



CITY OF MOORE, OKLAHOMA
SINGLE AUDIT REPORTS
AND SUPPLEMENTARY SCHEDULES

JUNE 30, 2021

THE CITY OF MOORE, OKLAHOMA

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INDEPENDENT AUDITOR'S 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*

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

We have audited, in accordance with the 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moore, Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Moore, Oklahoma's basic financial statements, and have issued our report thereon dated October 27, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Moore, Oklahoma's internal control over financial reporting (internal control) as a basis for designing 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 of Moore, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Moore, Oklahoma'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Moore, Oklahoma'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
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CONTINUED**

accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, identified as 2021-001 in the Schedule of Findings and Questioned Costs.

City of Moore's Response to Finding

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

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.

Dillon & Associates, PC

Midwest City, Oklahoma
October 27, 2021

DILLON & ASSOCIATES, P.C.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

The Honorable Mayor and
Members of the City Council
City of Moore, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited the City of Moore, Oklahoma's 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 of Moore, Oklahoma's major federal programs for the year ended June 30, 2021. City of Moore, Oklahoma'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 of Moore, Oklahoma'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 of Moore, Oklahoma'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 of Moore, Oklahoma's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Moore, 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, 2021.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE, CONTINUED

Report on Internal Control over Compliance

Management of the City of Moore, Oklahoma, 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 of Moore, Oklahoma'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 of Moore, Oklahoma'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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated October 27, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion 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 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.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE;
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
UNIFORM GUIDANCE, CONTINUED**

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 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 taken as a whole.

Dillon & Associates, PC

Midwest City, Oklahoma
October 27, 2021

City of Moore, Oklahoma
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS - THROUGH GRANTOR NUMBER	FEDERAL EXPENDITURES	SUBRECIPIENT AMOUNTS
<u>U.S. Department of Housing and Urban Development</u>				
<i>Direct Assistance:</i>				
<i>Community Development Block Grant - Entitlement Grant Cluster:</i>				
Community Development Block Grant - Entitlement	14.218	B-19-MC-40-0010	\$ 207,475	8,089
Community Development Block Grant - Entitlement	14.218	B-20-MC-40-0010	63,041	30,457
Coronavirus Relief Fund - CDBG	14.218	B-20-MW-40-0010	233,637	223,143
<i>Subtotal Community Development Block Grant - Entitlement Grant Cluster:</i>			<u>504,153</u>	<u>261,689</u>
<i>Community Development Block Grant - Disaster Recovery Grant Cluster:</i>				
Community Development Block Grant - Disaster Recovery	14.269	B-13-MS-40-0001	639,941	-
Total U.S. Department of Housing and Urban Development			<u>1,144,094</u>	<u>261,689</u>
<u>U.S. Department of Justice</u>				
<i>Direct Assistance:</i>				
Organized Crime Drug Enforcement Task Force - OCDETF	16.xxx	Unknown	7,614	-
Bulletproof Vest Partnership Grant	16.607	Unknown	1,914	-
State and Local HIDTA Task Force Grant	16.809	HIDTA TREAS 303	4,302	-
<i>Passed through the Oklahoma District Attorneys Council:</i>				
Edward Byrne Memorial Justice Assistance Grant	16.738	JAG-LLE-2020-Moore CI-00029	5,175	-
Total U.S. Department of Justice			<u>19,005</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
<i>Highway Planning and Construction Grant Cluster:</i>				
<i>Passed through the Association of Central Oklahoma Governments (ACOG):</i>				
Congestion Mitigation & Air Quality Improvement	20.205	R1-2020- City of Moore	50,617	-
Total U.S. Department of Transportation			<u>50,617</u>	<u>-</u>
<u>U.S. Department of Treasury</u>				
<i>Direct Assistance:</i>				
US Immigration & Customs Enforcement (ICE)/HIS	21.xxx	Unknown	1,388	-
<i>Passed through the Oklahoma Office of Management and Enterprise Services:</i>				
Coronavirus Relief Fund	21.019	CARES Act	4,783,213	-
Total U.S. Department of Treasury			<u>4,784,601</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>				
<i>Direct Assistance:</i>				
Emergency Management Performance (SLA)	97.042	EMPG 19	12,500	-
Emergency Management Performance (SLA)	97.042	EMPG 20	12,500	-
Coronavirus Relief Fund - EMPG	97.042	CARES Act	13,888	-
Total U.S. Department of Transportation			<u>38,888</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 6,037,205</u>	<u>261,689</u>

See Independent Auditor's Report on Compliance for each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.

See accompanying notes to schedule of expenditures of federal awards.

**CITY OF MOORE, OKLAHOMA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of the City of Moore for the year ended June 30, 2021 and is presented in accordance with the basis for determining federal awards expended as defined by the Uniform Guidance. Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the presentation of the basis financial statements. Because the Schedule presents only a select portion of the operations of the City of Moore, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Moore.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles of the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

The City of Moore does not have an indirect cost rate and has elected not to use the 10% de minimis cost rate allowed under the Uniform Guidance during the year ended June 30, 2021.

See Independent Auditor's Report on Compliance for each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.

CITY OF MOORE, OKLAHOMA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements were in accordance with GAAP:

Unmodified

Internal control over financial reporting:

* Material weakness(es) identified?

yes no

* Significant deficiency(ies) identified that are not considered to be material weakness(es)?

yes none reported

Noncompliance material to financial statements noted?

yes

Federal Awards

Internal control over major programs:

* Material weakness(es) identified?

yes no

* Significant deficiency(ies) identified that are not considered to be material weakness(es)?

yes none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

yes no

Identification of major programs:

CFDA
Number

U.S. Department of Treasury Coronavirus Relief Fund

21.019

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

yes no

CITY OF MOORE, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

Section II - Findings Required to be Reported in Accordance with *Government Auditing Standards*:

Finding 2021-001 - Compliance Matter - Deposits with Financial Institutions

Criteria - Oklahoma statutes require cash accounts be fully covered by Federal deposit insurance or fully collateralized with U.S. government obligations and be interest bearing.

Condition - As of June 30, 2021, the City had bank deposits of \$3,113,319 which were not covered by FDIC insurance as required by statute.

Cause - Monitoring of bank cash balances and the required pledged assets on balances over the FDIC coverage limit of \$250,000 were not timely managed.

Effect or Potential Effect - Because of the failure to adequately collateralize its deposits, the City was exposed to potential losses resulting from custodial credit risk up to \$3,113,319 as of June 30, 2021.

Recommendation - We recommend that the City have procedures in place to ensure that all applicable deposits are adequately insured or collateralized throughout the year.

Responsible Official's Response - The City concurs with the recommendation and has subsequently corrected the undercollateralized situation. In addition, management is implementing additional monitoring procedures to ensure adequate bank collateral is maintained throughout the year. This finding was corrected on July 12, 2021.

Section III - Findings Required to be Reported in Accordance with Uniform Guidance:

None

**CITY OF MOORE, OKLAHOMA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Findings Required to be Reported in Accordance with *Government Auditing Standards*:

None to report for the June 30, 2020 period.

Findings Required to be Reported in Accordance with Uniform Guidance:

Finding 2020-001

Program: Community Development Block Grant - Disaster Recovery

CFDA No.: 14.269

Federal Agency: U.S. Department of Housing and Urban Development

Federal Award Identification Number: B-13-MS-40-0001

Award Period: May 14, 2014 to September 30, 2022

Compliance Requirement: Monitoring CDBG Program Activities for Compliance with Program Rules & Regulations

Condition Found: The City underwent a monitoring review by the grantor in March 2020 related to expenditures for the CDBG-DR Program, the results of which were issued in June 2020. The monitoring review results included seven findings pertaining to the CDBG-DR Program.

Status:

Matters were corrected and are considered resolved.



CITY OF MOORE, OKLAHOMA CORRECTIVE ACTION PLAN YEAR ENDED JUNE 30, 2021

I. FINANCIAL STATEMENT FINDINGS

FINDING 2021-01

Compliance Matter: Deposits with Financial Institutions

Name of contact person: Betty Koehn, Finance Director - 405-793-5002

Management's Response:

We concur with the finding.

View of Responsible Officials and Corrective Action:

While this finding was corrected on July 12, 2021, the City reached out to the financial institution to determine what caused the delay in getting our funds collateralized. The financial institution will be reviewing the City's accounts more frequently and the City will also be monitoring our accounts twice monthly to ensure that the City's funds are properly collateralized.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Reported.