

CITY OF GRANDVIEW, MISSOURI

**SINGLE AUDIT REPORT
(OMB Circular A-133)**

FOR THE YEAR ENDED SEPTEMBER 30, 2013

**City of Grandview, Missouri
Single Audit Report
(OMB Circular A-133)
For the Year Ended September 30, 2013**

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**Independent Auditor's Report on the Schedule
of Expenditures of Federal Awards**

To the Honorable Mayor and Members
of the Board of Aldermen
City of Grandview, Missouri:

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 of Grandview, Missouri (the City) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated March 14, 2014, 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 OMB Circular A-133 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.

March 14, 2014

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ADDITIONAL INFORMATION

City of Grandview, Missouri
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2013

Program	CFDA#	Grant Number	Federal Expenditures
U.S. Department of Housing and Urban Development:			
Passed Through Mid-America Regional Council (MARC)-			
Sustainable Communities Regional Planning Grant	14.703		\$ 26,367
<i>Total U.S. Department of Housing and Urban Development</i>			<u>26,367</u>
U.S. Department of Justice:			
Bullet Proof Vest Partnership	16.607		5,847
Passed Through Missouri Department of Public Safety -			
Enforcing Underage Drinking Laws	16.726	2010-11-EUDL-02	1,862
Enforcing Underage Drinking Laws	16.726	2010-11-EUDL-07	972
Passed Through the Jackson County, Missouri Prosecutor's Office -			
Edward Byrne Memorial Justice Assistance	16.738	2012 (JAG)	12,261
<i>Total U.S. Department of Justice</i>			<u>20,942</u>
U.S. Department of Transportation:			
Passed Through Missouri Highways and Transportation Commission-			
Main Street at 8th Street	20.205	STP-3322 (406)	192,977
Main Street from 13th to 15th Street	20.205	STP-3322 (407)	188,680
Safe Routes to School	20.205	SRTS-INF-H304(502)	18,312
Passed Through Mid-America Regional Council (MARC)-			
Federal Transit Formula Grant	20.507		42,417
Passed Through Missouri Division of Highway Safety -			
Highway Safety Cluster			
Hazardous Moving Violations	20.600	13-PT-02-010	9,961
Click It or Ticket	20.600	13-OP-05-003	1,014
Youth Seat Belt Enforcement	20.600	13-OP-05-008	263
Child Passenger Safety Enforcement	20.613	13-K3-05-003	729
Total Highway Safety Cluster			<u>11,967</u>
Drive Sober or Get Pulled Over-DWI Enforcement	20.607	13-154-AL-074	1,000
Impaired Drivers-DWI Enforcement	20.607	13-154-AL-009	11,998
<i>Total U.S. Department of Transportation</i>			<u>467,351</u>
<i>Total Expenditures of Federal Awards</i>			<u>\$ 514,660</u>

See accompanying notes to the schedule.

City of Grandview, Missouri
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2013

Note 1. Organization

The City of Grandview, Missouri, is the recipient of several federal awards. 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 Grandview, Missouri, and is presented on the modified-accrual basis of accounting. The information presented in this schedule is in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 3. Local Government Contributions

Local cost sharing, as defined by the Office of Management and Budget Circular A-102, Attachment F, 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.

Note 4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results that may result in disallowed costs to the City of Grandview, Missouri. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position at September 30, 2013.

**City of Grandview, Missouri
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2013**

Section 1 - Summary of Auditor's Results

Financial Statements:

Type Audit Report Issued on the Basic Financial Statements of Auditee
Unmodified

Internal Control Over Financial Reporting
No material weaknesses identified. No significant deficiencies reported.

General Compliance
The audit did not disclose any instances of noncompliance which would be material to the basic financial statements.

Federal Awards:

Internal Control Over Major Programs
No material weaknesses identified. No significant deficiencies reported.

Type Audit Report Issued on Compliance for Major Programs
Unmodified

Audit Findings
The audit disclosed no audit findings that are required to be reported under OMB Circular A-133.

Major Programs

<u>CFDA Number</u>	<u>Name of Federal Program</u>
20.205	Highway Planning and Construction Cluster

Dollar Threshold Used to Distinguish Between Type A and Type B Program
\$300,000

Auditee Qualified as a Low-risk Auditee
No

City of Grandview, Missouri
Schedule of Findings and Questioned Costs (continued)
For the Year Ended September 30, 2013

Section 2 – Financial Statement Findings

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

None

Summary Schedule of Prior Audit Findings

2012-01 Financial Reporting

Condition

As part of our audit, management requested that we prepare a draft of the City's financial statements and the related notes. Management reviewed, approved and accepted responsibility for those statements prior to their issuance. However, we cannot be considered part of the City's internal control over financial reporting.

Recommendation

We recommended that management analyze the cost/benefit of obtaining the ability to prepare the financial statements and required footnote disclosures in accordance with generally accepted accounting principles. Due to the complexities of financial statement reporting there are various methods to improve the controls over financial reporting including the use of outside service providers, continuing education, training courses and the use of reference guides provided by the Government Finance Officers Association (GFOA), the American Institute of Certified Public Accountants (AICPA), the Governmental Accounting Standards Board (GASB) and other various financial publishing companies.

Current Year Status

Management evaluated the cost/benefit and believes that it is of the most benefit to them to continue having the audit firm prepare the financial statements.

2012-02 TIF Accounting

Condition

We noted that supporting documentation for TIF payables and receivables were not typically being saved for the life of the TIF plan as the City's record retention policy causes them to be destroyed prior to the closing of the TIF. Therefore, when transfers are made from the TIF special allocation fund in subsequent years, very little, if any, documentation is available to substantiate the amount of the transfers.

Recommendation

We recommended that the City review policies and procedures related to the tracking of long term interfund payables and receivables and review record retention policies and procedures to ensure that all supporting documentation for these items is retained as long as the TIF plan is still active.

Current Year Status

The City's is using their new financial management system to scan TIF documentation and therefore will be able to save the items electronically for the duration of the TIF plan.

Section 3 – Federal Award Findings and Questioned Costs

Federal Award Findings Required to be Reported

None

Summary Schedule of Prior Audit Findings

None

COMPLIANCE REPORTS



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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***

To the Honorable Mayor and Members
of the Board of Aldermen
City of Grandview, 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, each major fund, and the aggregate remaining fund information of the City of Grandview, Missouri (the City), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 14, 2014.

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.

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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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control 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.

March 14, 2014

Cochran Head Vick + Co., PC.



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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

To the Honorable Mayor and Members
of the Board of Aldermen
City of Grandview, Missouri:

Report on Compliance for Each Major Federal Program

We have audited the City of Grandview, Missouri's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2013. The City's major federal program is 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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.

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We believe that our audit provides a reasonable basis for our opinion on compliance for the City's major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the City's 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 its major federal program for the year ended September 30, 2013.

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

March 14, 2014

Cochran Head Vick HC, P.C.