

# **City of Tulsa, Oklahoma**

Compliance Report  
Year Ended June 30, 2024

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RSM US LLP

**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, City Council, and  
Audit Committee  
City of Tulsa, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Tulsa, Oklahoma (the City), as of and for the year ended June 30, 2024, 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 20, 2024. Our report includes a reference to other auditors who audited the financial statements of the Tulsa Performing Arts Center Trust, a discretely presented component unit of the City, and the Tulsa Stadium Trust, a blended component unit of the City, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on 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) 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'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

#### **Report on 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 financial statements. 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*.

#### **The City's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RSM US LLP*

Kansas City, Missouri  
December 20, 2024



RSM US LLP

**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, City Council, and  
Audit Committee  
City of Tulsa, Oklahoma

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

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

We have audited the City of Tulsa, Oklahoma's (the City) compliance with the types of compliance requirements identified as subject to audit 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, 2024. 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.

In our opinion, the City complied, in all material respects, with the 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, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.



**Other Matter—Federal Expenditures Not Included in the Compliance Audit**

The City of Tulsa, Oklahoma’s basic financial statements include the operations of the Tulsa Airports Improvement Trust (TAIT), Tulsa Development Authority (TDA), Partner Tulsa (Tulsa Authority for Economic Opportunity) (TAEO), and Tulsa Performing Arts Center Trust (TPACT), discretely presented component units, and Tulsa Stadium Trust (TST), a blended component unit. Our audit, described below, did not include the operations of TST or TPACT because these component units engaged other auditors to perform their June 30, 2024 audit. Our compliance audit, described in the “Opinion on Each Major Federal Program,” does not include the operations of TDA and TAEO because they were not required to have a separate audit in accordance with the Uniform Guidance as their federal expenditures for the year ending June 30, 2024 were less than \$750,000. Our audit, described below, did not include the operations of TAIT because they issued a separate compliance report in accordance with the Uniform Guidance for the year ended June 30, 2024.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City’s federal programs.

**Auditor’s Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City’s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon, dated December 20, 2024, 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 basic 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.

*RSM US LLP*

Kansas City, Missouri  
December 20, 2024

**CITY OF TULSA**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Number or Pass-Through Entity Identifying Number	Total Federal Expenditures	Provided to Subrecipients
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<b>CDBG - Entitlement/Special Purpose Grants Cluster</b>				
<b>Direct Programs:</b>				
		B-19-MC-40-0004		
		B-20-MC-40-0004		
		B-21-MC-40-0004		
Community Development Block Grants/Entitlement Grants	14.218	B-22-MC-40-0004	\$ 5,751,513	\$ 3,144,471
COVID-19 Community Development Block Grants-CV/Entitlement Grants	14.218	B-20-MW-40-0004	723,283	707,046
Total CDBG - Entitlement/Special Purpose Grants Cluster			6,474,796	3,851,517
		E-20-MC-40-0004		
		E-21-MC-40-0004		
		E-22-MC-40-0004		
Emergency Solutions Grant Program	14.231	E-23-MC-40-0004	289,477	266,241
COVID-19 Emergency Solutions Grant Program-CV	14.231	E-20-MW-40-0004	142,313	130,965
Total Emergency Solutions Grant Program			431,790	397,206
		M-18-MC-40-0202		
		M-19-MC-40-0202		
		M-20-MC-40-0202		
		M-21-MC-40-0202		
		M-22-MC-40-0202		
Home Investment Partnerships Program	14.239	M-23-MC-40-0202	2,120,141	1,624,805
COVID-19 Home Investment Partnerships - American Rescue Plan	14.239	M-21-MP-40-0202	21,518	-
Total Home Investment Partnerships Program			2,141,659	1,624,805
		OK-H20-F002		
		OK-H21-F002		
		OK-H22-F002		
Housing Opportunities for Persons with AIDS	14.241	OK-H23-F002	463,185	448,423
<b>Total U.S. Department of Housing and Urban Development</b>			9,511,430	6,321,951
<b>U.S. DEPARTMENT OF THE INTERIOR</b>				
<u>Pass-Through Oklahoma Historical Society</u>				
Historic Preservation Fund Grants-In-Aid	15.904	23-608	42,817	-
<b>Total U.S. Department of The Interior</b>			42,817	-
<b>U.S. DEPARTMENT OF JUSTICE</b>				
<b>Direct Programs:</b>				
Emmett Till Cold Case Investigations Program	16.031	15PBJA-22-GG-01763-EMME	58,267	-
Services for Trafficking Victims	16.320	15POVC-22-GK-03716-HT	217,059	47,825
<b>Direct Programs:</b>				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	15POVC-22-GK-03581-SAFE	124,530	-
<u>Pass-Through State of Oklahoma District Attorney Council</u>				
Crime Victim Assistance	16.575	2021-VOCA-TULSA-CI-020	898	-
Crime Victim Assistance	16.575	2023-VOCA-TULSA-CI-104	41,787	-
Crime Victim Assistance	16.575	2021-VOCA-TULSA-CI-002	1,857	-
Crime Victim Assistance	16.575	2023-VOCA-TULSA-CI-027	70,580	-
Total Crime Victim Assistance			115,122	-
<b>Direct Programs:</b>				
Crime Victim Assistance/Discretionary Grants	16.582	2019-V3-GX-0132	47,266	-
<u>Pass-Through State of Oklahoma District Attorney Council</u>				
Violence Against Women Formula Grants	16.588	2022/23-VAWA-Tulsa PD-00054	2,481	-
Violence Against Women Formula Grants	16.588	2024/25-VAWA-Tulsa PD-00037	1,350	-
Violence Against Women Formula Grants	16.588	2022/23-VAWA-Tulsa PD-00055	27,944	-
Total Violence Against Women Formula Grants			31,775	-

(Continued)



**CITY OF TULSA**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Number or Pass-Through Entity Identifying Number	Total Federal Expenditures	Provided to Subrecipients
<b>Direct Programs:</b>				
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2017-WE-AX-0045 (2)	181,691	123,606
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	15JOVW-23-GG-02600-HOMI	78,114	38,201
Total Grants to Encourage Arrest Policies and Enforcement of Protection Orders Programs			259,805	161,807
<u>Pass-Through State of Oklahoma District Attorney Council</u>				
Project Safe Neighborhoods	16.609	20SNN01	4,677	-
Project Safe Neighborhoods	16.609	21SNN01	46,472	-
Total Project Safe Neighborhoods			51,149	-
<b>Direct Programs:</b>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0388	64,195	20,373
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01753-JAGX	260,720	19,990
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-04380-SMTP	288,822	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02067-JAGX	259,656	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03699-JAGX	194,187	-
Total Edward Byrne Memorial Justice Assistance Grant Program			1,067,580	40,363
DNA Backlog Reduction Program	16.741	15PBJA-21-GG-03172-DNAX	149,371	-
DNA Backlog Reduction Program	16.741	15PBJA-22-GG-01711-DNAX	218,312	-
DNA Backlog Reduction Program	16.741	15PBJA-23-GG-01350-DNAX	32,291	-
DNA Backlog Reduction Program	16.741	15PBJA-23-GG-02283-DNAX	17,635	-
Total DNA Backlog Reduction Program			417,609	-
<u>Pass-Through State of Oklahoma District Attorney Council</u>				
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	22F003	29,475	-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	23F001	38,683	-
Total Paul Coverdell Forensic Sciences Improvement Grant Program			68,158	-
<u>Pass-Through Tulsa County District Attorney</u>				
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	15PBJA-21-GG-03974-MENT	49,911	-
Total Justice and Mental Health Collaboration Program			49,911	-
<u>Pass-Through Oklahoma State Bureau of Investigation</u>				
Internet Crimes Against Children Task Force Program (ICAC)	16.800	137909	5,779	-
<b>Direct Programs:</b>				
Byrne Criminal Justice Innovation Program	16.817	2020-BJ-BX-0006	294,032	-
National Sexual Assault Kit Initiative	16.833	2018-AK-BX-0015	234,555	-
National Sexual Assault Kit Initiative	16.833	15PBIA-21-GG-04310-SAKI	640,369	84,291
Total National Sexual Assault Kit Initiative			874,924	84,291
Equitable Sharing Program	16.922	OK0720500	56,194	-
Equitable Sharing Program	16.922	OK0721600	107	-
Total Equitable Sharing Program			56,301	-
<b>Total U.S. Department of Justice</b>			3,739,267	334,286

(Continued)

**CITY OF TULSA**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Number or Pass-Through Entity Identifying Number	Total Federal Expenditures	Provided to Subrecipients
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
<u>Pass-Through Indian Nations Council of Governments (INCOG)</u>				
Highway Planning and Construction	20.205	2023-7	71,310	-
Highway Planning and Construction	20.205	112417-1	400,000	-
Highway Planning and Construction	20.205	112417-2	18,420	-
Total Highway Planning and Construction			489,730	-
<u>Pass-Through Oklahoma Tourism and Recreation</u>				
Recreational Trails Program	20.219	RT21(109)	238,771	-
<b>Federal Transit Cluster</b>				
<b>Direct Programs:</b>				
Federal Transit Formula Grants	20.507	OK-2017-009-00	162,553	-
COVID-19 Federal Transit Formula Grants - CARES ACT	20.507	OK-2020-022-00	436,389	-
Federal Transit Formula Grants	20.507	OK-2020-030-00	241,931	241,931
Federal Transit Formula Grants	20.507	OK-2022-032-00	8,041,522	-
Federal Transit Formula Grants	20.507	OK-2022-034-00	484,857	-
Federal Transit Formula Grants	20.507	OK-2024-036-00	162,334	-
Total Federal Transit Formula Grants			9,529,586	241,931
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	OK-2017-025-00	1,822	-
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	OK-2017-026-00	73,311	-
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	OK-2021-028-00	454,633	-
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	OK-2022-031-00	2,158,468	-
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	1527-2022-1	607,725	-
Total Bus and Bus Facilities Formula, Competitive and Low or No Emissions Programs			3,295,959	-
Total Federal Transit Cluster			12,825,545	241,931
<b>Transit Services Program Cluster</b>				
<u>Pass-Through Indian Nations Council of Governments (INCOG)</u>				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	22222	8,096	-
Total Transit Services Program Cluster			8,096	-
<b>Highway Safety Cluster</b>				
<u>Pass-Through State of Oklahoma Highway Safety Office</u>				
State and Community Highway Safety	20.600	PT-23-03-34-16	41,905	-
State and Community Highway Safety	20.600	PT-24-03-43-17	107,600	-
State and Community Highway Safety - Tulsa Police Department Motorcycle Safety	20.600	STMC-23-01-11-16	6,890	-
State and Community Highway Safety - Tulsa Police Department Motorcycle Safety	20.600	STMC-24-02-11-17	19,827	-
Total State and Community Highway Safety and Highway Safety Cluster			176,222	-
Total U.S. Department of Transportation			13,738,364	241,931
<b>U.S. DEPARTMENT OF THE TREASURY</b>				
<b>Direct Programs:</b>				
Equitable Sharing Program	21.016	TULSA POLICE DEPT (OK)	8,592	-
<b>Direct Programs:</b>				
COVID-19 Emergency Rental Assistance Program	21.023	ERA-2101070472-1	6,806,559	6,791,033
COVID-19 American Rescue Plan - Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRF	13,941,278	5,501,047
<u>Pass-Through Oklahoma Water Resources Board</u>				
COVID - 19 Coronavirus State and Local Fiscal Recovery Funds	21.027	ARP-23-0009-DPG	3,074,523	-
<u>Pass-Through Cherokee Nation</u>				
COVID - 19 Coronavirus State and Local Fiscal Recovery Funds	21.027	CHEROKEEARPA	58,322	-
Total Coronavirus State and Local Fiscal Recovery Funds			17,074,123	5,501,047
Total U.S. Department of the Treasury			23,889,274	12,292,080

(Continued)

**CITY OF TULSA**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Number or Pass-Through Entity Identifying Number	Total Federal Expenditures	Provided to Subrecipients
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>				
<b>Direct Programs:</b>				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	BF-00F70901-0	33,068	-
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	BF-01F48401-0	29,786	-
<u>Pass-Through State of Oklahoma Dept. of Environmental Quality</u>				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	BFODEQ	35,080	-
Total Brownfields Assessment and Cleanup Cooperative Agreements			97,934	-
<b>Total U.S. Environmental Protection Agency</b>			97,934	-
<b>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</b>				
<u>Pass-Through Oklahoma Department of Libraries</u>				
National Historical Publications and Records Grants	89.003	F-23-264	3,000	-
<b>Total National Archives and Records Administration</b>			3,000	-
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<u>Pass-Through Substance Abuse and Mental Health Services Administration</u>				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	1H79SM087674-01	3,342	-
<b>Total U.S. Department of Health and Human Services</b>			3,342	-
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
<u>Pass-Through State of Oklahoma Dept. of Emergency Management</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4721-DR-OK	552,298	-
			552,298	-
Hazard Mitigation Grant	97.039	FEMA-DR-4256-OK	2,501,743	-
Hazard Mitigation Grant	97.039	JONESCREEK	65,186	-
Hazard Mitigation Grant	97.039	FRYDITCH	2,945	-
Total Hazard Mitigation Grants			2,569,874	-
BRIC: Building Resilient Infrastructure and Communities	97.047	EMT-2021-BR-071-0006	354,700	-
			354,700	-
<b>Direct Program:</b>				
Assistance to Firefighters Grant	97.044	EMW-2020-FP-00252	2,095	-
Assistance to Firefighters Grant	97.044	EMW-2021-FG-01230	411,193	-
Total Assistance to Firefighters Grants			413,288	-
<b>Direct Program:</b>				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	2020 SAFER	4,852,478	-
<b>Total U.S. Department of Homeland Security</b>			8,742,638	-
<b>Total Federal Expenditures</b>			\$ 59,768,066	\$ 19,190,248

See notes to schedule of expenditures of federal awards.

## City of Tulsa, Oklahoma

### Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2024

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#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Tulsa, Oklahoma (the City) and some of the City's component units under programs of the federal government for the year ended June 30, 2024. The schedule of expenditures of federal awards does not include the federal grant activity of the Tulsa Development Authority, the Tulsa Airport Improvement Trust, Partner Tulsa (Tulsa Authority for Economic Opportunity), and the Tulsa Performing Arts Center Trust, discretely presented component units of the City, and the Tulsa Stadium Trust, a blended component unit of the City. 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.

#### **Note 2. Significant Accounting Policies**

Expenditures of federal awards are recognized under the accrual basis of accounting. Such expenditures are reported following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

#### **Note 3. Indirect Cost Rate**

The City elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

#### **Note 4. Disasters Grants – Public Assistance (Presidentially Declared Disasters) (ALN 97.036)**

After a presidentially declared disaster, FEMA provides Disaster Grants – Public Assistance (Presidentially Declared Disasters) (ALN 97.036) to reimburse eligible costs associate with repair, replacement or restoration of disaster damaged facilities. The federal government makes reimbursements in the form of cost-shared grants that require matching funds. In 2024, FEMA approved \$552,298 of eligible expenditures that were incurred in prior fiscal years and are included in the Schedule.



FINANCE

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2024**

Identifying Number: 2023-001

Finding: The U.S. Department of Homeland Security and terms of the related grant agreement, require the City to prepare and submit semi-annual programmatic performance reports. The City did not submit one of the required reports within the 30-day deadline. Specifically, the programmatic performance report for the period January 1, 2023 - June 30, 2023 was due by July 30, 2023, but was submitted by the City on November 30, 2023.

Corrective Actions Taken: The Fire Department Planning Officer responsible for administration and implementation of SAFER grant projects as well as the submission of programmatic performance reports implemented procedures to ensure programmatic reporting deadlines were met including calendar appointments with reminders. The Fire Department Planning Officer also reviewed for any official bulletins or announcements from the grantor changing the reporting deadlines. The Fire Department Planning Officer also subscribed to the Assistance to Firefighters Grant Program email updates from Federal Emergency Management Agency which included reporting date reminders

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**City of Tulsa, Oklahoma**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024**

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**I. Summary of Auditor's Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u>  x  </u> Yes	<u>      </u> No
Significant deficiency(ies) identified?	<u>      </u> Yes	<u>  x  </u> None reported
Noncompliance material to financial statements noted?	<u>      </u> Yes	<u>  x  </u> No

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified?	<u>      </u> Yes	<u>  x  </u> No
Significant deficiency(ies) identified?	<u>      </u> Yes	<u>  x  </u> None reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200 516(a)?	<u>      </u> Yes	<u>  x  </u> No
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**Identification of major federal programs:**

Federal Assistance Listing Number(s)	Name of Federal Program or Cluster
21.023	COVID-19 Emergency Rental Assistance Program
21.027	COVID-19 American Rescue Plan - Coronavirus State and Local Fiscal Recovery Funds
97.039	Hazard Mitigation Grant Program
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between type A and type B programs: \$1,793,042

Auditee qualified as low-risk auditee?	<u>      </u> Yes	<u>  x  </u> No
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(Continued)

Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2024

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**II. Financial Statement Findings**

**A. Internal Control**

**Finding 2024-001**

Criteria: Management of the City is responsible for establishing and maintaining effective internal controls over financial reporting. These controls should allow management or employees to prevent, or detect and correct, misstatements to the financial statements on a timely basis, including cyber security controls that could impact financial reporting.

Condition: The City has a policy that requires employees to verify vendor payment modification requests directly with the contact person listed in the vendor file. In April 2024, an employee of the City made vendor payment modifications without following this internal policy. As a result, an unauthorized change was made to vendor information that resulted in a payment to a fraudulent bank account.

Cause: The requested vendor payment edits were made by personnel without following the City's established process of confirming directly with a known vendor contact to validate the requested changes.

Effect or potential effect: The effect was a payment made to external party impersonating a vendor of the City in the amount of approximately \$192,000. To date, the City has not recovered any of the funds and no insurance claims were made by the City. The vendor has been since made whole.

Recommendation: We recommend the City implement processes and controls over changes to vendor payment information, including adequate training of all staff involved in and overseeing the process.

Views of responsible officials: Management agrees with this finding.

**B. Compliance Findings**

No matters to report.

**III. Findings and Questioned Costs for Federal Awards**

**A. Internal Control**

No matters to report.

**B. Instances of Noncompliance**

No matters to report.



FINANCE

**CORRECTIVE ACTION PLAN  
YEAR ENDED JUNE 30, 2024**

Identifying Number: 2024-001

Finding: The City has a policy that requires independent verification of vendor modification requests. In April 2024, an employee of the City made vendor modifications without following the internal policy. As a result, an unauthorized change was made to vendor information that resulted in a payment to a fraudulent bank account.

Corrective Actions Taken or Planned: Management has incorporated additional steps to strengthen controls surrounding vendor modifications. Management has provided additional training to staff involved in and overseeing the vendor modification process to ensure desk procedures are current and internal policies are understood and followed.

Contact person(s) responsible for corrective action: Christina Basgall, Director of Finance

Anticipated completion date: June 30, 2024