

# **City of Columbia, Missouri**

Compliance Report  
September 30, 2018

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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  
Members of the City Council  
City of 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, 2018, 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 30, 2019. The beginning net position and net OPEB asset of the governmental activities, business-type activities, water and electric, sanitary sewer, solid waste and aggregate remaining fund information were restated due to the implementation of GASB Statement No. 75.

**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 30, 2019

**Report on Compliance for the 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

**Report on Compliance for the 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 program for the year ended September 30, 2018. The City's major federal program is 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 program 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 the major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on the 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 its major federal program for the year ended September 30, 2018.

### **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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 30, 2019, which contained unmodified opinions on those financial statements. The beginning net position and net OPEB asset of the governmental activities, business-type activities, water and electric, sanitary sewer, solid waste and aggregate remaining fund information were restated due to the implementation of GASB Statement No. 75. 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 30, 2019

# City of Columbia, Missouri

## Schedule of Expenditures of Federal Awards Year Ended September 30, 2018

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	18 WIC, 17-18BRSTFEDWIC	\$ -	\$ 441,155
Summer Food Program	10.559	18SFSP	-	11,840
<b>Total U.S. Department of Agriculture</b>			-	452,995
U.S. Department of Housing and Urban Development:				
Community Development Block Grants/Entitlement Grants	14.218	B-17-MC-29-0001	437,500	728,431
HOME Program	14.239	M-17MC-29-0502	192,000	527,228
<b>Total U.S. Department of Housing and         Urban Development</b>			629,500	1,255,659
U.S. Department of Justice:				
COPS HIRING Program	16.710	2016-UM-WX-0177	-	153,275
Passed through the Missouri Department of Public Safety,				
Domestic Violence Enforcement Grant	16.588	2014-VAWA-027-NC, 2016-2017 STOP VAWA	-	71,870
<b>Total U.S. Department of Justice</b>			-	225,145
U.S. Department of Transportation:				
Federal Transit Capital and Operating Assistance		MO-2016-016-01		
Formulas Grants	20.507	MO-04-0142	-	2,155,345
Passed through the Federal Aviation Administration,				
Airport Improvement Program	20.106	3-29-0039 40, 42, 45, 46	-	5,596,626
Passed through the Missouri Highway and Transportation				
Department:				
Highway Planning and Construction	20.205	STP 2104 (505)	-	354,005
Nonmotorized Transportation Grant	20.205	CPP-9999	-	999,612
Federal Transit Technical Studies Grant	20.205	MO-81-0008	-	308,248
<b>Subtotal</b>			-	1,661,865
DWI Enforcement Sobriety Checkpoints	20.607	18-154-AL-022	-	16,806
DWI	20.616	18-M5HVE-07-002	-	71,288
<b>Subtotal</b>			-	1,749,959
Passed through the Missouri Safety Center:				
State and Community Highway Safety	20.616	17-M5HVE-03-022	-	1,245
TAPs Grant	20.205	TAP - 2100(524)	-	24,503
<b>Subtotal</b>			-	25,748
Passed through the Department of Natural Resources,				
National Recreational Trails Funding Program	20.219	2016-10/1F	-	150,000
<b>Total U.S. Department of Transportation</b>			-	9,677,678
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 Healthy Emergency Planning & Prep	93.069	AOC18380073 TP171701-02Z	-	159,193
TB Directly Observed	93.116	PS004711-03/04	-	1,504
TB Elimination and Laboratory	93.116	PS004711-03 PS004711-04	-	4,641
<b>Subtotal</b>			-	6,145

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City of Columbia, Missouri

**Schedule of Expenditures of Federal Awards (Continued)**  
**Year Ended September 30, 2018**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Child Care and Development Block Grant	93.575	DH180015097, 18CCDF	\$ -	\$ 8,469
Local Sanitation Inspections for Child Care Facilities	93.575	18CCDF	-	22,330
<i>Subtotal</i>			-	30,799
Show Me Healthy Women	93.752	DP003924-04B, DP003924-05B	-	3,173
CORE Public Health	93.767	AOC16380026, 17/18LPHAMEDEAR NF190101DCPH	-	136,759
HIV Prevention Activities	93.940	AOC17380094, PD924577-01A, PS00367305XA	-	115,744
Child Care and Development Block Grant	93.994	DH180015097, 18MCH	-	6,387
Teen Outreach Program	93.994	AOC16380061, 17/18MCH	-	45,000
Maternal and Child Health	93.994	AOC18380146, 17/18MCH	-	65,048
Healthy Families America	93.994	AOC18380138, 18MCH	-	88,007
Stock Health Shop Healthy	93.994	18MCH	-	1,000
Health Fitastic Education	93.994	18MCH	-	2,867
<i>Subtotal</i>			-	208,309
Passed through North East Community Action, Family Planning Title X	93.217	FHPA076285	-	29,212
Passed through the National Association of County and City Health Officials, NACCHO Medical Corp Research Program	93.008	5MRCSG101005-04-00	-	1,747
<b>Total U.S. Department of Health and Human Services</b>			-	694,081
U.S. Department of Homeland Security:				
Law Enforcement Officer Reimbursement	97.090	HSTS0211 HSLR500	-	24,000
FEMA	97.036	ID 019-15670-000	-	96,892
<b>Total U.S. Department of Homeland Security</b>			-	120,892
Executive Office of the President, High Intensity Drug Trafficking Area	95.001	G17QQ	-	15,632
<b>Total expenditures of federal awards</b>			\$ 629,500	\$ 12,442,082

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, 2018**

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**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, 2018. 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 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, 2018**

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

## City of Columbia, Missouri

### Schedule of Findings and Questioned Costs Year Ended September 30, 2018

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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?
- 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 program:

CFDA Number	Name of Federal Program or Cluster
20.106	Airport Improvement Program

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, 2018**

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**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**

No matters to report.

