



*Certified Public Accountants*

## CITY OF PONCA CITY, OKLAHOMA

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SINGLE AUDIT REPORT  
YEAR ENDED JUNE 30, 2020

CITY OF PONCA CITY, OKLAHOMA  
SINGLE AUDIT REPORT  
Year Ended June 30, 2020

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The City of Ponca City, Oklahoma financial statements and related notes for the year ended June 30, 2020 were audited by BT&Co., P.A. and issued under a separate cover.

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Certified Public Accountants

**INDEPENDENT AUDITORS' 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**

The Honorable Mayor and Members of the City Commission  
City of Ponca City, Oklahoma:

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

We have audited the City of Ponca City, Oklahoma's (the City's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2020. The City's major federal program is identified in the summary of auditors' 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for the City's major federal program 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 the major federal program. However, our audit does not provide a legal determination of the City's compliance.

**Opinion on the 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 its major federal program for the year ended June 30, 2020.

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## **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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 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 the Uniform Guidance**

We have audited 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 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 3, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We did not audit the financial statements of the Ponca City Development Authority, which is reported as a discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Ponca City Development Authority, is based solely on the report of the other auditors. 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 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 expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*BT & Co., P.A.*

February 23, 2021  
Topeka, Kansas

CITY OF PONCA CITY, OKLAHOMA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Expenditures	Amounts Paid to Subrecipients
U.S. Department of Housing and Urban Development:				
Passed through Oklahoma Department of Commerce:				
Small Cities Program	14.228	CDBG-18-17285	\$ 5,000	\$ -
Small Cities Program	14.228	CDBG-19-17591	66,567	-
Total U.S. Department of Housing and Urban Development			71,567	-
U.S. Department of the Interior:				
Passed through Oklahoma Historical Preservation Office:				
Certified Local Government Program	15.904	18-605	2,230	-
Certified Local Government Program	15.904	19-605	10,898	-
Total U.S. Department of the Interior			13,128	-
U.S. Department of Justice:				
Passed through Bureau of Justice Assistance:				
COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0314	28,914	-
Bulletproof Vest Partnership Program	16.607	None	2,762	-
Edward Byrne Law Enforcement Assistance	16.738	2018-H3342-OK-DJ	4,447	3,972
Total U.S. Department of Justice			36,123	3,972
U.S. Department of Transportation:				
Passed through Oklahoma Highway Safety Office:				
Airport Improvement Program	20.106	AIP 3-40-0078-018-2019	334,984	-
COVID-19 - Airport Improvement Program	20.106	PNC-SWG-3-40-0078-020-2020	69,000	-
Highway Planning and Construction Cluster:				
Lake Ponca Trails Transportational Alternative Program (TAP)	20.219	TAP-236F (031)TP,TAP-3-2993-004TP	700,000	-
Total Highway Planning and Construction Cluster			700,000	-
Highway Safety Cluster:				
Traffic Safety Project	20.600	PT-19-03-17-12	3,174	-
Total Highway Safety Cluster			3,174	-
Total U.S. Department of Transportation			1,107,158	-
U.S. Department of Treasury:				
Passed through State of Oklahoma:				
COVID-19 - Coronavirus Relief Fund	21.019	None	2,333,358	-
Total U.S. Department of Treasury			2,333,358	-
National Endowment for the Humanities:				
Passed through Oklahoma Humanities:				
Oklahoma H.O.P.E.	45.129	None	15,000	-
Total National Endowment for the Humanities			15,000	-
U.S. Institute of Museum and Library Services:				
Passed through Oklahoma Department of Libraries:				
Health Literacy Grant	45.310	None	4,000	-
State Aid Grant	45.310	None	10,865	-
Total U.S. Institute of Museum and Library Services			\$ 14,865	\$ -

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)  
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Expenditures	Amounts Paid to Subrecipients
U.S. Department of Health and Human Services:				
Passed through Oklahoma Partnership for School Readiness Foundation:				
ESSA Preschool Development Grants	93.434	90TP0037-01-01	\$ 2,000	\$ -
Provider Relief Fund	93.498	None	69,012	-
Total U.S. Department of Health and Human Services			71,012	-
U.S. Department of Homeland Security:				
Passed through Oklahoma Department of Emergency Management:				
Public Assistance May 19 Flood	97.036	FEMA DR4438PW	98,084	-
Emergency Management Performance Grant - 19	97.042	85-606	7,427	-
Emergency Management Performance Grant - 20	97.042	85-606	22,281	-
Total U.S. Department of Homeland Security			127,792	-
Total expenditures of federal awards			\$ 3,790,003	\$ 3,972

See accompanying notes to schedule of  
expenditures of federal awards.

CITY OF PONCA CITY, OKLAHOMA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2020

1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Ponca City, Oklahoma (the City) under programs of the federal government for the year ended June 30, 2020. The City's reporting entity is defined in Note 1 to the City's basic financial statements. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. 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 financial position, or, where applicable, cash flows of the City. All federal awards passed through other government agencies are included on the schedule.

2 - Summary of Significant Accounting Policies

The Schedule is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements. Such expenditures are recognized following 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 not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



CITY OF PONCA CITY, OKLAHOMA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended June 30, 2020

**Section I – Summary of Independent Auditors’ Results**

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified:	None
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Noncompliance material to financial statements:	None

Federal Awards

Type of auditors’ report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
Material weaknesses identified:	None
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a):	None

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
21.019	COVID -19 - Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
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Auditee qualified as a low-risk auditee:	No
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**Section II – Financial Statement Findings**

None.

**Section III – Federal Award Findings and Questioned Costs**

None.