahoma City Risk Management and the Oklahoma City Municipal Authority's OCMFA Services

funds until such time as the costs have been incurred by the City or certain components to repair or replace the damaged assets.

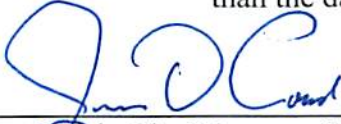
15. Adequate provisions and allowances have been accrued for any material losses from:
 - (a) Uncollectible receivables.
 - (b) Reducing obsolete or excess inventories to estimated net realizable value.
 - (c) Purchase commitments in excess of normal requirements or above prevailing market prices.
16. Except as disclosed in the financial statements, we have:
 - (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.
17. Except for the matters disclosed in the financial statements, 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.
18. With regard to deposit and investment activities:
 - (a) All deposit, repurchase and reverse 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.
19. With respect to any nonattest services you have provided us during the year, including drafting the single audit report 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 that 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.
- 20. We acknowledge that we are responsible for compliance with applicable laws, regulations and provisions of contracts and grant agreements.
- 21. 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.
- 22. We have identified and disclosed to you any violations or possible violations of laws, regulations and provisions of contracts and grant agreements whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.
- 23. 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.
- 24. We have a process to track the status of audit findings and recommendations.
- 25. 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.
- 26. We have provided our views on any findings, conclusions and recommendations, as well as our planned corrective actions with respect thereto, to you for inclusion in the findings and recommendations referred to in your report on internal control over financial reporting and on compliance and other matters based on your audit of the financial statements performed in accordance with *Government Auditing Standards*.
- 27. With regard to federal awards programs:
 - (a) We have identified in the schedule of expenditures of federal awards all assistance provided (either directly or passed through other entities) by federal agencies in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, commodities, insurance, direct appropriations or in any other form.

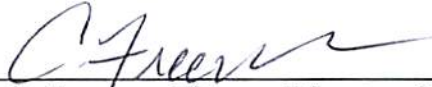
- (b) We have identified the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* regarding activities allowed or unallowed; allowable costs/cost principles; cash management; Davis-Bacon Act; eligibility; equipment and real property management; matching, level of effort, earmarking; period of availability of federal funds; procurement and suspension and debarment; program income; real property acquisition and relocation assistance; reporting; subrecipient monitoring; and special tests and provisions that are applicable to each of our federal awards programs. We have identified to you our interpretation of any applicable compliance requirements subject to varying interpretations.
- (c) We are responsible to understand and comply with the requirements of laws, regulations, contracts and grants applicable to each of our federal awards programs and have disclosed to you any and all instances of noncompliance with those requirements occurring during the period of your audit or subsequent thereto to the date of this letter of which we are aware. Except for any instances of noncompliance we have disclosed to you, we believe the City has complied with all applicable compliance requirements.
- (d) We are responsible for establishing and maintaining effective internal control over compliance to provide reasonable assurance we have administered each of our federal awards programs in compliance with requirements of laws, regulations, contracts and grants applicable to those programs.
- (e) We have made available to you all contracts and grant agreements, including any amendments, and any other correspondence or documentation relevant to each of our federal awards programs and to our compliance with applicable requirements of those programs.
- (f) The information presented in federal awards program financial reports and claims for advances and reimbursements is supported by the books and records from which our financial statements have been prepared.
- (g) Amounts claimed or used for matching were determined in accordance with the applicable OMB Circular regarding cost principles.
- (h) We have monitored any subrecipients to determine that they have expended federal awards in accordance with applicable laws and regulations and have met the audit and other requirements of OMB Circular A-133.
- (i) We have taken appropriate corrective action on a timely basis after receipt of any subrecipient's auditor's report that identified findings and questioned costs pertaining to federal awards programs passed through to the subrecipient by us.

- (j) We have considered the results of any subrecipient's audits received and made any necessary adjustments to our books and records.
 - (k) We have disclosed to you any communications from grantors and pass-through entities concerning possible noncompliance with the applicable compliance requirements for each of our federal awards programs, including any communications received from the end of the period of your audit through the date of this letter.
 - (l) We have identified to you any previous compliance audits, attestation engagements and internal or external monitoring related to the objectives of your compliance audit, including findings received and corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements or other monitoring.
 - (m) We are responsible for taking corrective action on any audit findings.
 - (n) The summary schedule of prior audit findings correctly states the status of all audit findings included in the OMB Circular A-133 section of the prior audit's schedule of findings and questioned costs and any uncorrected open findings included in the prior audit's summary schedule of prior audit findings as of the date of this letter.
28. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis, budgetary comparisons, and pension and post retirement 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.
29. 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.



James Couch, City Manager, City of
Oklahoma City



Craig Freeman, Finance Director, City of
Oklahoma City



Laura Papas, Controller, City of
Oklahoma City

City of Oklahoma City - CAFR

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects 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	1,179,209		1,179,209	
Non-Current Assets	1,615,504	(3,449)	1,612,055	-0.21%
Current Liabilities	(175,189)		(175,189)	
Non-Current Liabilities	(858,018)		(858,018)	
Current Ratio	6.73		6.73	
Total Assets	2,794,713	(3,449)	2,791,264	-0.12%
Total Liabilities	(1,033,207)		(1,033,207)	
Total Net Position	(1,761,506)	3,449	(1,758,057)	-0.20%
General Revenues & Transfers	(601,431)		(601,431)	
Net Program Revenues/ Expenses	496,002	3,449	499,451	0.70%
Change in Net Position	(105,429)	3,449	(101,980)	-3.27%

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

Description	Financial Statement Line Item	Factual (F) Judgmental (J) Projected (P)	Assets				Liabilities				General Revenues & Transfers			Net Program Revenues/Expenses		Net Position		Net Effect on Following Year			
			Current		Non-Current		Current		Non-Current		DR		CR		DR		CR		Change in Net Position		
			DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	
Estimated depreciation on construction work in progress assets that failed to be placed in service during 2014.		J	0		(2,500)			0		0		0		2,500		0		0		0	
	Accumulated depreciation				(2,500)															N/A	N/A
	Depreciation expense													2,500							
Estimate of additional legal claims reserve based and in house estimates from attorneys.		F	0		(949)			0		0		0		949		0		(949)		949	
	Estimated claims				(949)															949	
														949						(949)	
			0		0			0		0		0		0		0		0		0	
			0		0			0		0		0		0		0		0		0	
			0		0			0		0		0		0		0		0		0	
			0		0			0		0		0		0		0		0		0	
Total passed adjustments			0		(3,449)			0		0		0		3,449		0		(949)		949	
												Impact on Change in Net Position		3,449							
												Impact on Net Position		3,449							

City of Oklahoma City - CAFR

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects 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	53,137	(188)	52,949	-0.35%
Non-Current Assets	477,999		477,999	
Current Liabilities	(32,030)	188	(31,842)	-0.59%
Non-Current Liabilities	(123,230)		(123,230)	
Current Ratio	1.66		1.66	0.24%
Total Assets	531,136	(188)	530,948	-0.04%
Total Liabilities	(155,260)	188	(155,072)	-0.12%
Total Net Position	(375,876)		(375,876)	
General Revenues & Transfers	(22,466)		(22,466)	
Net Program Revenues/ Expenses	14,951		14,951	
Change in Net Position	(7,515)		(7,515)	

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

Description	Financial Statement Line Item	Factual (F) Judgmental (J) Projected (P)	Assets				Liabilities				General Revenues & Transfers			Net Program Revenues/Expenses		Net Position		Net Effect on Following Year			
			Current		Non-Current		Current		Non-Current		DR		CR		DR		CR		Change in Net Position		
			DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	
Remove prepaid asset that was not paid until after year-end. (Current year item from OCMFA)		F	(188)		0			188					0		0			0		0	
	Prepaid assets		(188)																	N/A	N/A
	Accounts payable							188													
			0		0			0					0		0			0		0	
			0		0			0					0		0			0		0	
			0		0			0					0		0			0		0	
			0		0			0					0		0			0		0	
			0		0			0					0		0			0		0	
Total passed adjustments			(188)		0			188					0		0			0		0	
													Impact on Change in Net Position		0						
													Impact on Net Position		0						

City of Oklahoma City - CAFR

ATTACHMENT

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

Discretely Presented Component Units (Government-Wide Statements)

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	438,968		438,968	
Non-Current Assets	2,002,543	1,362	2,003,905	0.07%
Current Liabilities	(178,372)		(178,372)	
Non-Current Liabilities	(822,761)		(822,761)	
Current Ratio	2.46		2.46	
Total Assets	2,441,511	1,362	2,442,873	0.06%
Total Liabilities	(1,001,133)		(1,001,133)	
Total Net Position	(1,440,378)	(1,362)	(1,441,740)	0.09%
General Revenues & Transfers	(22,762)		(22,762)	
Net Program Revenues/ Expenses	36,441	(2,888)	33,553	-7.93%
Change in Net Position	13,679	(2,888)	10,791	-21.11%

Client: **City of Oklahoma City - CAFR**
 Period Ending: **June 30, 2014**

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

Description	Financial Statement Line Item	Factual (F) Judgmental (J) Projected (P)	Assets				Liabilities				General Revenues & Transfers			Net Program Revenues/ Expenses			Net Position		Net Effect on Following Year							
			Current		Non-Current		Current		Non-Current		DR		(CR)		DR		(CR)		DR		(CR)		Change in Net Position		Net Position	
			DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)
Estimated depreciation on capital assets not transferred from construction in progress in 2013. (Passed adjustment from the 2013 audit) - OCWUT		F	0	0	0	0	0	0	0	0	(1,019)	1,019	0		0		0		0		0		0			
	Depreciation expense										(1,019)	1,019									N/A		N/A			
Inventory both capitalized and recorded in inventory for Atoka pipeline parts. (City identified in the current year) - OCWUT		F	0	0	0	0	0	0	0	(1,869)	1,869	0		0		0		0		0		0				
	Cost reimbursements										(1,869)											N/A				
	Net position											1,869											N/A			
Transfer of capital assets from construction in progress for 2014 to depreciable assets. (Current year passed adjustment)		F	0	0	0	0	0	0	0	0	0	0	0	0		0		0		0		0				
	Depreciable assets			3,552																		N/A		N/A		
	Construction in progress			(3,552)																						
Unidentified items in construction in progress at June 30, 2014 and are a negative. (Current year passed adjustment)		J	0	1,362	0	0	0	0	0	0	0	(1,362)	0		0		0		0		0		0			
	Construction in progress			1,362																		N/A		N/A		
	Fund equity											(1,362)														
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total passed adjustments			0	1,362	0	0	0	0	0	0	(2,888)	1,526	0		0		0		0		0		0			

Impact on Change in Net Position (2,888)

Impact on Net Position

(1,362)

City of Oklahoma City - CAFR

ATTACHMENT

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

GO Bond Fund

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets	237,306		237,306	
Total Liabilities	(20,630)		(20,630)	
Total Fund Balance	(216,676)		(216,676)	
Revenues	(107,873)		(107,873)	
Expenditures	71,197		71,197	
Change in Fund Balance	(36,676)		(36,676)	

City of Oklahoma City - CAFR

ATTACHMENT

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

General Fund (Fund 001)

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets	146,235		146,235	
Total Liabilities	(15,347)		(15,347)	
Total Fund Balance	(130,888)		(130,888)	
Revenues	(408,156)		(408,156)	
Expenditures	414,874	(706)	414,168	-0.17%
Change in Fund Balance	6,718	(706)	6,012	-10.51%

Client: City of Oklahoma City - CAFR
 Period Ending: June 30, 2014

General Fund (Fund 001)
 SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F),		Net Effect on Following Year										
		Judgmental (J)	Assets		Liabilities		Revenues		Expenditures		Fund Balance			
		Projected (P)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)		
Prior period effect of writing off inventory that was capitalized in prior periods (City identified in the current year)		Factual		0		0					0		0	
	Beginning of year fund balance										706			
	General government expenditures									(706)				
				0		0				0			0	
				0		0				0			0	
				0		0				0			0	
				0		0				0			0	
				0		0				0			0	
Total passed adjustments				<u>0</u>	<u>0</u>	<u>0</u>	<u>(706)</u>	<u>706</u>		<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>
							Impact on Change in Fund Balance		(706)					
							Impact on Fund Balance		0					

City of Oklahoma City - CAFR

ATTACHMENT

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

Water Utilities (Fund 399)

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	15,899		15,899	
Non-Current Assets	253,687		253,687	
Current Liabilities	(6,597)	(149)	(6,746)	2.26%
Non-Current Liabilities	(15,602)		(15,602)	
Current Ratio	2.410		2.357	-2.20%
Total Assets	269,586		269,586	
Total Liabilities	(22,199)	(149)	(22,348)	0.67%
Total Net Position	(247,387)	149	(247,238)	-0.06%
Operating Revenues	(84,251)		(84,251)	
Operating Expenses	94,824	149	94,973	0.16%
Nonoperating Revenues (Exp)	13,714		13,714	
Change in Net Position	(3,141)	149	(2,992)	-4.74%

Water Utilities (Fund 399)

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F) Judgmental (J) Projected (P)	Assets				Liabilities				Operating Revenues				Operating Expenses		Nonoperating Revenues (Exp)		Net Position		Net Effect on Following Year			
			Current		Non-Current		Current		Non-Current		DR		CR		DR		CR		DR		CR		Change in Net Position	
			DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR
In the current year, excluded due to the grants fund (fund 19) for activity between the funds that was not reimbursed or properly reflected in the financial statements.		F	0	0	(149)	0	0	0	0	0	149	0	0	0	0	(149)	149	0	0	(149)	149			
	Due to other funds				(149)												149						149	
	Operating expenses										149					(149)								
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
			0	0	(149)	0	0	0	0	0	149	0	0	0	0	(149)	149	0	0	(149)	149			
Total passed adjustments			0	0	(149)	0	0	0	0	0	149	0	0	0	0	(149)	149	0	0	(149)	149			
			Impact on Change in Net Position																	149				
			Impact on Net Position																	149				

City of Oklahoma City - CAFR

ATTACHMENT

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

Asset Forfeiture (Fund 022)

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets	3,390	9	3,399	0.27%
Total Liabilities	(154)		(154)	
Total Fund Balance	(3,326)	(9)	(3,335)	0.27%
Revenues	(1,037)		(1,037)	
Expenditures	2,086	(9)	2,077	-0.43%
Change in Fund Balance	1,049	(9)	1,040	-0.86%

Total Assets ≠ Total Liabilities + Total Fund Balance (Adjust Menu-M'Main Men

Client: City of Oklahoma City - CAFR

Period Ending: June 30, 2014

Asset Forfeiture (Fund 022)

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J) Projected (P)	Assets		Liabilities		Revenues		Expenditures		Fund Balance		Net Effect on Following Year	
			DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	Change in Fund Balance	Fund Balance
													DR	(CR)
In the current year, expense of IDS subscription licenses for period 7/1/14 - 6/30/15		Factual	9		0		0		(9)		0		9	(9)
	Prepaid asset		9										9	
	Other expenditures								(9)					(9)
			0		0		0		0		0		0	0
			0		0		0		0		0		0	0
			0		0		0		0		0		0	0
			0		0		0		0		0		0	0
			0		0		0		0		0		0	0
			0		0		0		0		0		0	0
			9		0		0		(9)		0		9	(9)

Total passed adjustments

Impact on Change in Fund Balance (9)
 Impact on Fund Balance (9)