

City of Springfield, Missouri

Compliance Report
Year Ended June 30, 2018

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RSM US LLP

**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

Honorable Mayor and Members of the City Council
City of Springfield, 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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Springfield, Missouri (the City), as of and for the year ended June 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 December 14, 2018. Our report includes a reference to other auditors who audited the financial statements of the City Utilities, the discretely presented component unit, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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
December 14, 2018

**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**

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited the City of Springfield, 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 June 30, 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.

Scope

The City's basic financial statements include the operations of the City Utilities discretely presented component unit. Our audit, described below, did not include the operations of City Utilities because the component unit engaged other auditors to perform their June 30, 2018 audit.

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 June 30, 2018.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2018-001. Our opinion on each major federal program is not modified with respect to this matter.

The City's response to the noncompliance 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.

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 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 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, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springfield, Missouri as of and for the year ended June 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 December 14, 2018, which contained unmodified opinions on those financial statements. Our audit report includes a reference to other auditors who audited the financial statements of City Utilities, the discretely presented component unit, as described in our report on the City's 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.

RSM US LLP

Kansas City, Missouri
December 14, 2018

City of Springfield, Missouri

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Amounts Provided to Subrecipients	Federal Expenditures
U.S. Department of Agriculture:				
Special Supplemental Nutrition Program for Women, Infants, and Children:				
Passed through the Missouri Department of Health and Senior Services:				
2016 – 17 WIC Local Agency Nutrition Services	10.557	ERS04517090 AM. 1	\$ -	\$ 331,592
2017 – 18 WIC Local Agency Nutrition Services	10.557	ERS04518093	-	995,080
Subtotal for CFDA 10.557			-	1,326,672
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program:				
Passed through the Missouri Division of Workforce Development:				
2017 Missouri Employment Training Program (METP) Health and Human Services	10.561	-	-	7,457
2018 Missouri Employment Training Program (METP) Health and Human Services	10.561	-	-	3,700
Subtotal for CFDA 10.561			-	11,157
Total U.S. Department of Agriculture			-	1,337,829
U.S. Department of Housing and Urban Development:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants:				
2016 – 17 Community Development Block Grant (CDBG)	14.218	B-16-MC-29-0007	8,039	651,709
2017 – 18 Community Development Block Grant (CDBG)	14.218	B-17-MC-29-0007	378,496	1,201,565
Program Income - Drawn From Revolving Loans	14.218	-	-	223,824
Subtotal for CFDA 14.218 and CDBG Entitlement Grants Cluster			386,535	2,077,098
Emergency Solutions Grant Program:				
Passed through the Missouri Department of Social Services:				
2016 – 17 Emergency Solutions Grant	14.231	17-718-E	84,987	84,987
2017 – 18 Emergency Solutions Grant	14.231	18-715-E	36,356	36,356
Subtotal for CFDA 14.231			121,343	121,343
Home Investment Partnerships Program:				
2015 – 16 HOME Investment Partnerships	14.239	M-15-MC-29-0202	-	663,961
2016 – 17 HOME Investment Partnerships	14.239	M-16-MC-29-0202	-	265,745
Program income	14.239	-	-	1,110,755
Subtotal for CFDA 14.239			-	2,040,461
Continuum of Care Program:				
Continuum of Care Grant	14.267	MO0207L7P001500	21,384	21,384
Public and Indian Housing:				
Passed through the Housing Authority of the City of Springfield, Missouri:				
2017 – 18 Housing Authority of Springfield	14.850	-	-	2,510
Total U.S. Department of Housing and Urban Development			529,262	4,262,796

City of Springfield, Missouri

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Amounts Provided to Subrecipients	Federal Expenditures
U.S. Department of Justice:				
Public Safety Partnership and Community Policing Grants:				
2014 – 15 Community Oriented Policing Services (COPS) Hiring Program Grant	16.710	2014ULWX0021	-	356,300
2015 – 16 Community Oriented Policing Services (COPS) Hiring Program Grant	16.710	2015ULWX0020	-	437,272
Subtotal for CFDA 16.710			-	793,572
Equitable Sharing Program:				
Equitable Sharing Program	16.922	-	-	61,667
Total U.S. Department of Justice			-	855,239
U.S. Department of Labor:				
Workforce Investment Act (WIA) Cluster:				
WIA/WIOA Adult Program:				
Passed through the Missouri Division of Workforce Development:				
WIOA Adult FY17, PY16/17	17.258	10-08-08-17	-	235,036
WIOA Adult FY16, PY16/17	17.258	10-08-08-17	-	614,783
WIOA Adult FY17, PY17/18	17.258	10-08-08-18	9,030	126,218
Equal Opportunity Compliance PY15/16	17.258	99-08-08-16	-	14
Equal Opportunity Compliance PY16/17	17.258	99-08-08-17	-	2,458
Subtotal for CFDA 17.258			9,030	978,509
WIA/WIOA Youth Activities:				
Passed through the Missouri Division of Workforce Development:				
WIOA Youth Program PY17, PY17/18	17.259	10-08-08-18	612,447	1,048,256
PY17 15% Youth Summer Job Start Up	17.259	10-08-08-18	2,651	4,597
Pre-Apprenticeship Academy - Ozark PY 17 Youth Set Aside	17.259	10-08-08-18	112,240	115,008
Equal Opportunity Compliance PY15/16	17.259	99-08-08-16	-	191
Equal Opportunity Compliance PY16/17	17.259	99-08-08-17	-	31,568
Subtotal for CFDA 17.259			727,338	1,199,620
WIA/WIOA Dislocated Worker Formula Grants:				
Passed through the Missouri Division of Workforce Development:				
WIOA, Dislocated Worker Program FY17, PY16/17	17.278	10-08-08-17	-	173,195
WIOA, Dislocated Worker Program PY17, PY17/18	17.278	10-08-08-18	9,030	104,709
WIOA, Dislocated Worker Program FY18, PY17/18	17.278	10-08-08-18	-	380,260
Program Income WIOA, Dislocated Worker Program FY18, PY17/18	17.278	10-08-08-18	-	3,033
WIOA 25%, Show-Me Heroes On-the-Job Training Program PY17/18	17.278	10-08-08-18	-	23,436
Ozark Supplemental FY17 DW Set Aside	17.278	10-08-08-18	-	26,913
Dislocated Worker 25% Tuition Pool	17.278	99-08-08-17	-	85,192
Equal Opportunity Compliance PY15/16	17.278	99-08-08-16	-	39
Equal Opportunity Compliance PY16/17	17.278	99-08-08-17	-	7,981
Subtotal for CFDA 17.278			9,030	804,758
Subtotal for Workforce Investment Act (WIA) Cluster			745,398	2,982,887
H-1B Job Training Grants:				
Passed through the Springfield Public Schools:				
America's Promise	17.268	FOA-ETA-16-12	327,414	445,259
Workforce Investment Act (WIA) National Emergency Grants:				
Passed through the Missouri Division of Workforce Development:				
National Emergency Grant (NEG) Jobs Driven MO-40	17.277	MO-40 08 Rev. 3	-	12,978
Total U.S. Department of Labor			1,072,812	3,441,124

City of Springfield, Missouri

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Amounts Provided to Subrecipients	Federal Expenditures
U.S. Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction:				
Passed through the Missouri Highways and Transportation Commission:				
Mt. Vernon Street Bridge Over Jordan Creek	20.205	BRM-5901(807)	-	12,000
South Dry Sac River Trail	20.205	TAP 5901(806)	-	180,673
Grant Avenue & Route 66 Streetscape Walnut	20.205	TAP 5911(802)	-	92,725
Traffic Management Center Salaries FY 2018	20.205	STP-5901 (808)	-	272,513
Acquisition of Imagery & Photography Services (Pictometry) FY 2018	20.205	2018-0428	-	10,000
2016-17 Work Zone Enforcement Program	20.205	GWZEC06Z	-	19,829
2017-18 Work Zone Enforcement Program	20.205	GWZEE05Z	-	98,433
Subtotal for CFDA 20.205 and Highway Planning and Construction Cluster			-	686,173
Highway Safety Cluster:				
State and Community Highway Safety:				
Passed through the Missouri Department of Transportation:				
2016-17 Hazardous Moving Violation Enforcement	20.600	17-PT-02-118	-	12,777
2017-18 Hazardous Moving Violation Enforcement	20.600	18-PT-02-099	-	37,557
Subtotal for CFDA 20.600			-	50,334
National Priority Safety Programs:				
Passed through the Missouri Department of Transportation:				
2016-17 Youth Alcohol Enforcement	20.616	17-154-AL-137	-	6,282
2017-18 Youth Alcohol Enforcement	20.616	18-154-AL-161	-	16,376
Subtotal for CFDA 20.616			-	22,658
Subtotal for Highway Safety Cluster			-	72,992
Alcohol Open Container Requirements:				
Passed through the Missouri Department of Transportation:				
2016-17 DWI Enforcement/Sobriety Checkpoint	20.607	17-MSHVE-03-007	-	22,199
2017-18 DWI Enforcement/Sobriety Checkpoint	20.607	18-MSHVE-03-039	-	113,182
Subtotal for CFDA 20.607			-	135,381
Total U.S. Department of Transportation			-	894,546
U.S. Department of the Treasury				
Treasury Forfeiture Fund Program:				
Treasury Forfeiture Fund Program	21.000	-	-	35,500
Total U.S. Department of the Treasury			-	35,500
Institute of Museum and Library Services:				
National Leadership Grants:				
Art at Work Grant	45.312	MG-45-16-0015-16	-	7,707
Total Institute of Museum and Library Services			-	7,707
U.S. Environmental Protection Agency:				
Environmental Workforce Development and Job Training Cooperative Agreements:				
2017-19 WFD Brownsfield	66.815	JT-97755901-0A	-	117,968
Brownfields Assessment and Cleanup Cooperative Agreements:				
Brownfields General	66.818	-	-	4,283
Brownfields Hazardous and Petroleum Assessment	66.818	BF - 97740501-0	-	6,249
Brownfields Revolving Loan Fund	66.818	BF - 98788001-1	3,000	9,057
Subtotal for CFDA 66.818			3,000	19,589
Total U.S. Environmental Protection Agency			3,000	137,557

City of Springfield, Missouri

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Amounts Provided to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services:				
Public Health Emergency Preparedness:				
Passed through the Missouri Department of Health and Senior Services:				
2017-18 Public Health Emergency Preparedness	93.069	AOC18380068	-	297,241
Food and Drug Administration Retail Standards Grant Program:				
Passed through the Association of Food and Drug Officials:				
Retail Program Standards	93.103	2906	-	20,000
CBA to Strengthen the Public Health Infrastructure and Performance:				
Passed through the Centers for Disease Control & Prevention:				
Walkability Action Institute Scholarships	93.424	5NU380T000225	-	2,140
TANF Cluster:				
Temporary Assistance for Needy Families:				
Passed through the Missouri Department of Social Services:				
Missouri Work Assistance Program PY16/17	93.558	C311006004 - Am. 14 Rev. 2	-	453,889
Missouri Work Assistance Program PY17/18	93.558	C311006004 - Am. 14 Rev. 2	-	1,110,839
Missouri Work Assistance Program PY16/17 - Joplin Incentive	93.558	C311006004 - Am. 14 Rev. 2	-	741
Missouri Work Assistance Program PY17/18 - Joplin Incentive	93.558	C311006004 - Am. 14 Rev. 2	-	41,993
Missouri Work Assistance Program PY16/17 - Joplin	93.558	C311006004 - Am. 14 Rev. 2	-	163,324
Missouri Work Assistance Program PY17/18 - Joplin	93.558	C311006004 - Am. 14 Rev. 2	-	498,154
PY16/17 Summer Jobs	93.558	42-08-08-18 Am. 2	226,885	229,608
Subtotal for CFDA 93.558 and TANF cluster			226,885	2,498,548
Child Care and Development Block Grant:				
Passed through the Missouri Department of Health and Senior Services:				
2017 – 18 Child Care Health Consultation	93.575	DH180015095 - Am. 1	-	7,878
Preventive Health and Health Services Block Grant:				
Passed through the Missouri Department of Health and Senior Services:				
2016 – 17 Healthy Eating Active Living in Local Communities	93.758	AOC15380161-Am. 1,2,3	-	25,824
Subtotal for CFDA 93.758			-	25,824
Children's Health Insurance Program:				
Passed through the Missouri Department of Health and Senior Services:				
Children's Health Insurance Program (CHIP) Health Services Initiative	93.767	AOC16380023	-	200,524
Maternal and Child Health Services Block Grant to the States:				
Passed through the Missouri Department of Health and Senior Services:				
2016 – 17 Maternal Child Health Services	93.994	AOC15380107-Am. 2	-	31,563
2017 – 18 Maternal Child Health Services	93.994	AOC18380125	-	73,493
2017 – 18 Child Care Health Consultation	93.994	DH180015095 - Am. 1	-	8,778
2017 – 18 Youth Leadership Program	93.994	DH180018001	-	7,655
Subtotal for CFDA 93.994			-	121,489
Total U.S. Department of Health and Human Services			226,885	3,173,644
Executive Office of the President:				
High Intensity Drug Trafficking Areas Program:				
Passed through the Missouri Department of Public Safety:				
2016 – 17 High Intensity Drug Trafficking Area (HIDTA) Program	95.001	G17MW0001A	-	98,452
2017 – 18 High Intensity Drug Trafficking Area (HIDTA) Program	95.001	G17MW0001A-J	-	39,173
Total Executive Office of the President			-	137,625

City of Springfield, Missouri

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Amounts Provided to Subrecipients	Federal Expenditures
U.S. Department of Homeland Security:				
Assistance to Firefighters Grant Program:				
Passed through the Federal Emergency Management Agency - FEMA:				
Fire Prevention & Safety Grant	97.044	EMW-2015-FP-00470	-	1,037
Homeland Security Grant Program:				
Passed through Missouri State University Southwest Missouri Council of Governments:				
Portable Generator & Other Equipment (Non-cash award)	97.067	EMW-2015-SS-00020-S01	-	4,121
Radiation Detection Units & Other Equipment (Non-cash award)	97.067	EMW-2016-SS-00049-011	-	2,649
Subtotal for CFDA 97.067			-	6,770
Staffing for Adequate Fire and Emergency Response (SAFER):				
FY 2016 Staffing for Adequate Fire and Emergency Response (SAFER) - Hiring Program	97.083	EMW-2016-FH-00303	-	171,651
Subtotal for CFDA 97.067			-	171,651
Total U.S. Department of Homeland Security			-	179,458
Total expenditures of federal awards			\$ 1,831,959	\$ 14,463,025

See notes to schedule of expenditures of federal awards.

City of Springfield, Missouri

**Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Springfield, Missouri (the City) for the year ended June 30, 2018 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 is included in the schedule. 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, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from the amounts presented in or used in the preparation of the basic financial statements. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

Note 2. Significant Accounting Policies

Expenditures of federal awards are recognized in the accounting period when the liability is incurred and approved for reimbursement and reported on the schedule on the 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. Local Government Contributions

Local cost-sharing is required by certain federal grants. The amount of cost-sharing varies by program. Only the federal share of expenditures is presented in the schedule.

City of Springfield, Missouri

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

Note 4. Relationship to Basic Financial Statements

Federal award revenues and contributions are reported in the City's basic financial statements as follows:

CFDA	Program Title	Special Revenue	Capital Projects	Primary Government Total
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	\$ 1,326,672	\$ -	\$ 1,326,672
10.561	Summer Food Service Program For Children	11,157	-	11,157
14.218	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	2,077,098	-	2,077,098
14.231	Team Nutrition Grants	121,343	-	121,343
14.239	Community Development Block Grants/Entitlement Grants	2,040,461	-	2,040,461
14.267	Emergency Solutions Grant Program	21,384	-	21,384
14.85	Home Investment Partnerships Program	2,510	-	2,510
16.71	Continuum of Care Program	793,572	-	793,572
16.922	Public and Indian Housing	61,667	-	61,667
17.258	Public Safety Partnership and Community Policing Grants	978,509	-	978,509
17.259	Edward Byrne Memorial Justice Assistance Grant Program	1,199,620	-	1,199,620
17.268	Equitable Sharing Program	445,259	-	445,259
17.277	WIA/WIOA Adult Program	12,978	-	12,978
17.278	WIA/WIOA Youth Activities	804,758	-	804,758
20.205	H-1B Job Training Grants	118,262	567,911	686,173
20.600	Workforce Investment Act (WIA) National Emergency Grants	50,334	-	50,334
20.607	WIA/WIOA Dislocated Worker Formula Grants	135,381	-	135,381
20.616	Highway Planning and Construction	22,658	-	22,658
21.000	Rail Line Relocation and Improvement	35,500	-	35,500
45.312	State and Community Highway Safety	7,707	-	7,707
66.815	Alcohol Impaired Driving Countermeasures Incentive Grants	117,968	-	117,968
66.818	Alcohol Open Container Requirements	19,589	-	19,589
93.069	National Priority Safety Programs	297,241	-	297,241
93.103	Environmental Workforce Development and Job Training Cooperative Agreements	20,000	-	20,000
93.424	Brownfields Assessment and Cleanup Cooperative Agreements	2,140	-	2,140
93.558	Public Health Emergency Preparedness	2,498,548	-	2,498,548
93.575	Temporary Assistance For Needy Families	7,878	-	7,878
93.758	Child Care and Development Block Grant	25,824	-	25,824
93.767	Preventive Health and Health Services Block Grant	200,524	-	200,524
93.994	Children's Health Insurance Program	121,489	-	121,489
95.001	Maternal and Child Health Services Block Grant to the States	137,625	-	137,625
97.044	High Intensity Drug Trafficking Areas Program	1,037	-	1,037
97.083	Emergency Management Institute Training Assistance	171,651	-	171,651
	Total federal awards recorded as revenue in the fund			
	financial statements	13,888,344	567,911	14,456,255
97.067	Additional noncash federal awards not recorded as revenue in the fund			
	financial statements, as they represent donated equipment	6,770	-	6,770
	Total	\$ 13,895,114	\$ 567,911	\$ 14,463,025

City of Springfield, Missouri

**Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018**

Note 5. Federal Expenditures for MoDOT and Greene County Managed Projects

Certain highway and construction projects funded with federal awards are performed in conjunction with the Missouri Department of Transportation (MoDOT) and Greene County. MoDOT and Greene County lead some joint projects, incurring all expenditures and handling the reimbursement requests. In these instances, the City authorizes MoDOT and Greene County to use its awarded federal monies to complete the project. MoDOT and Greene County both accept responsibility for any compliance requirements related to the federal monies utilized for the project. The City does not actually expend the monies or receive reimbursement. Due to these factors, the MoDOT and Greene County led projects are not presented on the schedule.

During the fiscal year ended June 30, 2018, the following federal monies awarded to the City were expended on joint projects with MoDOT and Greene County.

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant/Contract Number	Federal Expenditures
U.S. Department of Transportation			
Highway Planning and Construction:			
Passed through the Missouri Highways and Transportation Commission:			
Kansas Expressway Extension South of Republic Road (1)	20.205	2016-0223	\$ 134,555
Kearney/Packer Intersection Improvements & 700 Feet North (2)	20.205	J8S3019	239
Division/Highway 65 Intersection Improvements (2)	20.205	J8P3036	691,101
Chestnut Exp./Railroad Crossing Improvement West of Hwy 65 (2)	20.205	J8P2196 & J8P2196B	832,743
			<u>\$ 1,658,638</u>

- (1) Managed by Greene County
- (2) Managed by MoDOT

City of Springfield, Missouri

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

Note 6. Outstanding Loan Principal Balances and Expenditures of Federal Awards

The following is a list of the outstanding principal balances related to program loans at June 30, 2018, because there are no continuing compliance requirements, the outstanding balances have not been included in the SEFA:

Community Development Block Grants/Entitlement Grants (14.218)

Outstanding principal balances at June 30, 2018	\$ 14,433,728
Current year loans included in the SEFA	809,746
Current year expenses included in the SEFA	1,043,528

Neighborhood Stabilization Program Grants (14.228)

Outstanding principal balances at June 30, 2018	2,069,358
Current year loans included in the SEFA	-
Current year expenses included in the SEFA	-

HOME Investment Partnerships Program (14.239)

Outstanding principal balances at June 30, 2018	22,468,197
Current year loans included in the SEFA	1,755,957
Current year expenses included in the SEFA	284,503

Community Development Block Grants _ Section 108 Loan Guarantees (14.248)

Outstanding principal balances at June 30, 2018	3,128,319
Current year loans included in the SEFA	-
Current year expenses included in the SEFA	-

Brownfields Assessment and Cleanup Cooperative Agreements (66.818)

Outstanding principal balances at June 30, 2018	54,747
Current year loans included in the SEFA	-
Current year expenses included in the SEFA	19,589

Note 7. Indirect Cost Rate

The City elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

City of Springfield, Missouri

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2018**

The prior year single audit disclosed no findings in the *Schedule of Findings and Questioned Costs* and no uncorrected or unresolved findings exist from the prior audit's *Summary of Prior Audit Findings*.

City of Springfield, Missouri

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2018**

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? Yes No
- Significant deficiency(ies) identified? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? 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 Section 2 CFR 200.516(a)? Yes No

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
10.557	WIC Local Agency Nutrition Services
14.218	Community Development Block Grant
14.239	HOME Investment Partnerships

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

- Auditee qualified as low-risk auditee? Yes No

(Continued)

City of Springfield, Missouri

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2018

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

Finding: 2018-001—Special Tests and Provisions
Agency: U.S. Department of Housing and Urban Development
Federal Program: Home Investment Partnerships Program (HOME) (CFDA 14.239)
Federal Award Year: 2015-2016 and 2016-2017

Criteria: Per the OMB Compliance Supplement, there is a Housing Quality Standards special tests and provisions requirement. This compliance requirement specifies that during the period of affordability (i.e., the period for which the non-Federal entity must maintain subsidized housing) for HOME assisted rental housing, the City must perform on-site inspections to determine compliance with property standards and verify the information submitted by the owners no less than (a) every 3 years for projects containing 1 to 4 units, (b) every 2 years for projects containing 5 to 25 units, and (c) every year for projects containing 26 or more units. The City must perform on-site inspections of rental housing occupied by tenants receiving HOME-assisted tenant-based rental assistance to determine compliance with housing quality standards (24 CFR sections 92.209(i), 92.251(f), and 92.504(d)).

Condition: The City did not perform required on-site inspections after February 2018.

Cause: The agreement with the Contractor whom the City had hired to perform the inspections ended in February of 2018 and it took the City seven months to find a new contractor that had the proper liability insurance coverage required by the City.

Effect or potential effect: The City was not in compliance with the Special Tests and Provisions requirement for Housing Quality Standards.

Questioned costs: None

Prevalence: All inspections required in fiscal year 2018 were considered; only 84 of 158 on-site inspections were performed.

Repeat finding: Not a repeat finding.

City of Springfield, Missouri

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2018

Recommendation: We recommend the City establish a process to review third-party service agreement terms in a timely manner, to ensure services provided are addressing all compliance requirements for the entire fiscal period, or establish internal inspection procedures.

View of responsible officials: Management agrees with this finding.

