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***CITY OF ST. PETERS, MISSOURI***

***THE UNIFORM GUIDANCE  
SINGLE AUDIT REPORT***

***SEPTEMBER 30, 2017***

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**INDEPENDENT AUDITORS' 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 St. Peters, 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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of St. Peters, Missouri (the "City"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 9, 2018.

**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 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 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.

  
SCHOWALTER & JABOURI, P.C.

St. Louis, Missouri  
February 9, 2018



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE AND ON THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS**

The Honorable Mayor and  
Members of the Board of Aldermen  
City of St. Peters, Missouri

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

We have audited the City of St. Peters, 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 St. Peters, Missouri's (the "City") major federal programs for the year ended September 30, 2017. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' 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 of St. Peters, 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 major federal programs for the year ended September 30, 2017.

### **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 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, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated February 9, 2018, 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.

  
SCHOWALTER & JABOURI, P.C.

St. Louis, Missouri  
February 9, 2018

**CITY OF ST. PETERS, MISSOURI**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

Program Title	Federal CFDA Number	Pass -Through Identification Number	Expenditures
<u>U.S. Department of Housing and Urban Development:</u>			
Passed through St. Charles County, Missouri:			
Community Development Block Grant Cluster:			
Community Development Block Grant	14.218	B-17-UC-29-0003	\$ 113,324
		B-16-UC-29-0003	101,950
		B-15-UC-29-0003	2,500
		B-14-UC-29-0003	7,265
		B-XX-UC-29-0003	31,385
Subtotal CFDA 14.218 and Community Development Block Grant Cluster			<u>256,424</u>
Total U.S. Department of Housing and Urban Development			<u>256,424</u>
<u>U.S. Department of Justice:</u>			
Direct:			
Bulletproof Development Block Grant	16.607	N/A	247
US Marshalls Equitable Sharing Program	16.922	N/A	32,918
Passed through Regional Computer Crimes Education and Enforcement Group:			
Equitable Sharing Program	16.922	N/A	26,022
Subtotal CFDA 16.922			<u>58,940</u>
Passed through St. Charles County Regional Task Force:			
Edward Byrne Memorial Justice Assistance Program	16.738	2016-MU-BX-0922	10,475
Passed through Federal Bureau of Investigation:			
FBI Violent Crimes Against Children Task Force	16.XXX	N/A	8,867
DEA Task Force Group 2	16.XXX	N/A	17,751
Passed through West Central Region Organized Crime Drug Enforcement Task Force:			
Organized Crime Drug Enforcement Task Force	16.XXX	WC-ME-0422	439
Subtotal CFDA 16.XXX			<u>27,057</u>
Total U.S. Department of Justice			<u>96,719</u>

**CITY OF ST. PETERS, MISSOURI**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass -Through Identification Number</u>	<u>Expenditures</u>
<u>U.S. Department of Transportation:</u>			
Passed through Missouri Department of Transportation:			
Highway Planning and Construction Cluster:			
Work Zone Enforcement	20.205	FWZEE10Z	3,956
Work Zone Enforcement	20.205	FWZEC09Z	13,750
Sutters Mill Bridge	20.205	BRM-7305(613)	73,416
McClay Road Resurfacing	20.205	STP-7305(615)	1,241
Mexico Road Resurfacing Phase II	20.205	STP-5655(611)	444,899
Mexico Road Shared Use Path Bridge	20.205	STP-7305(614)	355,445
Subtotal CFDA 20.205 and Highway Planning and Construction Cluster			<u>892,707</u>
Highway Safety Cluster:			
Hazardous Moving Violations	20.600	17-PT-02-048	<u>27,073</u>
Total Highway Safety Cluster			<u>27,073</u>
Highway Safety Division DWI Enforcement	20.607	17-154-AL-052	<u>27,227</u>
Total U.S. Department of Transportation			<u>947,007</u>
<u>U.S. Department of Homeland Security:</u>			
Passed through Missouri State Emergency Management Agency:			
Disaster Grants	97.036	FEMA-4250-DR-MO	<u>32,340</u>
			<u>\$ 1,332,490</u>

**CITY OF ST. PETERS, MISSOURI**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
SEPTEMBER 30, 2017**

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**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City under programs of the federal government for the fiscal year ended September 30, 2017. The City's reporting entity is defined in Note 1 to the City's financial statements. The information reported in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting which is described in Note 1 to the City's financial statements. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or 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.

**3. Indirect Cost Rate**

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

**4. Insurance**

The City did not have any federal insurance in effect during the fiscal year ended September 30, 2017.

**5. Loans/Loan Guarantees**

The City did not have any loans or loan guarantees outstanding as of September 30, 2017.

**6. Nonmonetary Assistance**

The City did not have any nonmonetary assistance during the fiscal year ended September 30, 2017.

**7. Subrecipients**

The City did not provide federal awards to any subrecipients during the fiscal year ended September 30, 2017.

**CITY OF ST. PETERS, MISSOURI**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SEPTEMBER 30, 2017**

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**1. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:  
Material weakness(es) identified? \_\_\_\_\_ Yes  X  No  
Significant deficiency(ies) identified  
not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None reported

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

**Federal Awards**

Internal control over major programs:  
Material weakness(es) identified? \_\_\_\_\_ Yes  X  No  
Significant deficiency(ies) identified  
not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None reported

Type of auditor's report issued on compliance  
for major programs: Unmodified

Any audit findings disclosed that are required  
to be reported in accordance with  
2 CFR Section 200.516(a)? \_\_\_\_\_ Yes  X  No

Identification of major programs:

**CFDA Number(s)**

**Name of Federal Program or Cluster**

20.205

U.S. Department of Transportation - Highway  
Planning and Construction

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

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

CITY OF ST. PETERS, MISSOURI

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**SEPTEMBER 30, 2017**

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**2. FINANCIAL STATEMENT FINDINGS**

None

**3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**4. FOLLOW-UP OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

None