

CITY OF WENTZVILLE, MISSOURI

SINGLE AUDIT REPORT

DECEMBER 31, 2016

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WENTZVILLE, MISSOURI

TABLE OF CONTENTS

	<u>PAGE</u>
Schedule Of Expenditures Of Federal Awards	1
Notes To Schedule Of Expenditures Of Federal Awards	2
Independent Auditor's 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>	3
Independent Auditor's Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance	5
Schedule Of Findings And Questioned Costs	8

CITY OF WENTZVILLE, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	TOTAL FEDERAL EXPENDITURES
U.S. Department of Transportation			
Highway Safety Cluster			
Passed through Missouri Department of Transportation:			
Traffic Grant - Under Age Drinking	20.616	16-M5HVE-03-071	\$ 2,203
Traffic Grant - DWI Enforcement	20.616	16-M5HVE-03-072	4,953
Traffic Grant - DWI Sobriety Checkpoint	20.616	16-M5HVE-03-073	4,082
Traffic Grant - Click It or Ticket	20.616	16-M2HVE-05-026	4,098
Traffic Grant - Click It or Ticket	20.616	17-OP-05-014	1,549
Total passed through Missouri Department of Transportation			<u>16,885</u>
Passed through University of Central Missouri:			
Holiday DWI Enforcement	20.616	17-M5HVE-03-022	576
Click It or Ticket	20.616	16-M2OP-05-006	513
Total passed through University of Central Missouri			<u>1,089</u>
Passed through Missouri Department of Transportation:			
Hazardous Moving Violations	20.600	16-PT-02-086	1,949
Hazardous Moving Violations	20.600	17-PT-02-053	1,210
Hazardous Moving Violations	20.600	16-PT-02-101	1,636
Total passed through Missouri Department of Transportation			<u>4,795</u>
Total Highway Safety Cluster			<u>22,769</u>
Passed through University of Central Missouri:			
DWI Enforcement	20.607	16-154-AL-141	<u>2,716</u>
Passed through Missouri Department of Transportation:			
DWI Enforcement	20.607	17-154-AL-120	1,601
DWI Equipment	20.607	16-154-AL-145	1,800
Sobriety Checkpoint	20.607	17-154-AL-118	477
Total passed through Missouri Department of Transportation			<u>3,878</u>
Passed through Missouri Department of Transportation:			
Highway Planning and Construction Grant	20.205	CMAQ-7304(605)	35,636
Highway Planning and Construction Grant	20.205	STP-7304(603)	674,418
Total passed through Missouri Department of Transportation			<u>710,054</u>
Total U.S. Department of Transportation			<u>739,417</u>
U.S. Department of Justice			
Passed through FBI:			
Child Exploitation Task Force	16.UNKNOWN		<u>13,326</u>
Total U.S. Department of Justice			<u>13,326</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u><u>752,743</u></u>

CITY OF WENTZVILLE, MISSOURI
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2016

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Wentzville, Missouri under programs of the federal government for the year ended December 31, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principals, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of City of Wentzville, Missouri, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Wentzville, Missouri.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principals contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

NOTE 3 - SUB-RECIPIENTS

There were no awards passed through to sub-recipients.

**INDEPENDENT AUDITOR'S 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**



The Honorable Mayor and Members of the Board of Aldermen
City of Wentzville, 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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wentzville, Missouri, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Wentzville, Missouri's basic financial statements, and have issued our report thereon dated May 30, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Wentzville, Missouri'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 of Wentzville, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Wentzville, Missouri'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 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.

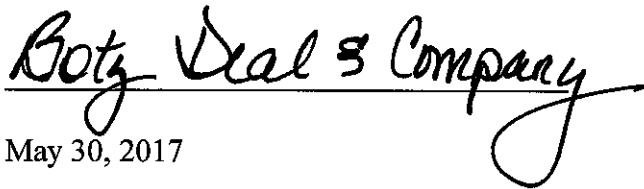
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2016-001 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Wentzville, Missouri'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 and of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


May 30, 2017

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**



The Honorable Mayor and Members of the Board of Aldermen
City of Wentzville, Missouri

Report on Compliance for Each Major Federal Program

We have audited the City of Wentzville, Missouri's 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 of Wentzville, Missouri's major federal programs for the year ended December 31, 2016. City of Wentzville, Missouri'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Wentzville, Missouri'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 of 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 of Wentzville, Missouri'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 of Wentzville, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Wentzville, Missouri 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 other major federal programs for the year ended December 31, 2016.

Report on Internal Control over Compliance

Management of the City of Wentzville, Missouri 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 of Wentzville, Missouri'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 effectiveness of the City of Wentzville, Missouri'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.

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

We have audited the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wentzville, Missouri, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Wentzville, Missouri's basic financial statements. We issued our report thereon dated May 30, 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 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.

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.

Botz Deal & Company

May 30, 2017

CITY OF WENTZVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2016

A. Summary of Auditor's Results

1. The auditors' report expresses an unmodified opinion on whether the financial statements of the City of Wentzville, Missouri were prepared in accordance with GAAP.
2. One material weakness relating to the audit of the financial statements is reported in the *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*.
3. No instances of noncompliance material to the financial statements of the City of Wentzville, Missouri, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No material weaknesses relating to the audit of the major federal award programs are reported.
5. The auditors' report on compliance for the major federal award programs for the City of Wentzville, Missouri expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The program tested as a major program was: U.S. Department of Transportation CFDA No. 20.205.
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The City of Wentzville, Missouri did not qualify as a low-risk auditee.

B. Findings - Financial Statement Audit

2016-001 Internal Control Over Financial Reporting

Condition: We proposed material audit adjustments.

Criteria: Under the reporting requirements, if material audit adjustments are made by the audit team then it may be considered a material weakness in financial reporting.

Cause: Lack of adequate review of information received pertaining to the component unit of the City.

Effect: A packet of information is received by the City from the company that handles the City's component unit's accounting. The information is received on a cash basis and was not adjusted to the accrual basis by the City when recorded on the City's books. As a result, the accounts receivable pertaining to the component unit's property assessments was not recorded in the year-end receivables balance.

Recommendation: Additional care needs to be taken with review of year-end accounts receivable, particularly property assessments.

Grantee's Response: The City management concurs with the finding. Accounting personnel have enhanced their procedures. It is anticipated that audit adjustments will not be required in the future.

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None