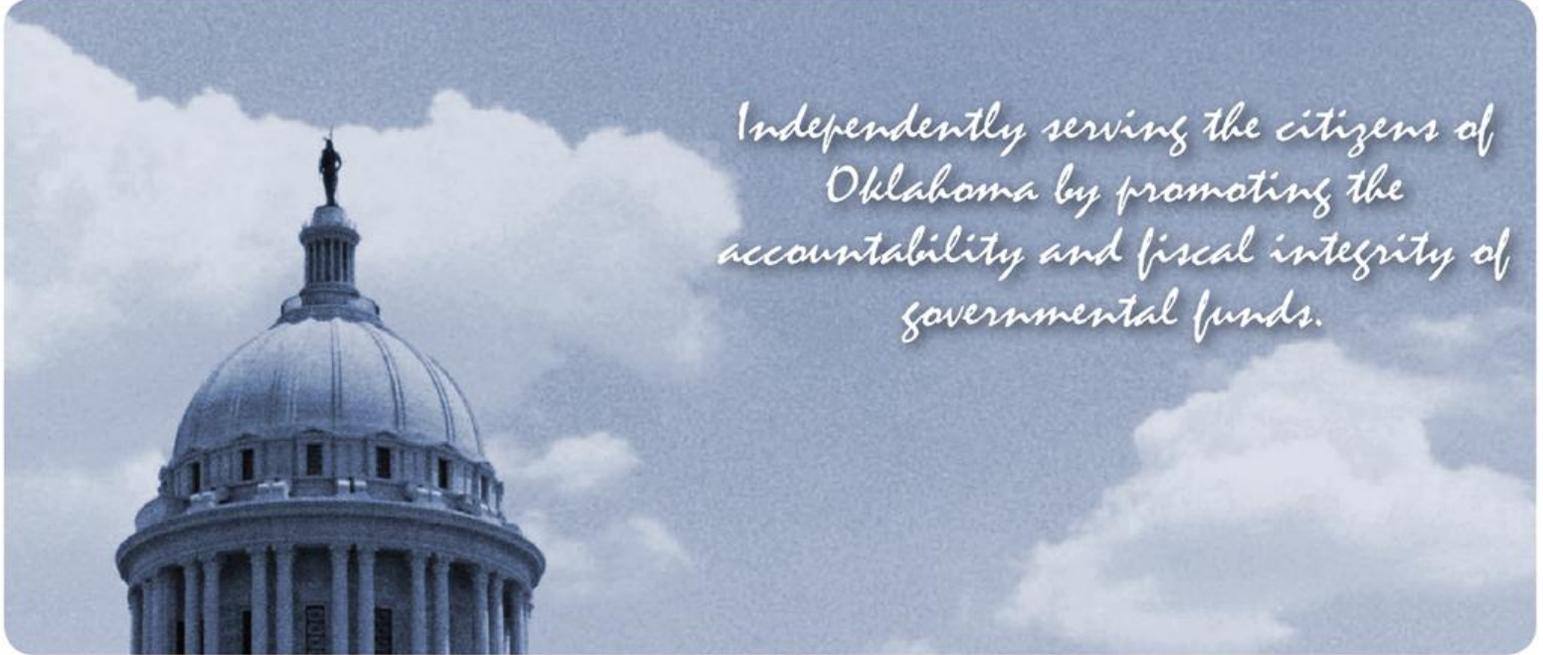


COUNTY AUDIT

# OKLAHOMA COUNTY SINGLE AUDIT

For the year ended June 30, 2014



*Independently serving the citizens of  
Oklahoma by promoting the  
accountability and fiscal integrity of  
governmental funds.*



Oklahoma State  
Auditor & Inspector  
Gary A. Jones, CPA, CFE

**SINGLE AUDIT REPORT  
OKLAHOMA COUNTY, OKLAHOMA  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

February 9, 2015

TO THE CITIZENS OF  
OKLAHOMA COUNTY, OKLAHOMA

Transmitted herewith is the Single Audit Report of Oklahoma County, Oklahoma for the fiscal year ended June 30, 2014. Our audit report on the financial statements and the 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* were issued under separate cover. The audit was conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the provisions of the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Reports of this type are critical in nature; however, we do not intend to imply that our audit failed to disclose commendable features in the present accounting and operating procedures of the County.

The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during our engagement.

Sincerely,

A handwritten signature in blue ink that reads "Gary A. Jones".

GARY A. JONES, CPA, CFE  
OKLAHOMA STATE AUDITOR & INSPECTOR

**OKLAHOMA COUNTY, OKLAHOMA  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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**TABLE OF CONTENTS**

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133.....	1
Schedule of Expenditures of Federal Awards.....	4
Note to the Schedule of Expenditures of Federal Awards .....	5
Schedule of Findings and Questioned Costs.....	6

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



# Oklahoma State Auditor & Inspector

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

TO THE OFFICERS OF  
OKLAHOMA COUNTY, OKLAHOMA

### **Report on Compliance for Each Major Federal Program**

We have audited the compliance of Oklahoma County, Oklahoma, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Oklahoma County's major federal programs for the year ended June 30, 2014. Oklahoma County'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 Oklahoma County'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 Oklahoma County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Oklahoma County's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, Oklahoma County 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, 2014.

## **Report on Internal Control Over Compliance**

Management of Oklahoma County 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 Oklahoma County'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 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 Oklahoma County'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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Oklahoma County as of and for the year ended June 30, 2014, and have issued our report thereon dated December 29, 2014, which contained an unmodified opinion on those financial statements. Our report was modified to include a reference to other auditors. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and

is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

These collective reports are a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.), and shall be open to any person for inspection and copying.

A handwritten signature in blue ink, appearing to read "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

GARY A. JONES, CPA, CFE  
OKLAHOMA STATE AUDITOR & INSPECTOR

December 29, 2014

**Schedule of Expenditures of Federal Awards**

**OKLAHOMA COUNTY, OKLAHOMA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE FOOD AND NUTRITION SERVICE</b>			
Passed Through the Oklahoma Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 35,280
National School Lunch Program	*10.555	N/A	<u>61,569</u>
Total U.S. Department of Agriculture			<u>96,849</u>
<b>U.S. DEPARTMENT OF INTERIOR</b>			
Direct:			
Payments in Lieu of Taxes	15.226	N/A	<u>14,012</u>
Total U.S. Department of Interior			<u>14,012</u>
<b>U.S. DEPARTMENT OF JUSTICE BUREAU OF JUSTICE ASSISTANCE</b>			
Direct:			
Juvenile Accountability Block Grants	16.523	N/A	12,879
State Criminal Alien Assistance Program	16.606	2013-AP-BX	88,140
Public Safety Partnership and Community Policing Grants	16.710	2013UMWX0132	147,644
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-H4859-OK-DJ	104,791
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-1090	<u>85,518</u>
Total U.S. Department of Justice Bureau of Justice Assistance			<u>438,972</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Passed Through the Oklahoma Highway Safety Office:			
State and Community Highway Safety	20.600	K8-13-03-22-06	49,902
State and Community Highway Safety	20.600	AL-13-03-03-06	14,987
State and Community Highway Safety	20.600	OP-13-03-05-06	7,335
State and Community Highway Safety	20.600	PT-13-03-14-06	2,100
State and Community Highway Safety	20.600	CE-13-03-22-06	1,825
State and Community Highway Safety	20.600	164AL-14-03-05-07	<u>104,305</u>
Total CDFA # 20.600			180,454
National Priority Safety Programs	20.616	M2HVE-14-03-05-07	<u>33,639</u>
Total U.S. Department of Transportation			<u>214,093</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Passed Through the Department of Homeland Security:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4117-DR-OK	58,165
Hazard Mitigation Grant	97.039	Crutcho Acquisition Phase IV	6,000
Hazard Mitigation Grant	97.039	Crutcho Acquisition Phase V	141,122
Fire Management Assistance Grant	97.046	N/A	<u>3,129</u>
Total U.S. Department of Homeland Security			<u>208,416</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 972,342</u>

\*Partially Non-Cash Assistance

The accompanying note is an integral part of this schedule.

**OKLAHOMA COUNTY, OKLAHOMA  
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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1. Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards has been prepared in conformity with the requirements set forth in the Single Audit Act of 1984, Public Law 98-502, the Single Audit Act Amendments of 1996, Public Law 104-156 and the Office of Management and Budget (OMB) Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*.

A. Reporting Entity

The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. The reporting entity is the primary government of Oklahoma County as presented in the Comprehensive Annual Financial Report (CAFR).

B. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the primary government of Oklahoma County and is presented on the cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Revenue and expenditures are reported using the modified accrual basis of accounting in the Comprehensive Annual Financial Report (CAFR). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Department of Agriculture – National School Lunch Program CFDA #10.555

Non-cash assistance in the form of commodities was received from the Oklahoma State Department of Education. The federal value of \$5,411.49 is included in the Schedule of Expenditures of Federal Awards.

## **Schedule of Findings and Questioned Costs**

**OKLAHOMA COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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**SECTION 1 - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued:..... Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?..... No
- Significant deficiency(ies) identified? ..... Yes

Noncompliance material to financial statements noted?..... No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?..... No
- Significant deficiency(ies) identified? ..... No

Type of auditor's report issued on compliance for major programs: ..... Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ..... No

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.039	Hazard Mitigation Grant
16.710	Public Safety Partnership and Community Policing Grants
16.738	Edward Byrne Memorial Justice Assistance Grant Program
20.600	State and Community Highway Safety

Dollar threshold used to distinguish between Type A and Type B programs: ..... \$300,000

Auditee qualified as low-risk auditee?..... No



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