



**SPECIAL MEETING MINUTES  
CITY OF STILLWATER AUDIT COMMITTEE**

**DECEMBER 15, 2025**

**2:00 PM**

**Norman McNickle Municipal Complex, Room 1112  
723 S Lewis Street  
Stillwater, OK 74074**

- 1. Call Meeting to Order

**Meeting was called to order by Chair Kelly Cox at 2:00 p.m.**

- 2. Introduction of Members, External Auditors and City Staff

**Members Present: Chair Kelly Cox, Austin Pollard, Rachel Domnick, Randy Murray, Skyler Rodenberg.**

**Members Absent: None**

**Ex-officio members present: City Manager Brady Moore, Assistant City Manager and Chief Financial Officer Christy Cluck, Councilor Kevin Clark**

**City Staff Present: Assistant City Attorney Ashlyn Garis, Deputy Chief Financial Officer Jared Thulin, City Clerk Teresa Kadavy**

**HSPG Auditors Present: Andy Cromer and Bailey Stover**

- 3. Public Comment

**No public comment.**

- 4. General Orders

The Audit Committee will discuss and take action at this meeting (including a vote or series of votes) on each item listed under General Orders unless the agenda entry specifically states that no action will be taken.

a.	<p>Approval of minutes of the October 29, 2025 special meeting.</p> <p><b>Motion by Pollard, second by Rodenburg to approve the minutes from the October 29, 2025 special meeting.</b></p> <p><b>Cox-Yea, Pollard-Yea, Domnick-Yea, Murray-Yea, Rodenberg-Yea.</b></p> <p><b>Motion carried with five yea votes.</b></p>
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- b. Receive auditor communication and consider recommendation to the City Council to accept the Annual Comprehensive Financial Report for the City of Stillwater for the fiscal year ended June 30, 2025.

**Auditor Andy Cromer stated that there are five documents and all reports are currently stamped "draft." Once accepted by the committee, final signatures will be collected. The auditor highlighted that the City participates in the voluntary Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program. The report will be submitted to GFOA experts for review to ensure compliance with program requirements. The City has received 43 consecutive awards for excellence in financial reporting, which requires both accuracy and timely submission. It was noted that Crawford & Associates assisted in drafting the report. Finance staff clarified that while external help was used due to previous staff turnover, the City is working to bring the process back in-house. Deputy Chief Financial Officer Jared Thulin completed the fund-level statements this year. Mr. Cromer reported that the City received a clean/unmodified opinion from HSPG, which is the highest level of assurance. He stated that the report includes the hospital as a component unit, though it is audited by a separate firm. Mr. Cromer reported that a new accounting standard, GASB 101 regarding compensated absences (specifically sick leave) was implemented. This change required the City to accrue for sick leave that employees might use before separation. This accounting adjustment had a material effect of approximately \$5 million. Mr. Cromer reviewed and discussed the required Audit Communication Letter with the governing body. He reported that there was only one uncorrected misstatement noted regarding compensated absences overstatement of \$140,000, which was deemed immaterial relative to the total financial statements. The auditor noted there were no significant difficulties or disagreements with management during the process. Mr. Cromer reported that a specific comment was raised regarding the Library Trust, which holds approximately \$750,000 in investments through Vanguard. Assistant City Manager and Chief Financial Officer Christy Cluck stated that these investments are currently not in compliance with state statutes, which require public funds to be held in very conservative, government-backed securities. The Library Trust has been using a more aggressive investment strategy to achieve higher returns from donations. To resolve this, the Library Trust is seeking to restructure as a 501(c)(3) nonprofit organization. This would allow them to operate independently of state investment statutes. The application for 501(c)(3) status is expected to take approximately 12 months. In the future, the Trust will likely be reported as a "discretely presented component unit," similar to the hospital, and will be responsible for its own bookkeeping and audits.**

**HSPG Auditor Andy Cromer, Assistant City Manager and Chief Financial Officer Christy Cluck and Deputy Chief Financial Officer Jared Thulin answered the committee's questions.**

**Motion by Murray, second by Pollard to recommend to the City Council to accept the Annual Comprehensive Financial Report for the City of Stillwater for the fiscal year ended June 30, 2025.**

**Cox-Yea, Pollard-Yea, Domnick-Yea, Murray-Yea, Rodenberg-Yea.**  
**Motion carried with five yea votes.**

c. Receive auditor communication and consider recommendation to the City Council to accept the Single Audit Report for the fiscal year ended June 30, 2025.

**The auditor introduced the Single Audit Report, which is required because the City spent over \$750,000 in federal funds. He stated that this report includes sections on internal control and compliance city-wide. The auditor explained that they do not audit internal controls to provide a formal opinion (unlike public companies) but rather review them to plan the audit and identify any glaring weaknesses or "not up to snuff" procedures. He stated that the compliance section is required only for federal grants. Mr. Cromer reported that they did not have any findings or comments on either section of this report. He stated that the one finding last year on inventory has been fixed.**

**HSPG Auditor Andy Cromer, Assistant City Manager and Chief Financial Officer Christy Cluck and Deputy Chief Financial Officer Jared Thulin answered the committee's questions.**

**Motion by Murray, second by Rodenburg to recommend to the City Council to accept the Single Audit Report for the fiscal year ended June 30, 2025.**

**Cox-Yea, Pollard-Yea, Domnick-Yea, Murray-Yea, Rodenberg-Yea.**  
**Motion carried with five yea votes.**

d. Receive auditor communication and consider recommendation to the City Council to accept the Passenger Facility Charge Program Audit for fiscal year ended June 30, 2025.

**Mr. Cromer reported that the Airport Passenger Facility Charge Program (PFC) Audit is a separate document and is required by the Federal Aviation Administration (FAA). The report does not go to the State but only to the FAA. There were no findings or issues so the FAA will be pleased with the report.**

**HSPG Auditor Andy Cromer answered the committee's questions.**

**Motion by Pollard, second by Domnick to recommend to the City Council to accept the Passenger Facility Charge Program Audit for the fiscal year ended June 30, 2025.**

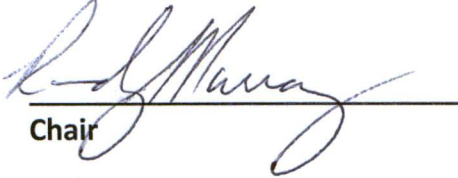
	<p><b>Cox-Yea, Pollard-Yea, Domnick-Yea, Murray-Yea, Rodenberg-Yea.</b>  <b>Motion carried with five yea votes.</b></p>
<p>e.</p>	<p>Consider recommendation to the City Council to select a firm for the external audit of the City of Stillwater and related trusts for the fiscal year ending June 30, 2026.</p> <p><b>Assistant City Manager and Chief Financial Officer Christy Cluck reported that it is the City’s practice to go out for proposals every three years for audit services. This item was put on the agenda to get direction from the committee on whether or not the City should put this out for proposal in the spring. Staff needs to know that so if proposals are going out in the spring, the process can be started very quickly after the first of the year. Cluck stated that there will be implementation of GASB 103, Financial Reporting Model Improvements, for FY26. She stated that this is one of the biggest standards that has come out in a number of years so the City hopes to retain Crawford and Associates to help with this implementation. Ms. Cluck stated that she has some concerns about changing audit firms at the same time as rolling out a big change in standards. She also reported that the City is evaluating financial software systems. Demos will be taking place in January and a selection for software will be made shortly after that with a 12-24 month implementation process depending on the phasing approach taken. Ms. Cluck stated that changing accounting systems is a big impact to staff and the audit. She stated that she wanted to put before the committee a consideration to extend the City’s engagement with HSPG for a period of up to two one-year extensions.</b></p> <p><b>Discussion was held amongst the committee and staff.</b></p> <p><b>Motion by Murray, second by Rodenburg to recommend to City Council to continue audit services with HSPG for up to two one-year extensions.</b></p> <p><b>Cox-Yea, Pollard-Yea, Domnick-Yea, Murray-Yea, Rodenberg-Yea.</b>  <b>Motion carried with five yea votes.</b></p>
<p>f.</p>	<p>Discuss spring meeting date to provide a pre-audit update and to recommend audit firm selection to City Council, if necessary. (no action will be taken on this item)</p> <p><b>Discussion was held regarding the plan to have a spring meeting. At that point staff can update the committee on the Library Trust Board and status of the GASB 103 implementation.</b></p> <p><b>Assistant City Manager and Chief Financial Officer Christy Cluck announced that Kelly Cox is stepping down from the Audit Committee so this would be his last meeting. She thanked him for his 18 years of service.</b></p>

5. Adjourn

**Motion by Pollard, second by Domnick to adjourn the December 15, 2025 Audit Committee Special Meeting.**

**Cox-Yea, Pollard-Yea, Domnick-Yea, Murray-Yea, Rodenberg-Yea.  
Motion carried with five yea votes.**

**Meeting adjourned at 2:55 p.m.**

  
Chair

  
Christy Cluck, Asst City Manager & Chief Financial Officer