

The City of Oklahoma City, Oklahoma

Single Audit Reports

June 30, 2015



The City of Oklahoma City, Oklahoma
June 30, 2015

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The City of Oklahoma City, Oklahoma
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2015

Federal Grantor/Pass-Through Entity/Program Title	Federal CFDA Number	Project Identification	Grant Number or Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Commerce				
Direct Programs				
Economic Adjustment Assistance	11.307	N/A	08-79-04974	\$ 505,244
Total U.S. Department of Commerce				505,244
U.S. Department of Housing and Urban Development				
Direct Programs				
Community Development Block Grant/Entitlement Grant	14.218	G80120	B-11-MC-40-0003	290,087
Community Development Block Grant/Entitlement Grant	14.218	G80159	B-12-MC-40-0003	943,978
Community Development Block Grant/Entitlement Grant	14.218	G80165	B-13-MC-40-0003	1,580,057
Community Development Block Grant/Entitlement Grant	14.218	G80185	B-14-MC-40-0003	2,792,039
<i>Total CDBG – Entitlement Grants</i>				<u>5,606,161</u>
Pass-Through Oklahoma Department of Commerce				
Community Development Block Grants/State's Program	14.228	G80189	15981CDBGDR13	905,161
Community Development Block Grants/State's Program	14.228	G80210	16235 CDBGDR 13	72,659
Community Development Block Grants/State's Program	14.228	G80211	16224 CDBGDR 13	63,778
<i>Total CDBG – State's Program</i>				<u>1,041,598</u>
Direct Programs				
Emergency Solutions Grants Program	14.231	G80167	ESG S-13-MC-40-0203	23,405
Emergency Solutions Grants Program	14.231	G80187	E-14-MC-40-0002 (ESG)	331,841
<i>Total Emergency Solutions Grants Program</i>				<u>355,246</u>
Direct Programs				
Supportive Housing Program	14.235	G80164	OK0078B6I021100	76,604
<i>Total Supportive Housing Program</i>				<u>76,604</u>
Direct Programs				
Shelter Plus Care	14.238	G80117	OK0054C6I020900	51,230
<i>Total Shelter Plus Care</i>				<u>51,230</u>
Direct Programs				
HOME Investment Partnerships Program	14.239	G80088	M-09-MC-40-0203	423,141
HOME Investment Partnerships Program	14.239	G80104	M-10-MC-40-0203	296,833
HOME Investment Partnerships Program	14.239	G80121	M-11-MC-40-0203	678,385
HOME Investment Partnerships Program	14.239	G80160	M-12-MC-40-0203 HOME	582,991
HOME Investment Partnerships Program	14.239	G80166	M-13-MC-40-0203	650,960
HOME Investment Partnerships Program	14.239	G80186	M-14-MC-40-0203	45,401
<i>Total HOME Investment Partnerships Program</i>				<u>2,677,711</u>
Direct Programs				
Housing Opportunities for Persons with AIDS	14.241	G80163	OK-H12-F001	65,118
Housing Opportunities for Persons with AIDS	14.241	G80168	OKH-13-F001 HOPWA	275,860
Housing Opportunities for Persons with AIDS	14.241	G80188	OKH-14-F001 HOPWA	38,308
<i>Total Housing Opportunities for Persons with AIDS</i>				<u>379,286</u>

The City of Oklahoma City, Oklahoma
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2015

Federal Grantor/Pass-Through Entity/Program Title	Federal CFDA Number	Project Identification	Grant Number or Pass-Through Entity Identifying Number	Expenditures
Direct Program				
Continuum of Care Program	14.267	G80169	OK0019L6I021203	\$ 188,950
Continuum of Care Program	14.267	G80170	OK0020L6I021203	26,858
Continuum of Care Program	14.267	G80171	OK0053L6I021202 Hope	90,488
Continuum of Care Program	14.267	G80172	OK0024L6I021205 Hope	1
Continuum of Care Program	14.267	G80173	OK0025L6I021205	5,074
Continuum of Care Program	14.267	G80174	OK0026L6I021204	68,824
Continuum of Care Program	14.267	G80177	OK0027L6I021204	4,326
Continuum of Care Program	14.267	G80180	OK0067L6I021201	13,310
Continuum of Care Program	14.267	G80181	OK0079L6I021201	26,097
Continuum of Care Program	14.267	G80182	OK0068L6I021201	41,782
Continuum of Care Program	14.267	G80183	OK0022L6I021205	1,732
Continuum of Care Program	14.267	G80184	OK0061L6I021203	47,998
Continuum of Care Program	14.267	G80190	OK0078L6I021301	46,186
Continuum of Care Program	14.267	G80191	OK0046L6I021305	132,193
Continuum of Care Program	14.267	G80192	OK0022L6I021306	47,500
Continuum of Care Program	14.267	G80193	OK0024L6I021306	291,044
Continuum of Care Program	14.267	G80194	OK0062L6I021304	191,346
Continuum of Care Program	14.267	G80195	OK0019L6I021304	165,599
Continuum of Care Program	14.267	G80196	OK0044L6I021304	286,901
Continuum of Care Program	14.267	G80197	OK0068L6I021302	43,226
Continuum of Care Program	14.267	G80198	OK0027L6I021305	305,715
Continuum of Care Program	14.267	G80199	OK0026L6I021305	137,646
Continuum of Care Program	14.267	G80200	OK0020L6I021304	92,368
Continuum of Care Program	14.267	G80202	OK0045L6I021305	70,391
Continuum of Care Program	14.267	G80203	OK0052L6I021301	300,858
Continuum of Care Program	14.267	G80204	OK0025L6I021306	13,621
Continuum of Care Program	14.267	G80205	OK0053L6I021303	114,226
Continuum of Care Program	14.267	G80206	OK0061L6I021304	86,822
Continuum of Care Program	14.267	G80207	OK0079L6I021302	61,739
Continuum of Care Program	14.267	G80208	OK0067L6I021302	34,743
Continuum of Care Program	14.267	G80209	OK0087L6I021200	12,769
Continuum of Care Program	14.267	G80220	OK0052L6I021402	51,370
Continuum of Care Program	14.267	G80224	OK0044L6I021405	42,346
Continuum of Care Program	14.267	G80228	OK0024L6I021407	43,645
Continuum of Care Program	14.267	G80233	OK0045L6I021406	12,042
<i>Total Continuum of Care Program</i>				<u>3,099,736</u>
Total U.S. Department of Housing and Urban Development				<u>13,287,572</u>
U.S. Department of Interior				
Pass-Through Oklahoma Historical Society				
Historic Preservation Fund Grants-In-Aid	15.904	G92014	13-607	6,986
Historic Preservation Fund Grants-In-Aid	15.904	G92015	14-607	22,836
Total U.S. Department of Interior				<u>29,822</u>
U.S. Department of Justice				
Crime Victim Assistance	16.575	G93701	2012-VA-GX / 2014-VOCA- Oklahoma City PD-134	45,883
Direct Programs				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	G93126	2011-DJ-BX-3149	8,731
Edward Byrne Memorial Justice Assistance Grant Program	16.738	G93127	2012-DJ-BX-1090	142,816
Edward Byrne Memorial Justice Assistance Grant Program	16.738	G93128	2013-DJ-BX-1120	145,334
Edward Byrne Memorial Justice Assistance Grant Program	16.738	G93129	2014-DJ-BX-0985	197,420
<i>Total JAG Program</i>				<u>494,301</u>
Direct Programs				
DNA Backlog Reduction Program	16.741	G93601	2013-DN-BX-0055	136,854
Equitable Sharing Program	16.922	N/A		108,780
Total U.S. Department of Justice				<u>785,818</u>

The City of Oklahoma City, Oklahoma
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2015

Federal Grantor/Pass-Through Entity/Program Title	Federal CFDA Number	Project Identification	Grant Number or Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Transportation				
Direct Programs				
Airport Improvement Program	20.106	N/A	AIP3-40-0072-064-2013	\$ 488,285
Airport Improvement Program	20.106	N/A	AIP3-40-0072-065-2014	932,537
Airport Improvement Program	20.106	N/A	AIP3-40-0072-066-2014	583,289
Airport Improvement Program	20.106	N/A	AIP3-40-0073-021-2014	2,475,096
<i>Total Airport Improvement Program</i>				<u>4,479,207</u>
<i>Highway Planning and Construction Cluster</i>				
Pass-Through Association of Central Oklahoma Governments				
Highway Planning and Construction	20.205	G94111	2014 ACOG Traffic Mgmt	10,599
Highway Planning and Construction	20.205	G94113	2015 ACOG Traffic Mgmt Grant	84,390
Highway Planning and Construction	20.205	G94114	CMAQ2014-01	13,864
Highway Planning and Construction	20.205	G96011	2014-R1-City of Oklahoma City	32,442
Pass-Through Oklahoma Department of Transportation				
Highway Planning and Construction	20.205	G94215	26888 (04) STP-155E(745)EH	1,150
Highway Planning and Construction	20.205	G94216	STP-155E(744)EH 26887(04)	148,909
<i>Total Highway Planning and Construction Cluster</i>				<u>291,354</u>
<i>Federal Transit Cluster</i>				
Direct Programs				
Federal Transit – Capital Investment Grants	20.500	N/A	OK-03-0037	81,824
Federal Transit – Capital Investment Grants	20.500	N/A	OK-04-0015	174,264
Federal Transit – Formula Grants	20.507	N/A	OK-90-X067	2,088
Federal Transit – Formula Grants	20.507	N/A	OK-90-X071	128,577
Federal Transit – Formula Grants	20.507	N/A	OK-90-X073	4,489
Federal Transit – Formula Grants	20.507	N/A	OK-90-X094	138,384
Federal Transit – Formula Grants	20.507	N/A	OK-90-X098	63,549
Federal Transit – Formula Grants	20.507	N/A	OK-90-X102	30,229
Federal Transit – Formula Grants	20.507	N/A	OK-90-X107	57,566
Federal Transit – Formula Grants	20.507	N/A	OK-90-X112	102,939
Federal Transit – Formula Grants	20.507	N/A	OK-90-X116	2,251,719
Federal Transit – Formula Grants	20.507	N/A	OK-90-X121	4,248,402
Federal Transit – Formula Grants	20.507	N/A	OK-95-X001	25,001
Federal Transit – Formula Grants	20.507	N/A	OK-95-X007	274,944
Federal Transit – Formula Grants	20.507	N/A	OK-95-X009	5,871
<i>Total Federal Transit Cluster</i>				<u>7,589,846</u>
<i>Transit Services Programs Cluster</i>				
Direct Programs				
Job Access and Reverse Commute Program	20.516	N/A	OK-37-X036	33,267
Job Access and Reverse Commute Program	20.516	N/A	OK-37-X042	40,852
Job Access and Reverse Commute Program	20.516	N/A	OK-37-X044	42,829
Job Access and Reverse Commute Program	20.516	N/A	OK-37-X048	119,268
New Freedom Program	20.521	N/A	OK-57-X006	20,409
New Freedom Program	20.521	N/A	OK-57-X015	6,740
New Freedom Program	20.521	N/A	OK-57-X017	46,008
New Freedom Program	20.521	N/A	OK-57-X021	34,094
New Freedom Program	20.521	N/A	OK-57-X025	97,935
<i>Total Transit Services Programs Cluster</i>				<u>441,402</u>
Direct Programs				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	G94311	OHSO-2014-OCPD-00022	57,801
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	G94312	FY2015 OHSO Enforcement Grant	183,340
<i>Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated</i>				<u>241,141</u>
National Infrastructure Investments	20.933	G98900	OKC Intermodal Transportation Hub (TIGER)	811,058
Total U.S. Department of Transportation				<u>13,854,008</u>

The City of Oklahoma City, Oklahoma
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2015

Federal Grantor/Pass-Through Entity/Program Title	Federal CFDA Number	Project Identification	Grant Number or Pass-Through Entity Identifying Number	Expenditures
Environmental Protection Agency				
Direct Programs				
Brownsfield Assessment and Cleanup Cooperative Agreements	66.818	G95006	BF-96679701-0	\$ 432,694
Brownsfield Assessment and Cleanup Cooperative Agreements	66.818	G95015	BF-00F58701-0	1,792
Brownsfield Assessment and Cleanup Cooperative Agreements	66.818	G95016	BF-00F71601-0	110,737
Brownsfield Assessment and Cleanup Cooperative Agreements	66.818	G95017	BF-00F71501-0	67,181
<i>Total Brownsfield Assessment and Cleanup Cooperative Agreements</i>				<u>612,404</u>
Total Environmental Protection Agency				<u>612,404</u>
U.S. Department of Energy				
Pass-Through Oklahoma Department of Energy				
State Energy Program (ARRA)	81.041	G96010	15837 SEECBG 09	(586)
Total U.S. Department of Energy				<u>(586)</u>
National Archives and Records Administration				
Direct Program				
National Historical Publications and Records Grant	89.003	G96500	2014 Preservation Assistance Grant	(2,610)
National Historical Publications and Records Grant	89.003	G96501	ACCESS-201408	3,654
Total National Archives and Records Administration				<u>1,044</u>
U.S. Department of Health and Human Services				
Pass-Through State of Oklahoma Areawide Aging Agency				
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Citizens	93.044	N/A	34-0801-40	282,119
Pass-Through Oklahoma Department of Human Services				
PPHF – Community Transformation Grants and National Dissemination and Support for Community Transformation Grants	93.531	G98002	OCCHD 982-13	14,794
Total U.S. Department of Health and Human Services				<u>296,913</u>
U.S. Department of Homeland Security				
Pass-Through Oklahoma Department of Emergency Management				
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	G97049	FEMA Police PW-OKC012E	70,790
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	G97049_B	FEMA 4117 DR OKC004B	386,058
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	G97050_13B	FEMA PW-OKC013B PubWrks	(198)
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	G97050_3B	FEMA PW-OKC003B	(267)
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	G97050_C	FEMA 4117DR OKC112C OKC118C OKC142C	20,036
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	G97050_D	FEMA 4117-DR-OK Category D	197,165
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	G97050_F	FEMA 4117 Category F	165,471
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	G97050_G	FEMA 4117 DR OK Category G PW's	9,480
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	G97051	FEMA Fire Category E	60,773
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	G97053	FEMA PW-OKC007B	193,575
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	G97059	FEMA Risk Mgmt May 2013 disasters	741,955
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	G97061	FEMA PW-OKC3A82	223,525
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	G97062	FEMA Mutual Aid – OCSO	53,468
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	G97064	PA-06-OK-4117-PW-00590(0)	3,392
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	G97069_E	FEMA 4117 Airports Cat E	(125,491)
<i>Total Disaster Grants – Public Assistance</i>				<u>1,999,732</u>
Pass-Through Oklahoma Department of Emergency Management				
Hazard Mitigation Grant	97.039	G97063	FEMA 4117 DR OK ISR Project #001	208,367
Pass-Through Oklahoma Office of Homeland Security				
State Homeland Security Program (SHSP)	97.073	G97506	340.012	6,816
State Homeland Security Program (SHSP)	97.073	G97512	540.012	72,000
State Homeland Security Program (SHSP)	97.073	G97513	440.012	142
State Homeland Security Program (SHSP)	97.073	G97514	460.012	37,411
State Homeland Security Program (SHSP)	97.073	G97518	560.064	8,359
<i>Total State Homeland Security Program</i>				<u>124,728</u>

The City of Oklahoma City, Oklahoma
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2015

Federal Grantor/Pass-Through Entity/Program Title	Federal CFDA Number	Project Identification	Grant Number or Pass-Through Entity Identifying Number	Expenditures
Direct Programs				
Law Enforcement Officer Reimbursement Agreement Program	97.090	N/A	HST0208HSLR333	\$ 241,200
Pass-Through Oklahoma Office of Homeland Security				
TSA Airport Checked Baggage Inspection System Program	97.117	N/A	HSTS04-10-H-CT1190	7,315,868
Total U.S. Department of Homeland Security				9,889,895
Total Federal Assistance				39,262,134
<i>Oklahoma Department of Corrections</i>				
FY2013 Second Chance Interlocal Cooperative Agreement	N/A	G99501	DOC – 2nd Chance 2	177,500
<i>Oklahoma Office of Juvenile Affairs</i>				
Safe Oklahoma	N/A	G99600	Safe Oklahoma	613,884
14 Safe Oklahoma	N/A	G99601	Safe Oklahoma Grant	269,611
Community Intervention Cntr Program/Youth Svcs of OKC	N/A	G99407	CRL2015/17-370 Master CRL2015-469	232,500
<i>Total Oklahoma Office of Juvenile Affairs</i>				<u>1,115,995</u>
Total State Assistance				1,293,495
Total Federal and State Assistance				\$ 40,555,629

The City of Oklahoma City, Oklahoma
Notes to Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2015

Note 1: Basis of Presentation and Accounting Policies

General

The accompanying Schedule of Expenditures of Federal and State Awards (the Schedule) presents the activity of all federal and state award programs of the City of Oklahoma City, Oklahoma (the City) for the year ended June 30, 2015. The City's reporting entity is described in Note 1 in the City's Comprehensive Annual Financial Report (CAFR). Federal financial awards received directly from federal agencies as well as federal financial awards, if any, passed through other government agencies are included on the Schedule. Required matching contributions, program income (except certain revolving loan fund program expenditures), private grants and other nonfederal grants and awards are not included in the Schedule.

Basis of Accounting

The accompanying Schedule is presented using the following methods:

1. For the City's governmental funds, expenditures of federal funds in this Schedule are reported on the modified accrual basis of accounting
2. For the Oklahoma City Airport Trust (OCAT), the Central Oklahoma Transportation and Parking Authority (COTPA) and the Oklahoma City Water Utilities Trust (OCWUT), expenditures of federal funds in this Schedule are reported using the cash basis of accounting
3. For the year ended June 30, 2015, expenditures awarded from the Federal Emergency Management Agency (FEMA), under CFDA Number 97.036, must be presented on the schedule of expenditures of federal awards (SEFA) when: 1) FEMA has approved the City's Project Worksheet (PW) and 2) the City has incurred the eligible expenditures. Federal awards expended in years subsequent to the fiscal year in which the PW is approved are to be recorded on the City's SEFA in those subsequent years

In addition, the accompanying Schedule reflects certain adjustments resulting from transfers of funds between grants and grant refunds. As a result, certain grants show negative expenditures.

Note 2: Federal CFDA Numbers

Federal CFDA numbers or other identifying numbers listed on the Schedule were obtained from the respective grant/contract agreement.

The City of Oklahoma City, Oklahoma
Notes to Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2015

Note 3: Outstanding Loan Balance

The City participates in the Community Development Block Grant Section 108 Loan Guarantee Program (CFDA No. 14.248). The activity of the City's Section 108 loans guaranteed by the U.S. Department of Housing and Urban Development is as follows:

Project	Balance, Beginning of Year	Increase During Year	Decrease During Year	Balance, End of Year
Micro-Enterprise and Small Business Loan Program	\$ 3,325,000	\$ -	\$ 150,000	\$ 3,175,000

The City also participates in the Environmental Protection Agency's (EPA) Brownsfield Assessment and Cleanup Cooperative Agreements (CFDA No. 66.818). The activity of the loans issued as part of that program is as follows:

Project	Balance, Beginning of Year	Increase During Year	Decrease During Year	Balance, End of Year
Dowell Properties	\$ 942,900	\$ -	\$ 126,831	\$ 816,069
Dowell Properties – ARRA	429,440	-	39,219	390,221
Shepherd Manor	50,000	-	-	50,000
Bricktown Apartments	-	1,300,000	-	1,300,000
	<u>\$ 1,422,340</u>	<u>\$ 1,300,000</u>	<u>\$ 166,050</u>	<u>\$ 2,556,290</u>

Note 4: Subrecipients

Of the federal expenditures presented in the Schedule, the City provided federal awards to subrecipients as follows:

Federal CFDA Number	Program Title	Amount Provided to Subrecipients
14.218	Community Development Block Grant/Entitlement Grant	\$ 2,525,058
14.231	Emergency Shelter Grants Program	330,265
14.241	Housing Opportunities for Persons with AIDS	11,655
14.267	Continuum of Care Program	3,001,284
	Total federal awards provided to subrecipients	<u>\$ 5,868,262</u>

**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***

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Oklahoma City, Oklahoma (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements listed in the table of contents. We also have audited the basic financial statements of each of the City's non-major governmental, non-major enterprise, internal service and fiduciary funds and the discretely presented component units presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund statements and schedules as of and for the year ended June 30, 2015, which collectively comprise the City's combining and individual fund statements, and have issued our report thereon dated December 4, 2015, which contained a reference to the reports of other auditors and an *Emphasis of Matter* paragraph regarding a change in accounting principles. We conducted our audit 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. Other auditors audited the financial statements of The Combined Operations of The Cox Convention Center and the Chesapeake Energy Arena, as managed by SMG, as described in our report on the City's financial statements. The financial statements of The Combined Operations of The Cox Convention Center and the Chesapeake Energy Arena, included in the OCPPA General Purpose Fund, were not audited in accordance with *Government Auditing 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2015-001 that we consider to be a significant deficiency in internal control.

Compliance and Other Matters

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*.

The City's Response to the Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We also noted certain matters that we reported to the City's management in a separate letter dated December 4, 2015.

Purpose of This Report

The purpose of this report 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 on compliance. This report 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 4, 2015

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133

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

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Oklahoma City, Oklahoma (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB), *Circular A-133 Compliance Supplement*, which could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015. 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

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

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. However, our audit does not provide a legal determination of the City's compliance.

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of 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, 2015.

Report on Internal Control over Compliance

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 types of 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 opinion 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 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 or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-002, that we consider to be a significant deficiency.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

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

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have also audited the basic financial statements of each of the City's non-major governmental, enterprise, internal service, fiduciary funds and the discretely presented component units of the City as of and for the year ended June 30, 2015. We issued our report on the above mentioned financial statements and schedules dated December 4, 2015, which contained an unmodified opinion on those financial statements, a reference to the report of other auditors and an *Emphasis of Matter* paragraph regarding a change in accounting principles. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements and combining and individual fund statements and schedules. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 17, 2015, except for the paragraph
on the Schedule of Expenditures of Federal
and State Awards, which is December 4, 2015

The City of Oklahoma City, Oklahoma
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

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?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None reported
Material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None reported
Material weakness(es)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

5. The opinion expressed in the independent auditor's report on compliance with requirements that could have a direct and material effect on major federal awards programs was:
 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
Community Development Block Grants/Entitlement Grants	14.218
Continuum of Care Program	14.267
Airport Improvement Program	20.106
Brownfields Assessment and Cleanup Cooperative Agreements	66.818
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036
TSA Airport Checked Baggage Inspection System Program	97.117

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 was \$1,359,284. This amount was determined using total federal expenditures on the schedule of expenditures of federal and state awards plus the beginning of year loan balances and any new loan additions for CFDA programs 14.248 and 66.818 in *Note 3* of the notes to schedule of expenditures of federal and state awards.

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

The City of Oklahoma City, Oklahoma
Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2015

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
2015-001	<p>Criteria or Specific Requirement – Management of Oklahoma City Economic Development Trust (OCEDT) is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition – The information received from the Economic Development Program, which is used by the Accounting Services Division to make accounting entries for economic development project liabilities and receivables, was calculated for the wrong time period, resulting in required audit adjustments to reduce GOLT commitments payable and to increase economic development project receivables.</p> <p>Context – Accurate financial statements are critical to managing operations and communicating financial position and results of operations to interested parties.</p> <p>Effect – As indicated above, current year audit entries were required to correct economic development project liabilities and receivables.</p> <p>Cause – The information received by the Accounting Services Division from the Economic Development Program for economic development project liabilities and receivables was not sufficient to allow the Accounting Services Division to make the proper accounting entries for these accounts.</p> <p>Recommendation – We recommend that Accounting Services Division management work with the City’s Economic Development Program to educate them on the time span of information needed by the Accounting Services Division to properly account for economic development project liabilities and receivables. We also recommend the Economic Development Program implement a review process over the information provided to the Accounting Services Division to improve the quality and accuracy of the information provided.</p> <p>Views of Responsible Officials and Planned Corrective Actions – We agree. The Economic Development Program will implement a review process for information provided for financial statements. The Accounting Services Division will work with the Economic Development Program to ensure correct information is provided for financial statements.</p>

The City of Oklahoma City, Oklahoma
Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2015

Findings Required to be Reported by OMB Circular A-133

Reference Number	Finding	Known Questioned Costs
2015-002	<p style="text-align: center;">Continuum of Care Program CFDA No. 14.267 U.S. Department of Housing and Urban Development (HUD) Reporting</p> <p>Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal control over compliance with federal requirements for federal programs. Federal regulation 24 CFR Section 578.109 requires grantees to file a HUD 40118 Annual Progress Report for each award within 90 days of the end of each operating year.</p> <p>Condition – The City did not timely file three out of three HUD 40118 Annual Progress Reports that were selected for testing from a total population of 19 reports. An informal extension was granted before the official due date; however, the City did not obtain a formal extension to the regulatory required reporting date.</p> <p>Context – The design of the City’s internal control process did not adequately ensure that HUD 40118 Annual Progress Reports were submitted to HUD in a timely manner or a formal extension request was received to support that the City was not required to file such reports within the regulatory 90-day requirement.</p> <p>Cause – The City did not have an effective means of ensuring that either the Annual Progress Reports were submitted within the 90-day due date as required by the applicable federal regulations or a formal extension was obtained to support that the City was still in compliance with the regulatory requirement.</p> <p>Effect – The City did not file the HUD 40118 Annual Progress Reports within the required 90-day time period and did not obtain formal documentation of the extensions relating to timely reporting.</p> <p>Recommendation – We recommend management of the City timely file the required HUD 40118 Annual Progress Reports or obtain formal documentation extending the required reporting date.</p>	None

The City of Oklahoma City, Oklahoma
Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2015

Reference Number	Finding	Known Questioned Costs
2015-002, continued	<p style="text-align: center;">Continuum of Care Program CFDA No. 14.267 U.S. Department of Housing and Urban Development (HUD) Reporting</p> <p>Views of Responsible Officials and Planned Corrective Actions – The late filing of grant reports was due to problems with the Department of Housing and Urban Development (HUD) electronic reporting system. HUD was aware that system problems were preventing grant recipients from filing grant reports. All required reports have been filed, and HUD has provided information recognizing the City as being in compliance with all reporting requirements related to this grant. The Planning Department will develop a procedure for systematically reviewing and documenting that subrecipient reporting is accomplished within the 90-day grant closeout period. If the reporting cannot be completed by the reporting deadline, a formal approval of an extension will be obtained from HUD prior to the expiration of the 90-day period.</p>	

The City of Oklahoma City, Oklahoma
Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2015

Findings Required to be Reported by OMB Circular A-133

Reference Number	Finding	Known Questioned Costs
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No matters are reportable.

The City of Oklahoma City, Oklahoma
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

Reference Number	Finding	Status
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No matters are reportable.