

CITY OF BELTON, MISSOURI
SINGLE AUDIT REPORT
(Uniform Guidance)
FOR THE YEAR ENDED MARCH 31, 2021

CITY OF BELTON, MISSOURI

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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***

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, 2021, 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 28, 2021.

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 over financial reporting that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 that we consider significant deficiencies.

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 statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002.

City's Response to Findings

The City's response to the findings 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.

Troutt, Beeman & Co., P.C.

Harrisonville, Missouri
December 17, 2021



**Report on Compliance for Each Major Federal Program and
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 *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, 2021. 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 (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, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit are 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 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be significant deficiencies.

The City's response to the internal control over compliance 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.

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, 2021, and the related note to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated September 28, 2021, 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 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
December 17, 2021

City of Belton, Missouri
Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA#	Contract / Award #	Federal Expenditures
U.S. Department of Justice:			
Bulletproof Vest Partnership Program	16.607	2018-2020	4,069
Passed Through Missouri Department of Public Safety,			
Violence Against Women Formula Grant	16.588	2020-VAWA-012	51,043
Passed Through Kansas Bureau of Investigation:			
High Intensity Drug Task Force	95.001	G19MW0003A#1903	5,000
High Intensity Drug Task Force	95.001	G20MW0003A#2003	76,504
<i>Total U.S. Department of Justice</i>			<u>136,616</u>
U.S. Department of Transportation:			
Highway Planning and Construction Cluster,			
Passed Through Missouri Department of Transportation Commission:			
Highway Planning and Construction Grants,			
I-49 Outer Road Project	20.205	JAS3399/STP3356 (408)	338,566
<i>Total Highway Planning and Construction Cluster</i>			<u>338,566</u>
Highway Safety Cluster,			
Passed Through Missouri Department of Transportation:			
Hazardous Moving Violation	20.600	19-PT-02-002	2,784
Training/Survey/Operations	20.600	19-PT-02-100	272
<i>Total Highway Safety Cluster</i>			<u>3,056</u>
Passed Through Missouri Department of Transportation,			
State and Community Highway Safety Grants:			
DWI Enforcement	20.607	19-154-AL-002	1,624
Impaired Driving Enforcement	20.607	20-M5HVE-03-013	898
<i>Total U.S. Department of Transportation</i>			<u>344,144</u>
U.S. Department of Homeland Security,			
Passed Through Missouri Department of Public Safety,			
Emergency Management Performance Grant	97.042	EMK-2019-EP-00001-009	21,534
<i>Total U.S. Department of Homeland Security</i>			<u>21,534</u>
U.S. Department of Health and Human Services:			
COVID 19 - CARES Provider Relief Fund	93.498	HHS-59467215177	73,110
Passed Through Missouri Department of Social Services:			
MARC Senior Center Grant	93.044	19-2961001-CB	28,620
MARC Senior Center Grant	93.045	19-2961001-CB	8,026
			<u>36,646</u>
Medicaid Cluster			
Passed Through Missouri Department of Social Services,			
Ground Emergency Medical Transportation (GEMT)	93.778	MO SPA 17-00009	221,330
<i>Total U.S. Department of Health and Human Services</i>			<u>331,086</u>
U.S. Department of Social Services,			
Passed Through Missouri Department of Social Services,			
MARC Senior Center Grant	93.667	19-2961001-CB	383
<i>Total U.S. Department of Social Services</i>			<u>383</u>
U.S. Department of Treasury:			
Passed Through Cass County, Missouri,			
COVID 19 - Coronavirus Relief Fund	21.019	BeltonC19	1,364,772
Passed Through Missouri Division of Employment Security,			
COVID 19 - Coronavirus Relief Fund	21.019	01-10050-0-00	10,833
<i>Total U.S. Department of Treasury</i>			<u>1,375,605</u>
<i>Total Expenditures of Federal Awards</i>			<u>\$ 2,209,368</u>

See Notes to Schedule of Expenditures of Federal Awards

CITY OF BELTON, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2021

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, 2021. 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 the 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 has not elected 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, 2021**

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, 2021.

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 \$5,422,900 and \$1,964,500 as of March 31, 2021. Under CFDA #66.458 the City has one loan which expended \$0 during the current year; under this program loan the balance as of March 31, 2021, is \$10,963,000.

**CITY OF BELTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2021**

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?	_X_ Yes	___ 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?	_X_ Yes	___ 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)?	_X_ Yes	___ No
Identification of major federal programs:		
<u>CFDA Number(s)</u>	<u>Name of federal program or cluster</u>	
21.019	Coronavirus Relief Fund	
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, 2021**

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:

Finding 2021-001: The City's policies and procedures were not followed in the payroll process. See detailed reporting in Section 3.

Finding 2021-002:

Criteria: Uniform Guidance 2 CFR 200, Subpart D and E, requires entities to establish specific policies relative to federal awards.

Condition and Context: For the year ended March 31, 2021, the City did not establish specific policies relative to federal awards.

Cause: The City's management believed existing policies complied with the requirements.

Effect or Potential Effect: The City could miss compliance requirements within the Uniform Guidance by not having specific policies in place.

Recommendations: The City should establish specific policies related federal awards as required by the Uniform Guidance.

Responsible Official's Response: The City is currently developing specific policies and procedures related to the acceptance of federal awards which will be presented to Council for approval. This is anticipated to be completed by December 31, 2021.

Summary Schedule of Prior Audit Findings:

None

CITY OF BELTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2021

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:

Finding 2021-001:

Information on the Federal Program: CFDA 21.019 - Coronavirus Relief Fund, United States Department of Treasury. *Pass-Through Entity:* Cass County Missouri. *Award Number:* BeltonC19. *Compliance Requirements:* Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Performance, Reporting. *Type of Finding:* Material Noncompliance.

Criteria: The City's policies and procedures require that employee time be approved by the employee and a supervisor.

Condition: For the year ended March 31, 2021, the City's policies and procedures for time card approval were not being followed. Several time sheets in the testing sample were missing either an employee approval, supervisor approval, or both.

Cause: The City implemented a new employee time keeping software system during the year. Employees were not aware of the time card approval process in the new software system worked and what they needed to do.

Effect or Potential Effect: Payroll expenditures could be paid which are unallowable.

Context: A sample of 40 employees' time sheets were tested, 7 time sheets were not approved by either the employee, supervisor, or both. This amounts to a deviation of 17.5%.

Recommendation: The City should implement additional policies and procedures to ensure payroll time sheets are approved by both the employee and a supervisor.

Responsible Official's Response and Corrective Action Planned: Additional training and procedures have been put into place to ensure all time paid is approved by both the employee and a supervisor.

Summary Schedule of Prior Audit Findings:

None



CITY OF BELTON
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**CITY OF BELTON, MISSOURI
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED MARCH 31, 2021**

Current Finding Number	Comment	Corrective Action Plan	Anticipated Date of Completion
2021-001	Policies for time sheet approval not being followed.	The City will do additional training and put procedures into place to ensure payroll is being properly approved.	10/31/2021
2021-002	Uniform Guidance policies had not been implemented by the City	The City will adopt policies specifically for federal awards.	12/31/2021