

City of Columbia, Missouri

Compliance Report
September 30, 2016

Contents

Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	1-2
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	3-4
Schedule of expenditures of federal awards	5-6
Notes to schedule of expenditures of federal awards	7
Summary schedule of prior audit findings	8
Schedule of findings and questioned costs	9-10
Corrective action plan	11

**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
Members of the City Council
City of Columbia, Missouri
Columbia, Missouri

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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 7, 2017.

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
February 7, 2017

**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**

RSM US LLP

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Columbia, Missouri
Columbia, Missouri

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 each of the City's major federal programs for the year ended September 30, 2016. 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 each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated February 7, 2017, 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 VS LLP

Kansas City, Missouri
February 7, 2017

City of Columbia, Missouri

Schedule of Expenditures of Federal Awards Year Ended September 30, 2016

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	16WICSPNDFWD, 15/16WIC, 15-16BRSTFEDWIC	\$ -	\$ 456,317
Summer Food Program	10.559	16SFSP	-	16,716
Total U.S. Department of Agriculture			-	473,033
U.S. Department of Housing and Urban Development:				
Community Development Block Grants/Entitlement Grants	14.218	B-15-MC-29-0001	711,080	1,113,169
HOME Program	14.239	M-15MC-29-0502	157,180	809,098
Total U.S. Department of Housing and Urban Development			868,260	1,922,267
U.S. Department of the Interior:				
Passed through the Missouri Department of Natural Resources:				
Historical Restoration Grant - Mapleswood Home	15.904	29-15-131224-005	-	32,400
Woodridge Playground LWCF Grant	15.916	29-01596	-	75,000
Total U.S. Department of the Interior			-	107,400
U.S. Department of Justice:				
Passed through Boone County:				
Byrne Justice Assistance Grant	16.738	2014-DJ-BX-0502	-	22,883
Passed through the Missouri Department of Public Safety:				
Domestic Violence Enforcement Grant	16.588	2012-VAWA-027-NC, 2016-2017 STOP VAWA	-	74,784
Total U.S. Department of Justice			-	97,667
U.S. Department of Transportation:				
Federal Transit Capital and Operating Assistance Formulas Grants	20.507	MO-90-4299; MO-04-0142	-	2,301,265
Passed through the Federal Aviation Administration:				
Airport Improvement Program	20.106	3-29-0022.36, 39, 40, 41	-	3,717,397
Passed through the Missouri Safety Center:				
State and Community Highway Safety	20.607	16-154-AL-141	-	2,507
State and Community Highway Safety	20.616	15-M5HVE-03-035; 15-M2HVE-05-020	-	3,144
Passed through the Missouri Highway and Transportation Department:				
Highway Planning and Construction (1)	20.205	STP 2101 (506), STP 2100 (522) STP 2100 (523), STP 2101 (507)	-	667,792
State Wide Transportation Improvement Project (1)	20.205	STP 2104 (505)	-	734
Nonmotorized Transportation Grant (1)	20.205	DWZEA23Z	-	3,202,707
Subtotal CFDA 20.205		CPP-9999	-	3,871,233
Federal Transit Technical Studies Grant	20.505	MO-81-0008	-	202,499
DWI Enforcement Sobriety Checkpoints	20.607	15-154-AL 082	-	12,196
Youth Alcohol Enforcement	20.607	16-154-AL-127	-	6,988
DWI Unit	20.607	16-154-AL 041	-	75,545
Subtotal CFDA 20.607			-	94,729
Passed through the Department of Natural Resources				
National Recreational Trails Funding Program (1)	20.219	2013 RTP Grant 2013-10	-	2,788
Total U.S. Department of Transportation			-	10,195,562

(Continued)

City of Columbia, Missouri

Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2016

Federal Grantor/ Pass-Through Grantor/Program Title		Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients
U.S. Department of Health and Human Services:				
Boone County Voluntary Natl Retail Food Regulatory Program	93.103	1618FD004646-01 5U50FD004334-04	\$ -	\$ 43,231
Association of Food Drug Officials	93.103	G-SP-1410-01856	-	2,000
Subtotal CFDA 93.103			-	45,231
Passed through the Missouri Department of Health:				
CORE Public Health	93.767	16/17LPHAMEDEAR	-	233,105
Child Care and Development Block Grant	93.994	DH160014103; 16MCH	-	4,258
Maternal and Child Health	93.994	AOC15380120 AOC15380088	-	65,539
Healthy Families America	93.994	16/16MCH	-	136,172
Teen Outreach Program	93.994	AOC1638006116MCH	-	43,869
Subtotal CFDA 93.994			-	249,838
HIV Prevention Activities	93.940	AOC15380158, PS003676- 04A/05A	-	128,599
Show Me Healthy Women	93.752	DP003924-0413, DP003924-0513	-	5,155
Local Sanitation Inspections for Child Care Facilities	93.575	15/16CCDF	-	28,350
Child Care and Development Block Grant	93.575	DH160014103, 16MCH	-	4,163
Subtotal CFDA 93.575			-	32,513
Healthy Eating Active Living	93.758	AOC15380128, 15/16PHS	-	50,000
Comprehensive Tobacco Control Coalition	93.758	DH160003021, DP006006-01/02	-	8,993
Youth Leadership in Tobacco Prevention	93.758	DH160010020 16PHS	-	5,345
Subtotal CFDA 93.758			-	64,338
TB Elimination and Laboratory	93.116	PS004711-01, PS004711-02	-	6,451
TB Directly Observed	93.116	PS004711-01/02	-	1,379
Subtotal CFDA 93.116			-	7,830
Regional Public Health Emergency Planning & Prep	93.069	AOC15380011, TP000531- 04Z/5Z	-	155,640
Volunteer Award Program	93.069	TP000531-C3P	-	2,469
Subtotal CFDA 93.069			-	158,109
Passed through North East Community Action:				
Family Planning Title X	93.217	N/A	-	33,282
Passed through the National Association of County and City Health Officials:				
NACCHO Medical Corp Research Program	93.008	5MRCSG101005-04-00	-	100
Total U.S. Department of Health and Human Services			-	958,100
Executive Office of the President:				
High Intensity Drug Trafficking Area	95.001	G16QC	-	11,373
U.S. Department of Homeland Security:				
Law Enforcement Officer Reimbursement	97.090	HSTS0211 HSLR500	-	48,559
Total Expenditures of Federal Awards			\$ 868,260	\$ 13,813,961

(1) Included in Highway Planning and Construction Cluster of \$3,874,021.

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, 2016**

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, 2016. 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 OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or 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 percent de minimis indirect cost rate allowed under the Uniform Guidance.

City of Columbia, Missouri

**Summary Schedule of Prior Audit Findings
Year Ended September 30, 2016**

Number	Comment	Status	Corrective Action or Other Explanation
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None reported.

City of Columbia, Missouri

Schedule of Findings and Questioned Costs Year Ended September 30, 2016

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?
- Noncompliance material to financial statements noted?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:

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

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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)?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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Identification of major programs:

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

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

Auditee qualified as low-risk auditee?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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City of Columbia, Missouri

Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2016

II. Financial Statement Findings

A. Internal Control

None reported.

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 Columbia, Missouri

**Corrective Action Plan
Year Ended September 30, 2016**

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
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None reported.

