



**CITY OF WASHINGTON, MISSOURI**

**SINGLE AUDIT REPORT**

**For the Year Ended September 30, 2021**

The background of the lower half of the page is an abstract, monochromatic geometric pattern. It consists of numerous overlapping, semi-transparent planes and lines that create a sense of depth and complexity, resembling a digital or architectural structure. The colors are shades of gray and white.

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**CITY OF WASHINGTON, MISSOURI**  
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**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***

Honorable Mayor and Members of the City Council  
City of Washington, 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 *Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Washington, (the City), as of and for the year ended September 30, 2021, and the related notes to financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 28, 2022.

**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) as a basis for designing 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 City'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 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 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.

*Sikich LLP*

Washington, Missouri  
March 28, 2022

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**INDEPENDENT AUDITOR’S 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**

Honorable Mayor and Members of the City Council  
City of Washington, Missouri

**Report on Compliance for Each Major Federal Program**

We have audited the City of Arnold, 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, 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* 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, 2021.

### **Report on Internal Control Over Compliance**

The City's Management 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 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2021, and the related notes to financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 28, 2022, 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.

*Sikich LLP*

Washington, Missouri

July 26, 2022

CITY OF WASHINGTON, MISSOURI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2021

Federal Grantor	Pass-Through Grantor	Program Title	Federal ALN	Program/Grant Number	Expenditures
U.S. Department of Agriculture	Missouri Department of Economic Development	Distance Learning and Telemedicine Loans and Grants	10.855	2020 CRF Telehealth Hotspots	\$ 7,056
Total U.S. Department of Agriculture					7,056
U.S. Department of Justice	N/A	Bulletproof Vest Partnership Program	16.607	N/A	834
Total U.S. Department of Justice					834
U.S. Department of Transportation	Missouri Department of Transportation	Airport Improvement Program	20.106	20-054A-01	30,000
	Missouri Department of Transportation	Airport Improvement Program	20.106	20-054A-02	52,216
	Missouri Department of Transportation	Airport Improvement Program	20.106	21-054A-01	13,000
		Total Airport Improvement Program			95,216
		<b>Highway Planning and Construction Cluster:</b>			
U.S. Department of Transportation	Missouri Department of Transportation	Highway Planning and Construction	20.205*	STP 6401(602)	46,450
	Missouri Department of Transportation	Highway Planning and Construction	20.205*	STP 6406(607)	1,769
	Missouri Department of Transportation	Highway Planning and Construction	20.205*	STP-Urban 6400(627)	2,231
	Missouri Department of Transportation	Highway Planning and Construction	20.205*	STP 6403(606)	419,063
		<b>Total Highway Planning and Construction Cluster</b>			469,513
U.S. Department of Transportation	Missouri Division of Highway Safety	Alcohol Open Container Requirements	20.607	21-154-AL-086	2,234
		<b>Highway Safety Cluster:</b>			
U.S. Department of Transportation	Missouri Division of Highway Safety	State and Community Highway Safety	20.600	21-PT-02-077	6,406
U.S. Department of Transportation	Missouri Division of Highway Safety	National Priority Safety Programs	20.616	21-M5HVE-03-018	3,031
		<b>Total Highway Safety Cluster</b>			9,437
Total U.S. Department of Transportation					576,400
U.S. Department of Treasury	Franklin County	COVID-19 Coronavirus Relief Fund	21.019	N/A	230,445
	Missouri Department of Treasury	COVID-19 Coronavirus Relief Fund	21.019	2020-COVD-CARESCN0-9824	10,136
		Total COVID-19 Coronavirus Relief Fund			240,581
	Missouri Department of Treasury	COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	100,405
Total U.S. Department of Treasury					340,986

**CITY OF WASHINGTON, MISSOURI**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended September 30, 2021

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U.S. Department of Homeland Security	Missouri Emergency Management Agency	Emergency Management Performance Grants	97.042	2021-EP-00006-119-001	\$ 8,098
	Missouri Emergency Management Agency	Emergency Management Performance Grants	97.042	2020-EP-0004-116	<u>26,235</u>
		Total Emergency Management Performance Grants			<u>34,333</u>
	Missouri Department of Public Safety	Urban Areas Security Initiative Program	97.067	EMW-2019-SS-00039	<u>2,185</u>
Total U.S. Department of Homeland Security					<u>36,518</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>					<u>\$ 961,794</u>

\*Denotes major federal program.

**CITY OF WASHINGTON, MISSOURI**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended September 30, 2021

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**Note A - Significant Accounting Policies**

The accompanying Schedule of Expenditures of Federal Awards has been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). It is a summary of the activity of the City's federal awards programs prepared on the accrual basis of accounting. Accordingly, expenditures are recognized when the liability has been incurred and revenues are recognized when the qualifying expenditure has been incurred.

**Note B - Other Information**

The City did not receive any federal insurance or noncash assistance and provided no Federal awards to subrecipients during the year ended September 30, 2021.

**Note C - Indirect Cost Rate**

The City did not elect the federal 10% de minimis indirect cost rate for the year ended September 30, 2021.

CITY OF WASHINGTON, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2021

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**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:  
Material weakness(es) identified? \_\_\_\_\_ Yes  X  No  
Significant deficiency(ies) identified? \_\_\_\_\_ Yes  X  None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes  X  No

Federal Awards

Internal Control over major federal programs:  
Material weakness(es) identified? \_\_\_\_\_ Yes  X  No  
Significant deficiency(ies) 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 CRF 200.516(a)? \_\_\_\_\_ Yes  X  No

Identification of major federal programs:

<u>ALN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction Cluster

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes  X  No

**CITY OF WASHINGTON, MISSOURI**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

For the Year Ended September 30, 2021

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**Section II - Findings - Financial Statement Audit**

None

**Section III - Federal Award Findings and Questioned Costs**

None

**Section IV - Summary Schedule of Prior Audit Findings**

None