

City of Columbia, Missouri

Compliance Report
September 30, 2019

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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

To the Honorable Mayor and
Members of the City Council

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, each major fund, and the aggregate remaining fund information of the City of Columbia, Missouri (the City), as of and for the year ended September 30, 2019, 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 31, 2020.

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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

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 31, 2020



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

To the Honorable Mayor and
Members of the City Council

Report on Compliance for Each Major Federal Program

We have audited the City of Columbia, Missouri's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal programs for the year ended September 30, 2019. 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 federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for 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 program for the year ended September 30, 2019.

Other Matters

The result of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2019-001. Our opinion on each major federal program is not modified with respect to this matter.

The City's response to the noncompliance 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 compliance and accordingly, we express no opinion on the response.

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 the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 31, 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 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 31, 2020

City of Columbia, Missouri

**Schedule of Expenditures of Federal Awards
Year Ended September 30, 2019**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture:				
Passed through the Missouri Department of Health:				
Special Supplemental Food Program for Women, Infants and Children	10.557	19 WIC, 18-19BRSTFEDWIC	\$ -	\$ 483,799
Summer Food Program	10.559	19SFSP	-	9,904
Total U.S. Department of Agriculture			<u>-</u>	<u>493,703</u>
U.S. Department of Commerce:				
Economic Development Cluster,				
Economic Development Admin Grant	11.300	05-01-05681	-	511,670
U.S. Department of Housing and Urban Development:				
CDBG - Entitlement Grants Cluster,				
Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-29-0001	665,459	918,597
HOME Program	14.239	M-18MC-29-0502	303,814	842,404
Total U.S. Department of Housing and Urban Development			<u>969,273</u>	<u>1,761,001</u>
U.S. Department of Justice:				
COPS HIRING Program				
Passed through the Missouri Department of Public Safety, Domestic Violence Enforcement Grant	16.710	2016-UM-WX-0177	-	158,272
	16.588	2015-VAWA-027-NC, 2017-2018 STOP VAWA	-	70,316
Total U.S. Department of Justice			<u>-</u>	<u>228,588</u>
U.S. Department of Transportation:				
Federal Transit Capital and Operating Assistance				
Federal Transit Cluster, Formulas Grants	20.507	MO-2019-015-00 MO-2017-01-4100, 043-00	-	2,959,353
Passed through the Federal Aviation Administration,				
Airport Improvement Program	20.106	3-29-0022 40, 42, 45, 46, 48	-	4,767,371
Highway Planning and Construction Cluster:				
Passed through the Missouri Highway and Transportation:				
Highway Planning and Construction	20.205	STP 2104 (505)	-	798,875
Nonmotorized Transportation Grant	20.205	CPP-9999	-	347,689
Federal Transit Technical Studies Grant	20.205	MO-81-0008	-	193,811
Passed through the Missouri Safety Center,				
TAPS Grant	20.205	TAP - 2100(524)	-	85,054
Passed through the Department of Natural Resources,				
National Recreational Trails Funding Program	20.219	2016-10/1F	-	7,379
Total Highway Planning and Construction Cluster			<u>-</u>	<u>1,432,808</u>
Passed through the Missouri Highway and Transportation				
Department, Railroad projects	20.314	RRP-000S(497)	-	148,037
DWI Enforcement Sobriety Checkpoints	20.607	19-154-AL-022	-	7,000
Subtotal			<u>-</u>	<u>155,037</u>
Highway Safety Cluster:				
Passed through the Missouri Highway and Transportation,				
DWI	20.616	19-M5HVE-07-002	-	121,924
Passed through the Missouri Safety Center,				
State and Community Highway Safety	20.616	17-M5HVE-03-022	-	3,198
Total Highway Safety Cluster			<u>-</u>	<u>125,122</u>
Total U.S. Department of Transportation			<u>-</u>	<u>9,439,691</u>

(Continued)

City of Columbia, Missouri

**Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2019**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services:				
Association of Food Drug Officials	93.103	G-T-1709-05208	\$ -	\$ 3,000
Passed through the Missouri Department of Health:				
Regional Public Health Emergency Planning & Prep	93.069	AOC18380073 TP171701-02Z	-	161,031
TB Directly Observed	93.116	PS004711-04/05	-	1,667
TB Elimination and Laboratory	93.116	PS004711-04 PS004711-05	-	3,860
Subtotal			-	5,527
CCDF Cluster:				
Child Care and Development Block Grant	93.575	DH180015097, 18/19CCDF	-	12,751
Local Sanitation Inspections for Child Care Facilities	93.575	18/19CCDF	-	29,065
Total CCDF Cluster			-	41,816
Show Me Healthy Women	93.752	DP171701-01B	-	3,534
CORE Public Health	93.767	AOC16380026, 17/18LPHAMEDEAR NF190101DCPH	-	169,751
HIV Prevention Activities	93.940	AOC17380094, PS924577-01A, PS00367305XA	-	116,497
Child Care and Development Block Grant	93.994	DH180015097, 19MCH	-	12,902
Teen Outreach Program	93.994	AOC16380061, 18/19MCH	-	57,080
Maternal and Child Health	93.994	AOC18380146, 18/19MCH	-	65,682
Healthy Families America	93.994	AOC18380138, 19MCH	-	88,707
Health Fitastic Education	93.994	19MCH	-	11,488
Go NAPSACC	93.994	LOA	-	845
Subtotal			-	236,704
Passed through North East Community Action, Family Planning Title X	93.217	FPHPA076285	-	35,691
Total U.S. Department of Health and Human Services			-	773,551
U.S. Department of Homeland Security:				
Law Enforcement Officer Reimbursement	97.090	HSTS0211 HSLR500	-	21,960
FEMA	97.036	ID 019-15670-000	-	-
Total U.S. Department of Homeland Security			-	21,960
Executive Office of the President, High Intensity Drug Trafficking Area	95.001	G18QQ	-	38,044
Total expenditures of federal awards			\$ 969,273	\$ 13,268,208

See notes to schedule of expenditures of federal awards.

City of Columbia, Missouri

**Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2019**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of Columbia, Missouri (the City) for the year ended September 30, 2019. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agencies expended during the year, is included in the schedule. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in the schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2. Significant Accounting Policies

Expenditures of federal awards are recognized under the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

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

City of Columbia, Missouri

**Summary Schedule of Prior Audit Findings
Year Ended September 30, 2019**

Number	Comment	Status
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The prior year single audit disclosed no findings in the *Schedule of Findings and Questioned Costs* and no uncorrected or unresolved findings exist from the prior audit's *Summary of Prior Audit Findings* .

City of Columbia, Missouri

**Schedule of Findings and Questioned Costs
Year Ended September 30, 2019**

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?
- Significant deficiency(ies) identified?

Yes No
 Yes None reported
 Yes No

Noncompliance material to financial statements noted?

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

Yes No
 Yes None reported

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 2 CFR 200 516(a)?

Yes No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.218	CDBG Entitlement Grants Cluster
14.239	HOME Program
20.205 & 20.219	Highway Planning and Construction Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?

Yes No

(Continued)

Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2019

II. Financial Statement Findings

A. Internal Control

No matters to report.

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

2019-001

**U.S. Department of Housing and Urban Development
Community Development Block Grants/Entitlement Grants (CDBG) (CFDA 14.218)
Federal Award Identification Number and Year: B-18-MC-29-0001**

Criteria: Per the OMB Compliance Supplement, the performance HUD 60002 report is to be submitted within 90 days after the program's year end.

Condition: The City did not comply with the reporting requirement of the OMB Compliance Supplement for the CDBG program. The City submitted the report after the reporting deadline.

Cause: City personnel did not follow the process in place to submit the report within the reporting deadline.

Effect or potential effect: The City is not in compliance with reporting requirements of the OMB Compliance Supplement.

Questioned costs: None

Context: The HUD 60002 report was not submitted within the reporting requirement of 90 days after the program's year end.

Repeat finding: Not a repeat finding.

Recommendation: We recommend the City personnel establish procedures to assure the HUD 60002 report is submitted in accordance with the reporting requirement.

View of responsible officials: Management agrees with this finding.



**CORRECTIVE ACTION PLAN
YEAR ENDED SEPTEMBER 30, 2019**

Identifying Number: 2019-001

Finding: The City did not comply with the reporting requirement of the OMB Compliance Supplement for the CDBG program. The City submitted the report after the reporting deadline.

Corrective Actions Taken or Planned: Staff responsible for submitting this report have completed training on submitting the OMB Compliance Supplement report. Staff responsible for submitting this report have also already begun work on the current report. City Staff is also currently working on incorporating a Grant Accountant position in Finance to help mitigate any future problems that arise from various departments administering grants.

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 CoMo.gov

Our vision: Columbia is the best place for everyone to live, work, learn and play.

