

City of Norman, Oklahoma

Single Audit Reports

June 30, 2019



City of Norman, Oklahoma
June 30, 2019

Contents

Schedule of Expenditures of Federal Awards..... 1

Notes to Schedule of Expenditures of Federal Awards..... 3

**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards – Independent Auditor’s Report 4**

**Report on Compliance for Each Major Federal Program;
Report on Internal Control over Compliance; and Report
on Schedule of Expenditures of Federal Awards Required
by the Uniform Guidance – Independent Auditor’s Report 6**

Schedule of Findings and Questioned Costs..... 9

Summary Schedule of Prior Audit Findings..... 11

City of Norman, Oklahoma
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Grant or Other Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Housing and Urban Development					
<i>CDBG – Entitlement Cluster</i>					
Community Development Block Grants/Entitlement Grants	14.218	None	B-14 MC-40-0002	\$ -	\$ 53,459
		None	B-15 MC-40-0002	-	58,054
		None	B-16 MC-40-0002	-	81,175
		None	B-17 MC-40-0002	-	151,249
		None	B-18 MC-40-0002	-	534,413
<i>Total CDBG – Entitlement Cluster</i>				<u>-</u>	<u>878,350</u>
Oklahoma State Department of Commerce/Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	16604 CDBG-DR 13	None	-	1,708,008
		16912 CDBG-DR 13	None	-	59,895
		16570 CDBG-DR 13	None	-	290,963
<i>Total CFDA 14.228</i>				<u>-</u>	<u>2,058,866</u>
HOME Investment Partnerships Program	14.239	None	M-12 MC-40-0204	-	141
		None	M-14 MC-40-0204	-	53,769
		None	M-15 MC-40-0204	-	44,613
		None	M-16 MC-40-0204	-	270,020
		None	M-17 MC-40-0204	-	63,074
		None	M-18 MC-40-0204	-	73,530
<i>Total CFDA 14.239</i>				<u>-</u>	<u>505,147</u>
City of Oklahoma City/Continuum of Care (CoC) Program	14.267	OK0140L6I041700	None	-	11,875
Total U.S. Department of Housing and Urban Development				<u>-</u>	<u>3,454,238</u>
U.S. Department of Interior					
Oklahoma State Historic Preservation Office/Historic Preservation Fund	15.904	18-612	None	-	11,073
Total U.S. Department of Interior				<u>-</u>	<u>11,073</u>
U.S. Department of Justice					
Oklahoma District Attorney's Office/VOCA Victim Assistance Grant	16.576	2018-VOCA-NORMAN CI-031	None	-	20,287
Edward Byrne Memorial Justice Assistance Grants Program	16.738	None	2017-DJ-BX-0676	-	13,027
		None	2018-DJ-BX-0698	-	6,931
<i>Total CFDA 16.738</i>				<u>-</u>	<u>19,958</u>
Equitable Sharing Program	16.922	None	Unknown	-	271,891
Total U.S. Department of Justice				<u>-</u>	<u>312,136</u>

City of Norman, Oklahoma
Schedule of Expenditures of Federal Awards, continued
Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Grant or Other Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Transportation					
<i>Highway Planning and Construction Cluster</i>					
Association of Central Oklahoma Governments/ Highway Planning and Construction	20.205	J/P 11767(33) 2018-R1-City of Norman	None None	\$ - -	\$ 10,400 114,104
<i>Total Highway Planning and Construction Cluster</i>				<u>-</u>	<u>124,504</u>
<i>Highway Safety Cluster</i>					
Oklahoma State Highway Safety Office/State and Community Highway Safety	20.600	PT-18-03-16-0 AL-19-03-15-11 AL-18-02-01-18	None None None	- - -	23,105 55,304 12,500
				<u>-</u>	<u>90,909</u>
Oklahoma State Highway Safety Office/National Priority Safety Programs	20.616	F50T-18-03-01-02N M50T-19-03-01-03K	None None	- -	1,704 6,156
<i>Total Highway Safety Cluster</i>				<u>-</u>	<u>7,860</u> <u>98,769</u>
Oklahoma State Highway Safety Office/Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	164AL-19-03-03-11	None	-	14,682
Total U.S. Department of Transportation				<u>-</u>	<u>237,955</u>
Environmental Protection Agency					
<i>Clean Water State Revolving Funds Cluster</i>					
Oklahoma Water Resources Board/Capitalization Grants for Clean Water State Revolving Funds	66.458	ORF-17-00016-CW	None	-	194,007
<i>Drinking Water State Revolving Funds Cluster</i>					
Oklahoma Water Resources Board/Capitalization Grants for Drinking Water State Revolving Funds	66.468	ORF-17-0005-DW	None	-	3,071,322
Total Environmental Protection Agency				<u>-</u>	<u>3,265,329</u>
U.S. Department of Federal Emergency Management					
Oklahoma Department of Civil Emergency Management/Disaster Grants – Public Assistance	97.036	FEMA 4222 DR OK	None	-	59,979
Total U.S. Department of Federal Emergency Management				<u>-</u>	<u>59,979</u>
U.S. Department of Homeland Security					
Oklahoma State Office of Homeland Security/ Homeland Security Grant Program	97.067	860.062	None	-	60,950
Total U.S. Department of Homeland Security				<u>-</u>	<u>60,950</u>
Total Expenditures of Federal Awards				<u>\$ -</u>	<u>\$ 7,401,660</u>

City of Norman, Oklahoma
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

Notes to Schedule

1. The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Norman, Oklahoma (the City) under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.
2. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in the U.S. Office of Management and Budget Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards**

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Norman, Oklahoma (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 6, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses 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.

Honorable Mayor and City Council
City of Norman, Oklahoma

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Oklahoma City, Oklahoma
December 6, 2019

**Report on Compliance for Each Major Federal Program;
Report on Internal Control over Compliance; and Report
on Schedule of Expenditures of Federal Awards Required
by the Uniform Guidance**

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited the City of Norman, Oklahoma's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2019. 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 federal statutes, regulations and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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.

Honorable Mayor and City Council
City of Norman, Oklahoma

Opinion on Each Major Federal Program

In our opinion, the City of Norman, Oklahoma, complied, in all material respects, with the 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, 2019.

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 an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 6, 2019, which contained an unmodified opinion. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the

Honorable Mayor and City Council
City of Norman, Oklahoma

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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BKD, LLP

Oklahoma City, Oklahoma
December 6, 2019

City of Norman, Oklahoma

Schedule of Findings and Questioned Costs

Year Ended June 30, 2019

Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

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

Significant deficiencies? Yes None reported

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

Yes No

Federal Awards

4. The independent auditor's report on internal control over compliance for the major federal awards programs disclosed:

Significant deficiencies? Yes None reported

Material weaknesses? Yes No
5. The opinions expressed in the independent auditor's report on compliance for the major federal awards programs were:

Unmodified
 Qualified
 Adverse
 Disclaimer
6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)?

Yes No
7. The City's major programs were:

Cluster/Program	CFDA Number
<i>CDBG Entitlement Cluster – Community Development Block Grants/ Entitlement Grants</i>	14.218
<i>Drinking Water State Revolving Funds Cluster – Oklahoma Water Resources Board/Capitalization Grants for Drinking Water State Revolving Funds</i>	66.468

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The City qualified as a low-risk auditee?

Yes No

City of Norman, Oklahoma
Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2019

Findings Required to be Reported by *Government Auditing Standards*

No matters are reportable.

Findings Required to be Reported by the Uniform Guidance

No matters are reportable.

City of Norman, Oklahoma
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

Reference Number	Summary of Finding	Status
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No matters are reportable.