



Certified Public Accountants

CITY OF STILLWATER, OKLAHOMA

SINGLE AUDIT REPORTS AND
SUPPLEMENTARY SCHEDULES
YEAR ENDED JUNE 30, 2020

CITY OF STILLWATER, OKLAHOMA
SINGLE AUDIT REPORTS AND SUPPLEMENTARY SCHEDULES
Year Ended June 30, 2020

TABLE OF CONTENTS

The City of Stillwater, 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.

The Independent Auditors' 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* was issued by BT&Co., P.A. under a separate cover.

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	1 - 2
Schedule of Expenditures of Federal Awards	3 - 4
Notes to Schedule of Expenditures of Federal Awards	5
Schedule of Findings and Questioned Costs	6 - 7



Certified Public Accountants

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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 Council
City of Stillwater, Oklahoma:

Report on Compliance for Each Major Federal Program

We have audited the City of Stillwater, 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 each of the City's major federal programs for the year ended June 30, 2020. The City's major federal programs are 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 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.

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, 2020.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

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 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 7, 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. 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.

March 12, 2021
Topeka, Kansas

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

Federal Grantor/Pass-Through Grantor/Program Title	Grant Number	Federal CFDA Number	Expenditures
U.S. Department of Justice:			
Bullet-Proof Vest Partnership	None	16.607	\$ 1,290
Passed through Oklahoma State Bureau of Investigation:			
Oklahoma Internet Crimes Against Children	None	16.543	<u>4,571</u>
Total U.S. Department of Justice			<u>5,861</u>
U.S. Department of Transportation:			
Airport Improvement Program - Parallel Taxiway to RW 17-35	3-40-0090-025-2017	20.106	1,199,286
Airport Improvement Program - Rehabilitate Runway 4-22	3-40-0090-026-2018	20.106	2,601,218
Airport Improvement Program - Reconstruct Runway Lighting 4-22	3-40-0090-027-2018	20.106	316,349
Airport Improvement Program - Apron Expansion Phase I	3-40-0090-028-2019	20.106	617,109
Airport Improvement Program - Apron Expansion Phase II	3-40-0090-030-2020	20.106	310,615
COVID-19 - Airport Improvement Program - CARES Act Grant	3-40-0090-031-2020	20.106	310,468
Small Community Air Service Development Program	DOT-OST-2013-0120	20.930	24,114
Passed through Oklahoma Highway Safety Office:			
Highway Safety Cluster:			
National Priority Safety Programs	OP-19-03-26-03	20.600	<u>4,025</u>
Total Highway Safety Cluster			<u>4,025</u>
Total U.S. Department of Transportation			<u>5,383,184</u>
U.S. Department of the Treasury:			
COVID 19 - Coronavirus Relief Fund	None	21.019	<u>2,583,351</u>
National Endowment for the Humanities:			
Preservation Assistance Grants, Preservation and Access	PG-258427-18	45.149	6
Passed through Oklahoma Humanities:			
HOPE Grant	None	45.129	20,000
Passed through Gilder Lehrman Institute of American History:			
Revisiting the Founding Era	None	45.164	87
Passed through Oklahoma Department of Libraries:			
Continuing Education	F-19-204	45.310	228
eMedia	F-19-235	45.310	60,000
eMedia	F-20-079	45.310	50,000
Health Literacy Project	F-20-032	45.310	8,245
Census 2020: Everyone Counts	None	45.310	<u>3,100</u>
Total National Endowment for the Humanities			<u>\$ 141,666</u>

(Continued)

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

Federal Grantor/Pass-Through Grantor/Program Title	Grant Number	Federal CFDA Number	Expenditures
U.S. National Archives and Records Administration:			
Passed through Oklahoma Department of Libraries:			
Improving Access	OHRAB19.20	89.003	\$ 3,000
U.S. Department of Health and Human Services:			
Passed through Oklahoma Partnership for School Readiness Foundation:			
FEP Grant	None	93.434	1,500
U.S. Department of Homeland Security:			
Passed through Oklahoma Department of Emergency Management:			
Hazard Mitigation Grant	5168-0009-OK	97.039	116,757
Hazard Mitigation Assistance - WTP Generator	DR-4315-0017-OK	97.039	881,019
Hazard Mitigation Assistance - Distribution System Generator	DR-4315-0016-OK	97.039	156,896
Emergency Management Performance Grant	EMPG-20	97.042	37,500
Disaster Assistance Projects - Citywide EMP	109721	97.088	31,589
Disaster Assistance Projects - Southern Woods Concession Stand	113241	97.088	6,960
Disaster Assistance Projects - Babcock Concession Stand & Restroom	113245	97.088	7,613
Total U.S. Department of Homeland Security			1,238,334
Total expenditures of federal awards			\$ 9,356,896

See accompanying notes to schedule of
expenditures of federal awards.

CITY OF STILLWATER, 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 Stillwater, 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). 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

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements. The 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 STILLWATER, 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

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

Identification of major programs:

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

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:	Yes
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CITY OF STILLWATER, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.