

CITY OF BELTON, MISSOURI
SINGLE AUDIT REPORT
(Uniform Guidance)
FOR THE YEAR ENDED MARCH 31, 2018

CITY OF BELTON, MISSOURI

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TROUTT, BEEMAN & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

**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
Belton, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Controller 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 Belton, Missouri (the City), as of and for the year ended March 31, 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 September 26, 2018.

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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Troutt, Beeman & Co., P.C.

Harrisonville, Missouri
October 30, 2018



TROUTT, BEEMAN & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

**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 Uniform Guidance**

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited the City of Belton, Missouri (the City), compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended March 31, 2018. 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 the 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 the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 on 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 March 31, 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 our opinion on compliance for each major 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 preceding paragraph 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 result 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 March 31, 2018, and the related note to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated September 26, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (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 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 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 financial statements as a whole.

Troutt, Beeman & Co., P.C.

Harrisonville, Missouri
October 30, 2018

City of Belton, Missouri
Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA#	Contract / Award #	Federal Expenditures
U.S. Department of Justice:			
Equitable Sharing Program	16.922	MO0190200	\$ 28,056
Passed Through Missouri Department of Public Safety,			
Violence Against Women Formula Grant	16.588	2014-VAWA-007-NW	12,027
Violence Against Women Formula Grant	16.588	2018-VAWA-007	4,452
Passed Through Kansas Bureau of Investigation:			
High Intensity Drug Task Force	95.001	G14WM0003A #1703	55,576
High Intensity Drug Task Force	95.001	G14WM0003A #1803	26,265
<i>Total U.S. Department of Justice</i>			<u>126,376</u>
U.S. Department of Transportation:			
Passed Through Missouri Department of Transportation Commission,			
Highway Planning and Construction Grants:			
Belton Nexus Project	20.205	STP -3356(403)	326,160
155th Street Improvements	20.205	STP -3322(409)	1,807,490
			<u>2,133,650</u>
Highway Safety Cluster:			
Passed Through Missouri Department of Transportation:			
Hazardous Moving Violation	20.600	17-PT-02-054	6,673
Hazardous Moving Violation	20.600	18-PT-02-004	3,777
Hazardous Moving Violation	20.600	18-PT-02-102	655
Passed Through Missouri Department of Transportation via University of Central Missouri:			
Youth Seat Belt Enforcement Campaign	20.600	18-154-AL-154	417
Youth Seat Belt Enforcement Campaign	20.600	18-M20P-05-020	180
<i>Total Highway Safety Cluster</i>			<u>11,702</u>
Passed Through Missouri Department of Transportation,			
State and Community Highway Safety Grants:			
Sobriety Checkpoint	20.607	17-154-AL-124	3,644
Wolf Pack	20.607	17-154-AL-123	1,262
DWI Enforcement	20.607	18-154-AL-165	1,676
Impaired Driving Enforcement	20.607	18-154-AL-166	2,900
<i>Total U.S. Department of Transportation</i>			<u>2,154,834</u>
U.S. Department of the Interior,			
Passed Through Missouri Department of Natural Resources,			
Land and Water Conservation Fund Grant	15.916	29-01622	61,587
<i>Total U.S. Department of the Interior</i>			<u>61,587</u>
U.S. Department of Homeland Security,			
Passed Through Missouri Department of Public Safety,			
Emergency Management Performance Grant	97.042	2017-EP-APP-00006-009	9,412
<i>Total U.S. Department of Homeland Security</i>			<u>9,412</u>
U.S. Department of Health and Human Services,			
Passed Through Missouri Department of Social Services,			
MARC Senior Center Grant	93.045	18-2861001-CB	16,500
<i>Total U.S. Department of Health and Human Services</i>			<u>16,500</u>
U.S. Environmental Protection Agency:			
Passed Through Missouri Department of Natural Resources,			
Clean Water State Revolving Fund Cluster,			
Clean Water SRF Direct Loan Reimbursement	66.458	C295712-01	743,557
<i>Total U.S. Environmental Protection Agency</i>			<u>743,557</u>
<i>Total Expenditures of Federal Awards</i>			<u>\$ 3,112,266</u>

CITY OF BELTON, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2018

Note 1. Organization

The City of Belton, Missouri, is the recipient of several federal awards. The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of the City for the year ended March 31, 2018. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies are included on the Schedule of Expenditures of Federal Awards.

Note 2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Belton, Missouri, and is presented on the accrual basis of accounting. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, and expended during the year are included in the Schedule. The information presented in this Schedule is in accordance with the requirements of OMB Compliance Supplement and the Uniform Guidance. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3. Significant Accounting Policies

Revenues from federal awards are recognized when the City has done everything necessary to establish its right to the revenue and the revenue has met the availability criteria. Expenditures of federal awards are recognized in the accounting period when the liability is incurred and approved for reimbursement. 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 (the Uniform Guidance)*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Donated property is considered received when the City has taken possession of the property. The City does not elect to use the 10% de minimis indirect cost rate.

Note 4. Local Government Contributions

Local cost sharing, as defined by the Office of Management and Budget Compliance Supplement and the Uniform Guidance, is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

**CITY OF BELTON, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2018**

Note 5. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results which may result in disallowed costs to the City. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position at March 31, 2018.

Note 6. Loan Activity

The City of Belton has loans through the State of Missouri Direct Loan Program Drinking Water State Revolving Loan program CFDA #66.468 and Clean Water Direct Loan program CFDA #66.458. The City has two loans under CFDA #66.468 which expended \$0 during the current year, under this program loan balances are \$6,319,000 and \$2,310,500 as of March 31, 2018. Under CFDA #66.458 the City has one loan with current expenditures of \$743,557 for a total loan balance as of March 31, 2018, of \$12,693,408.

**CITY OF BELTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2018**

Section 1 - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: unmodified

Internal control over financial reporting:

Are any material weaknesses identified?	___ Yes	_X_ No
Are any significant deficiencies identified?	___ Yes	_X_ None reported
Is any noncompliance material to financial statements noted?	___ Yes	_X_ No

Federal Awards

Internal control over major federal programs:

Are any material weaknesses identified?	___ Yes	_X_ No
Are any significant deficiencies identified?	___ Yes	_X_ None reported
Type of auditor's report issued on compliance for major federal programs: unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ Yes	_X_ No
Identification of major federal programs:		
<u>CFDA Number(s)</u>	<u>Name of federal program or cluster</u>	
20.205	Highway Planning and Construction Grants	
Dollar threshold used to distinguish between type A and type B programs:	\$750,000	
Auditee qualified as a low-risk auditee?	___ Yes	_X_ No

**CITY OF BELTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2018**

Section 2 – Financial Statement Findings

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

Summary Schedule of Current Audit Findings:

None

Summary Schedule of Prior Audit Findings:

None

**CITY OF BELTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2018**

Section 3 – Federal Award Findings and Questioned Costs

Federal Award Findings Required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

Summary Schedule of Current Audit Findings:

None

Summary Schedule of Prior Audit Findings:

None

**CITY OF BELTON, MISSOURI
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED MARCH 31, 2018**

Current Finding Number	Comment	Corrective Action Plan	Anticipated Date of Completion
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None reported