

City of Tulsa, Oklahoma

Compliance Report
Year Ended June 30, 2015

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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***

RSM US LLP

Independent Auditor's Report

To the Honorable Mayor and City Council
City of Tulsa, Oklahoma
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, 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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 25, 2016. The beginning net position of the governmental activities, the business-type activities, the aggregate discretely presented component units, the Stormwater Management Fund, the One Technology Center Fund and the aggregate remaining fund information has been restated due to the implementation of GASB Statement Nos. 68 and 71 to recognize a net pension liability, deferred inflows of resources and deferred outflows of resources. Our report includes a reference to other auditors who audited the financial statements of the Tulsa Industrial Authority, 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. In addition, other auditors audited the Operations of the BOK Center, as managed by SMG, and the Operations of the Cox Business Center, as managed by SMG, which are included within the Arena and Convention Center major enterprise fund, 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.

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) to determine the 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 City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying *schedule of findings and questioned costs* as item 2015-001 that we consider to be a significant deficiency.

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 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*.

Management's Response to Finding

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

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
January 25, 2016



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 OMB Circular A-133**

Independent Auditor's Report

To the Honorable Mayor and City Council
City of Tulsa, Oklahoma
Tulsa, Oklahoma

Scope

The City of Tulsa, Oklahoma's basic financial statements include the operations of the Tulsa Airports Improvement Trust (TAIT), Tulsa Development Authority (TDA) and Tulsa Industrial Authority (TIA), 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 TIA because these component units engaged other auditors to perform their June 30, 2015 audits. Our audit, described below, did not include the operations of TDA because they were not required to have a separate audit in accordance with OMB Circular A-133 as their federal expenditures for the year ending June 30, 2015 were less than \$500,000. Our audit, described below, did not include the operations of TAIT because they issued a separate compliance report in accordance with OMB Circular A-133 for the year ended June 30, 2015.

Report on Compliance for Each Major Federal Program

We have audited the City of Tulsa, Oklahoma's (the City) compliance with the types of compliance requirements described in the *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, 2015. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's 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 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 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, 2015.

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 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. *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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, 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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 25, 2016, which contained unmodified opinions on those financial statements. The beginning net position of the governmental activities, the business-type activities, the aggregate discretely presented component units, the Stormwater Management Fund, the One Technology Center Fund and the aggregate remaining fund information has been restated due to the implementation of GASB Statement Nos. 68 and 71 to recognize a net pension liability, deferred inflows of resources and deferred outflows of resources. Our audit report includes a reference to other auditors. 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 OMB Circular A-133 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
January 25, 2016

CITY OF TULSA
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Awarding Agency/Program Description	Federal CFDA Number	Grant Number	Current Year Expenditures Federal	Amounts Provided to Subrecipients
<u>U.S. DEPARTMENT OF COMMERCE</u>				
Direct Grants:				
Disaster Economic Adjustment, Installation of Water & Sanitary Sewer Lines	11.307	08-79-04461	\$ 9,619	\$ -
Subtotal U.S. Department of Commerce			<u>9,619</u>	<u>-</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>				
<u>Passed through the State of Oklahoma Water Resources Board</u>				
<u>Tulsa Metropolitan Utility</u>				
OWRB Loan	66.458	ORF-11-0003-CW	464,455	-
OWRB Loan	66.458	ORF-12-0003-CW	548,775	-
Subtotal U.S. Environmental Protection Agency			<u>1,013,230</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (DIRECT)</u>				
HRSA Mobil Data Terminals	93.887	HRSA-10-041	99,000	-
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
<u>Passed through Transportation Security Administration</u>				
National Explosives Detection Canine Program	97.072	HSTS0208HCAN459	75,750	-
National Explosives Detection Canine Program	97.072	HSTS0215HNCP491	293,474	-
<u>Passed through State of Oklahoma Office of Homeland Security</u>				
Homeland Security Fusion Center Analyst	97.073	340.013	4,027	-
Homeland Security Fusion Center Analyst	97.073	440.013	53,871	-
Homeland Security Fusion Center Analyst	97.073	540.013	72,000	-
Homeland Security Fusion Center Analyst	97.073	640.013	50,328	-
CTP Mapping grant (75/25)	97.045	EMT-2011-CA-0003	233,806	-
Subtotal U.S. Department of Homeland Security			<u>783,256</u>	<u>-</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Direct Grants:				
Forfeiture Proceeds - Police	16.922	OK00720500	337,842	-
Grants to Encourage Arrest	16.590	2012-WE-AX-0036	184,511	153,154
Tulsa's Family Safety Center	16.590	2014-WE-AX-0013	108,177	61,775
COPS Hiring Program	16.710	2010-UL-WX-0019	547	-
COPS Hiring Program	16.710	2011-UL-WX-0026	1,223,005	-
COPS Hiring Program	16.710	2012-UL-WX-0024	236,923	-
COPS Technology Grant	16.710	2010-CK-WX-0317	145,904	-
FY13 Forensic DNA Backlog Reduction Program	16.741	2013-DN-BX-0048	11,655	-
FY14 Forensic DNA Backlog Reduction Program	16.741	2014-DN-BX-0080	191,933	-
JAG	16.738	2011-DJ-BX-2944	76,998	-
JAG	16.738	2012-DJ-BX-0940	118,008	-
JAG	16.738	2013-DJ-BX-0361	189,537	-
JAG	16.738	2014-DJ-BX-0475	47,262	-
FY14 Byrne Innovation Program	16.817	2014-AJ-BX-0005	11,004	-
<u>Passed through the Oklahoma Attorney General</u>				
2013 Safe Oklahoma Grant Program	16.827	JRI-2014-02	169,354	-
2014 Safe Oklahoma Grant Program	16.738	OAG-13	133,350	-

(Continued)

CITY OF TULSA
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Awarding Agency/Program Description	Federal CFDA Number	Grant Number	Current Year Expenditures Federal	Amounts Provided to Subrecipients
<u>Passed through the State District Attorney Council</u>				
Multi-Agency Gang Task Force	16.803	J09-10-025	33	-
2012 VAWA SANE Education Project	16.582	VAWA-2012-TULSA-PD-0018	119	-
2013 VAWA SANE Education Project	16.588	VAWA-2013-TULSA-PD-00011	3,785	-
2013 VAWA Domestic Violence Nurse Examiner Program	16.588	VAWA-2013-TULSA-PD-00012	23,437	-
2014 VAWA SANE Education Project	16.582	VAWA-2014-TULSA-PD-00019	1,055	-
2014 VAWA Domestic Violence Nurse Examiner Program	16.588	VAWA-2014-TULSA-PD-00020	499	-
OK Statewide SANE Coordinator	16.588	2011-WR-0026	184,319	-
OK Statewide SANE Coordinator	16.589	2014-WR-AX-0021	12,548	-
National Forensic Science Improvement Act Grant	16.742	FSF11-002	(8)	-
National Forensic Science Improvement Act Grant	16.742	FSF13-002	7,567	-
National Forensic Science Improvement Act Grant	16.742	FSF14-006	36,377	-
Subtotal U.S. Department of Justice			3,455,741	214,929
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Direct Grants:				
CDBG Year 35	14.218	B-13-MC-40-0004 B-14-MC-40-0004	5,091,681	3,334,803
HOME	14.239	M-13-MC-40-0202 M-14-MC-40-0202	2,263,181	2,165,174
Emergency Shelter	14.231	E-12-MC-40-0001 E-13-MC-40-0001 E-14-MC-40-0001	326,328	307,369
Housing Opportunities for Persons with AIDS	14.241	OK-H13-F002 OK-H14-F002	352,134	338,142
Subtotal U.S. Department of Housing and Urban Development			8,033,324	6,145,488
<u>U.S. DEPARTMENT OF TRANSPORTATION (DIRECT)</u>				
Capital Projects	20.500	OK-04-0018-00	53,605	-
Capital Projects	20.500	OK-04-0017-00	96,150	-
Capital and Planning Projects	20.507	OK-90-X087-00	25,440	-
American with Disabilities Act (ADA)	20.507	OK-90-X095-01	11,191	-
Capital and Planning Projects	20.507	OK-90-X100-01	13,004	-
Capital and Planning Projects	20.507	OK-95-X003-00	34,328	-
Capital and Planning Projects	20.507	OK-90-X104-00	33,176	-
Capital and Planning Projects	20.507	OK-90-X109-00	50,904	-
Capital and Planning Projects	20.516	OK-37-X049-00	91,409	-
Capital and Planning Projects	20.507	OK-95-X005-00	16,900	-
Capital and Planning Projects	20.507	OK-90-X113-00	319,411	-
Capital and Planning Projects	20.507	OK-95-X006-00	54,247	-
Capital and Planning Projects	20.507	OK-90-X117-00	4,964,084	-
Capital and Planning Projects	20.519	OK-04-0014-00	62,112	-
			5,825,961	-
<u>Passed through the Indian Nations Council of Government</u>				
CMAQ CHEAP GAS Project	20.205		40,000	-
			40,000	-

(Continued)

CITY OF TULSA
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Awarding Agency/Program Description	Federal CFDA Number	Grant Number	Current Year Expenditures Federal	Amounts Provided to Subrecipients
<u>Passed through the Oklahoma Department of Transportation</u>				
Gilcrease Expressway Right of Way Acquisition (80/20)	20.205	STP-172A(335)IG	15,515	-
Gilcrease Expressway Edison to LL Tisdale (80/20)	20.205	STP-157A(144)IG/STP-157A(145)IG	913,346	-
Mingo Creek Trail - 71st to 61st (80/20)	20.205	SEC1934-172E(404)TI	7,034	-
			935,895	-
<u>Passed through the State of Oklahoma Highway Safety Office</u>				
FY10 Traffic Enforcement	20.600	PT-11-03-28-04	(5,506)	-
FY11 Traffic Enforcement	20.600	PT-12-03-29-05	(114)	-
FY12 Traffic Enforcement	20.600	PT-13-03-01-06	(9,522)	-
2013 Tulsa Police Impaired Driving Enforcement	20.600	OP-14-03-12-05	44,357	-
2014 Tulsa Police Impaired Driving Enforcement	20.600	AL-15-03-07-08	65,611	-
Tulsa Police Department Motorcycle Safety	20.600	STMC-14-02-05-07	2,931	-
Tulsa Police Department Motorcycle Safety	20.600	STMC-15-03-05-08	15,248	-
			113,005	-
Subtotal U.S. Department of Transportation			6,914,861	-
<u>NATIONAL ENDOWMENT FOR THE ARTS (DIRECT)</u>				
Support of Lawn d'Arts Performance Series	45.024	12-4292-7156	25,000	-
Subtotal National Endowment for the Arts			25,000	-
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>				
<u>Passed through the State of Oklahoma Dept of Civil Emergency Management</u>				
Hazard Mitigation HMGP-ACQUISITION/DEMOLITION (75/25)	97.039	FEMA-1735DR-OK Project #0086	5	-
Hazard Mitigation HMGP-DRAINAGE (75/25)	97.039	Hazard Mitigation 2014	26,803	-
Hazard Mitigation HMGP-DRAINAGE (75/25)	97.039	FEMA-1970-DR-OK-6	1,566	-
Subtotal Federal Emergency Management Agency			28,374	-
<u>U.S. DEPARTMENT OF INTERIOR</u>				
<u>Passed through the Oklahoma Historical Society</u>				
Historic Preservation	15.904	11-608	100	-
Historic Preservation	15.904	13-608	9,894	-
Historic Preservation	15.904	14-608	26,267	-
Subtotal U.S. Department of Interior			36,261	-
Total			\$ 20,398,666	\$ 6,360,417

City of Tulsa, Oklahoma

**Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Tulsa, Oklahoma (the City) and most of the City's component units for the year ended June 30, 2015. The schedule of expenditures of federal awards does not include the federal grant activity of the Tulsa Development Authority, the Tulsa Airport Improvement Trust and the Tulsa Industrial Authority, discretely presented component units of the City, and the Tulsa Stadium Trust, a blended component unit of the City. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in the schedule may differ from the amounts presented in or used in the preparation of the basic financial statements.

Note 2. Significant Accounting Policies

Expenditures of federal awards are reported on the modified accrual basis of accounting in the governmental funds and on the accrual basis of accounting in the proprietary funds. Expenditures of federal awards are recognized in the accounting period in which the liability is incurred. Such expenditures are reported following the cost principles contained in OMB Circular A-87, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Negative amounts reported on the schedule represent adjustments or credits made in the normal course of business.

City of Tulsa, Oklahoma

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015**

Number	Comment	Status	Corrective Action or Other Explanation
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Significant Deficiencies in Internal Control Related to the Financial Statement Audit

Internal Control

2014-001	There were matters that affected the June 30, 2013 financial statements of the business-type activities, One Technology Center Fund, and Arena and Convention Center Fund that resulted in a restatement to the June 30, 2013 net position.	Corrected	
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Findings and Questioned Costs for Federal Awards

Instances of Noncompliance

2014-002	The City did not comply with suspension and debarment requirements of OMB Circular A-133 for the Oklahoma Water Resources Board Revolving Loan Grant Program.	Corrected	
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City of Tulsa, Oklahoma

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2015**

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes No
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes No

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 Section 510(a) of Circular A-133? Yes No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.218	Community Development Block Grant
16.710	COPS Hiring Program
20.205	Highway Planning and Construction
	Federal Transit Cluster:
20.500	Federal Transit - Capital Investment Grants
20.507	Federal Transit - Formula Grants

Dollar threshold used to distinguish between type A and type B programs: \$611,959

- Auditee qualified as low-risk auditee? Yes No

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Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2015

II. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

A. Internal Control

2015-001

Finding: The City did not have an adequate review process in place to ensure that the census data provided to the actuary of the Municipal Employees' Retirement Plan (MERP) was complete and accurate. The actuary was engaged by the City to assist in calculating the pension-related amounts and disclosures needed to implement GASB Statement No. 68, *Financial Reporting for Pension Plans*.

Criteria: The City is responsible, as the plan administrator of MERP, for providing census data to the actuary that is both complete and accurate.

Condition/Prevalence: The errors in the original census data provided to the actuary for the pension valuations performed for the years ending June 30, 2015 and 2014, resulted in multiple revisions to the valuation report issued.

Cause: The City did not have adequate controls in place over the review of the completeness and accuracy of the original census data provided to the actuary.

Effect: The errors in the census data resulted in inaccurate actuarial valuations of the total pension liability and other pension-related amounts for the years ending June 30, 2015 and 2014. Revised census data was subsequently submitted to the actuary to prepare revised actuarial reports, which caused significant delays in the City's financial reporting process.

Recommendation: We recommend the City implement additional controls and timely reviews to verify the completeness and accuracy of the census data prior to submitting to the MERP actuary.

Management Response and Corrective Action Plan: Management agrees with the recommendation and is in the process of implementing procedures to ensure the completeness and accuracy of the census data prior to submitting to the MERP actuary including but not limited to the reduction of manual entry of data and the creation of a new supervisor position to oversee the day to day work of the retirement staff.

B. Compliance Findings

None reported

III. Findings and Questioned Costs for Federal Awards

A. Internal Control

None reported

B. Instances of Noncompliance

None reported

City of Tulsa, Oklahoma

**Corrective Action Plan
Year Ended June 30, 2015**

Number	Comment	Corrective Action or Other Explanation	Contact Person	Anticipated Date of Completion
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Significant Deficiencies in Internal Control Related to the Financial Statement Audit

Internal Control

2015-001	The City did not have an adequate review process in place to ensure that the census data provided to the actuary of the Municipal Employees' Retirement Plan (MERP) was complete and accurate. The actuary was engaged by the City to assist in calculating the pension-related amounts and disclosures needed to implement GASB Statement No. 68, <i>Financial Reporting for Pension Plans</i> .	See corrective action plan at 2015-001.	David Bryant, Controller	June 30, 2016
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