

**CITY OF SAND SPRINGS, OKLAHOMA**

**SINGLE AUDIT REPORTS  
AND SUPPLEMENTARY SCHEDULES**

**June 30, 2011**

CITY OF SAND SPRINGS, OKLAHOMA

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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 Members of the City Council of the  
City of Sand Springs, Oklahoma

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 of Sand Springs, Oklahoma (the "City") as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 16, 2011. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

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

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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 determination of financial statement amounts. 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*.

This report is intended solely for the information and use of the Mayor, City Council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Alledge Associates, P.C.*  
Edmond, Oklahoma  
December 16, 2011



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD  
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Mayor and Members of the City Council of the  
City of Sand Springs, Oklahoma

Compliance

We have audited the compliance of the City of Sand Springs, Oklahoma (the "City") 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 the City's major federal programs for the year ended June 30, 2011. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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 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. Our audit does not provide a legal determination of the City's compliance with those requirements.

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, 2011.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### Schedule of Expenditure of Federal Awards

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, 2011, and have issued our report thereon dated December 16, 2011, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 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 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

This report is intended solely for the information and use of the Mayor, City Council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
Edmond, Oklahoma  
December 16, 2011

CITY OF SAND SPRINGS, OKLAHOMA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program or Title	Federal C.F.D.A Number	Federal Expenditures
<b>U.S. DEPARTMENT OF JUSTICE:</b>		
ARRA - Public Safety Partnership and Community Policing Grants	16.710	\$ 41,431
Bulletproof Vest Partnership Program	16.607	2,182
<b>Total U.S. Department of Justice</b>		<b>43,613</b>
<b>U. S. DEPARTMENT OF TRANSPORTATION:</b>		
Recreational Trails Program	20.219	492
ARRA - Highway Planning and Construction (Bikeways Safety Enhancement Project)	20.205	13,911
State and Community Highway Safety (Oklahoma Highway Safety FY 10)	20.600	6,135
State and Community Highway Safety (Oklahoma Highway Safety FY 11)	20.600	22,141
Subtotal C.F.D.A 20.600		28,276
<b>Total U.S. Department of Transportation</b>		<b>42,679</b>
<b>U. S. DEPARTMENT OF HOMELAND SECURITY:</b>		
<b>Pass-through from Oklahoma Department of Emergency Management:</b>		
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	19,005
Assistance to Firefighters Grant	97.044	6,345
Emergency Management Performance Grants (FY 08)	97.042	772
Emergency Management Performance Grants (FY 10)	97.042	4,113
Emergency Management Performance Grants (FY 11)	97.042	12,340
Subtotal C.F.D.A 97.042		17,225
<b>Total U.S. Department of Homeland Security</b>		<b>42,575</b>
<b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>		
Special Programs for the Aging- Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	7,237
<b>Total U.S. Department of Health and Human Services</b>		<b>7,237</b>
<b>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>		
<b>Pass-through from Oklahoma Department of Commerce:</b>		
Community Development Block Grant (CDBG)	14.228	37,934
<b>Total U.S. Department of Housing and Urban Development</b>		<b>37,934</b>
<b>ENVIRONMENTAL PROTECTION AGENCY:</b>		
<b>Pass-through from Oklahoma Water Resources Board:</b>		
ARRA - Capitalization Grants for Drinking Water State Revolving Funds	66.468	1,218,240
<b>Total Environmental Protection Agency</b>		<b>1,218,240</b>
<b>U.S. DEPARTMENT OF ENERGY:</b>		
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128	22,801
<b>Total U.S. Department of Energy</b>		<b>22,801</b>
<b>TOTAL FEDERAL AWARDS</b>		<b>\$ 1,415,079</b>

**NOTES TO SCHEDULE OF FEDERAL EXPENDITURES:**

**NOTE A - Summary of Significant Accounting Policies -** The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Sand Springs and is presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CITY OF SAND SPRINGS, OKLAHOMA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2011

SECTION I – SUMMARY OF AUDITOR'S RESULTS

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:  
Material weakness(es) identified? \_\_\_\_\_ yes X no  
Significant deficiency(ies) identified  
not considered to be material weaknesses? \_\_\_\_\_ yes X none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes X no

**Federal Awards**

Internal Control over major programs:  
Material weakness(es) identified? \_\_\_\_\_ yes X no  
Reportable condition(s) identified  
not considered to be material weakness(es)? \_\_\_\_\_ yes X none reported

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  
OMB Circular A-133, Section .510(a)? \_\_\_\_\_ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.468	ARRA – Capitalization Grants for Drinking Water State Revolving Funds

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes X no



CITY OF SAND SPRINGS, OKLAHOMA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2011

SECTION II – FINANCIAL STATEMENT FINDINGS

Compliance Findings

There are no findings requiring reporting under this section.

Internal Control Findings

There are no findings requiring reporting under this section.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Compliance Findings

There are no findings requiring reporting under this section.

Internal Control Findings

There are no findings requiring reporting under this section.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND  
CORRECTIVE ACTION PLAN**

June 30, 2011

The City of Sand Springs, Oklahoma respectfully submits the following summary schedule of prior audit findings and corrective action plan for the year ended June 30, 2011.

Name and address of independent public accounting firm: Arledge and Associates, P.C., 309 N. Bryant Avenue, Edmond, Oklahoma 73034.

Audit period: July 1, 2009 to June 30, 2010.

**Summary Schedule of Prior Audit Findings**

There were no audit findings for the year ended June 30, 2010 that requires preparation of a summary of prior audit findings.

**Corrective Action Plan**

No corrective action plan is required.

Questions regarding this plan should be addressed to Kelly Lamberson at 100 E. Broadway, Sand Springs, Oklahoma or by phone at (918) 246-2518.