
CITY OF INDEPENDENCE, MISSOURI
UNIFORM GUIDANCE
SINGLE AUDIT REPORT
JUNE 30, 2021

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

**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 City Council
City of Independence, Missouri

We have audited, in accordance with 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 City of Independence, Missouri (the City) as of and for the year ended June 30, 2021, 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 17, 2021. Our report includes a reference to other auditors who have audited the financial statements of Cable Dahmer Arena included in the Events Center major enterprise fund, as described in our report on the City's financial statements. The financial statements of the Cable Dahmer Arena were not audited in accordance with *Government Auditing Standards*.

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 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 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RubinBrown LLP

December 17, 2021

**Independent Auditors' 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**

The Honorable Mayor and Members
of the City Council
City of Independence, Missouri

Report On Compliance For Each Major Federal Program

We have audited the City of Independence, 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, 2021. 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 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 Major Federal Programs

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, 2021.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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, each major fund and the aggregate remaining fund information of the City as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 17, 2021, which contained unmodified opinions on those financial statements. Our audit report included a reference to other auditors. 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 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 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 financial statements or to the 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 financial statements as a whole.

RubinBrown LLP

December 17, 2021

CITY OF INDEPENDENCE, MISSOURI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program Or Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying/Grant Number	Federal Expenditures	Passed Through To Subrecipients
U.S. Department Of Housing And Urban Development				
Community Development Block Grant	14.218	B14-MC-29-0002	\$ 10,042	\$ —
Community Development Block Grant	14.218	B16-MC-29-0002	19,995	19,995
Community Development Block Grant	14.218	B17-MC-29-0002	18,969	18,969
Community Development Block Grant	14.218	B18-MC-29-0002	209,838	—
Community Development Block Grant	14.218	B19-MC-29-0002	224,726	9,221
Community Development Block Grant	14.218	B20-MC-29-0002	528,324	155,745
Community Development Block Grant	14.218	B20-MW-29-0002	93,878	—
Subtotal			<u>1,105,772</u>	<u>203,930</u>
<i>Passed Through Missouri Department of Economic Development:</i>				
Neighborhood Stabilization Program	14.228	2008-DN-07	305	—
HOME Investment Partnership	14.239	M16-MC-29-0207	86,050	86,050
HOME Investment Partnership	14.239	M17-MC-29-0207	131,662	102,545
HOME Investment Partnership	14.239	M18-MC-29-0207	23,404	—
HOME Investment Partnership	14.239	M19-MC-29-0207	174,847	129,865
Subtotal			<u>415,963</u>	<u>318,460</u>
Total U.S. Department Of Housing And Urban Development			<u>1,522,040</u>	<u>522,390</u>
U.S. Department of Interior				
National Park Service				
<i>Passed Through Mid-America Regional Council</i>				
Mill Creek Trail - Wayfinding & Interpretative Signs	15.935	P18AC00960	9,087	—
<i>Passed Through the Missouri Department of Natural Resources:</i>				
Historic Preservation Grant Fund	15.904	29-19-171413-020	14,696	—
Total U.S. Department The Interior			<u>23,783</u>	<u>—</u>
U.S. Department Of Justice				
2020 Coronavirus Emergency Supplemental Funding	16.034	2020-VD-BX-1560	36,125	—
Improving Criminal Justice Response	16.590	2020-WE-AX-0021	104,455	47,472
<i>Passed Through Jackson County:</i>				
Edward Byrne Memorial Justice Assistance Grant 2019	16.738	2019-H3930-MO-DJ	53,109	—
<i>Passed Through Kansas City</i>				
Edward Byrne Memorial Justice Assistance Grant 2018	16.738	2018-DJ-BX-0180	40,104	—
Edward Byrne Memorial Justice Assistance Grant 2020	16.738	2020-DJ-BX-0522	43,879	—
Subtotal			<u>137,092</u>	<u>—</u>
Equitable Sharing Program	16.922	N/A	94,869	—
Total U.S. Department Of Justice			<u>372,541</u>	<u>47,472</u>
U.S. Department of Transportation				
Federal Highway Administration				
<i>Passed Through the Missouri Department of Transportation, Highway Planning and Construction Cluster:</i>				
Bly Road Bridge	20.205	BRO-B048 (052)	30,493	—
Mill Creek Trail Extension	20.205	TAP 3379 (439)	67,544	—
Subtotal			<u>98,037</u>	<u>—</u>

CITY OF INDEPENDENCE, MISSOURI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)* For The Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program Or Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying/Grant Number	Federal Expenditures	Passed Through To Subrecipients
<i>Passed Through Kansas City Area Transportation Authority</i>				
<i>Federal Transit Cluster:</i>				
Urbanized Area Formula Program - 49 USC 5307	20.507	MO-2017-018-01	\$ 301,316	\$ —
Urbanized Area Formula Program - CARES Act - COVID-19	20.507	MO-2020-017	616,158	—
Subtotal			917,474	—
<i>National Highway Transportation Safety Administration,</i>				
<i>Passed Through the Missouri Department of</i>				
<i>Transportation's Division of Highway Safety</i>				
<i>Highway Safety Cluster:</i>				
Hazardous Moving Violations Program	20.600	20-PT-02-016	37,846	—
Hazardous Moving Violations Program	20.600	21-PT-02-035	58,287	—
Red Light Running and Aggressive Driving Enforcement	20.600	20-PT-02-016	3,454	—
Red Light Running and Aggressive Driving Enforcement	20.600	21-PT-02-035	7,229	—
I-70 Aggressive Driving Enforcement Project	20.600	20-PT-02-016	10,395	—
I-70 Aggressive Driving Enforcement Project	20.600	21-PT-02-035	17,878	—
Subtotal			135,089	—
<i>Passed Through University of Central Missouri:</i>				
Statewide Traffic Enforcement Program - Click It or Ticket	20.616	21-M2HVE-05-034	1,462	—
Statewide Traffic Enforcement Program - Child Passenger Safety	20.616	20-M2HVE-05-030	618	—
Subtotal			2,080	—
<i>Passed Through the Missouri Department of</i>				
<i>Transportation's Division of Highway Safety:</i>				
Drug Recognition Expert Training	20.616	20-M5HVE-03-001	635	—
Occupant Protection Program	20.616	20-M2HVE-05-009	14,986	—
Occupant Protection Program	20.616	21-M2HVE-05-004	33,015	—
Police E-Ticketing	20.616	20-M3DA-04-008	64,772	—
Subtotal			113,408	—
Subtotal 20.616			115,488	—
Subtotal Highway Safety Cluster			250,577	—
<i>Passed Through the Missouri Department of</i>				
<i>Transportation's Division of Highway Safety</i>				
DWI Enforcement	20.607	20-154-AL-106	90,918	—
DWI Enforcement	20.607	21-154-AL-039	311,838	—
Youth Alcohol Enforcement	20.607	20-154-AL-106	43,732	—
Youth Alcohol Enforcement	20.607	21-154-AL-039	74,249	—
Subtotal			520,737	—
<i>Passed Through University of Central Missouri</i>				
Statewide Traffic Enforcement Program - July 4th DWI Enforcement	20.607	20-154-AL-017	4,999	—
Statewide Traffic Enforcement Program - Drive Sober or Get Pulled Over	20.607	20-154-AL-017	4,292	—
Statewide Traffic Enforcement Program - Holiday DWI Enforcement	20.607	21-154-AL-037	4,984	—
Statewide Traffic Enforcement Program - St Patrick's Day DWI Enforcement	20.607	21-154-AL-037	5,000	—
Statewide Traffic Enforcement Program - Youth Alcohol Enforcement	20.607	21-154-AL-037	4,974	—
Subtotal			24,249	—
Subtotal 20.607			544,986	—
<i>Passed Through Kansas City Area Transportation Authority</i>				
Independence Transit Stop	20.932	MO-2017-039-00	107,716	—
Total U.S. Department Of Transportation			1,918,790	—

CITY OF INDEPENDENCE, MISSOURI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)* For The Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program Or Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying/Grant Number	Federal Expenditures	Passed Through To Subrecipients
U.S. Department of Treasury				
<i>Passed Through Jackson County:</i>				
Coronavirus Relief Fund (CARES Act) - COVID-19	21.019	NA	\$ 6,953,474	\$ —
<i>Passed Through the Missouri Department of Economic Development:</i>				
CARES ACT - Show Me Strong Destination Marketing - COVID-19	21.019	21-01-032-25	1,011,069	—
CARES ACT - Show Me Strong Destination Marketing - COVID-19	21.019	21-01-012-25	55,985	—
Total U.S. Department Of Treasury			8,020,528	—
U.S. Federal Communications Commission				
ERATE Program for School District	32.004	N/A	370,656	—
Total U.S. Federal Communications Commission			370,656	—
U.S. Department Of Health And Human Services				
<i>Passed Through the National Association of County and City Health Officials:</i>				
COVID - Medical Reserve Corps - COVID-19	93.008	MRC COVID 20-0124	1,134	—
<i>Administration on Aging</i>				
<i>Passed Through the Mid America Regional Council:</i>				
Administration on Aging, Senior Nutrition Site	93.045	19-2961014-CI	85,023	—
<i>Administration on Aging</i>				
<i>Passed Through the Mid America Regional Council:</i>				
Senior Medicaid Assessments	93.778	19-2961014-CI	2,340	—
Senior Workshops	93.778	19-2961014-CI	6,060	—
Subtotal			8,400	—
<i>Administration for Children and Families</i>				
<i>Passed Through the Missouri Department of Health and Senior Services:</i>				
Child Care Sanitation Program Inspections	93.575	ERS220-17118	1,750	—
Child Care Sanitation Program Inspections	93.575	ERS220-20118	3,370	—
Subtotal			5,120	—
<i>Passed Through the Missouri Department of Health and Senior Services:</i>				
Maternal & Child Health Services	93.994	AOC15380116	31,838	—
Total U.S. Department Of Health And Human Services			131,515	—
Executive Office Of The President				
<i>Office of National Drug Control Policy, High Intensity</i>				
<i>Passed Through the Kansas Bureau of Investigation</i>				
Midwest High Intensity Drug Trafficking Area Task Force	95.001	G20MW0003A	57,815	—
Midwest High Intensity Drug Trafficking Area Task Force	95.001	G21MW0003A	108,096	—
Midwest High Intensity Drug Trafficking Area - Investigative Support Center Initiative	95.001	G20MW0003A	143,580	—
Total Executive Office Of The President			309,491	—
U.S. Department Of Homeland Security				
<i>Passed Through the State Emergency Management Agency:</i>				
Emergency Management Assistance	97.042	EMK-2020-EP-00004-51	45,968	—
Emergency Management Assistance	97.042	EMK-2020-EP-00004-51	72,808	—
Emergency Management Performance Grant	97.042	EMK-2019-EP-00001-SL34	3,436	—
Total Department Of Homeland Security			122,212	—
Total Expenditures Of Federal Awards			\$ 12,791,556	\$ 569,862

CITY OF INDEPENDENCE, MISSOURI

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2021

1. Basis Of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Independence, Missouri (the City) for the year ended June 30, 2021. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule of expenditures of federal awards. The information presented in this schedule is in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

2. Significant Accounting Policies

Expenditures of federal awards are recognized under the modified 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* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business.

3. Indirect Cost Rate

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

CITY OF INDEPENDENCE, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2021

Section I - Summary Of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes x no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ___ 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 that are not considered to be material weakness(es)? ___ yes x none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

___ yes x no

Identification of major programs:

<u>Name Of Federal Program Or Cluster</u>	<u>Federal Assistance Listing No.</u>
U.S. Department Of Transportation	
Federal Transit Cluster - Formula Grants (Urbanized Area Formula Program) (Includes COVID-19)	20.507
U.S. Department Of Treasury	
Coronavirus Relief Fund - COVID-19	21.019

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 INDEPENDENCE, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)
June 30, 2021

Section II - Financial Statement Findings

NONE

Section III - Federal Award Findings And Questioned Costs

NONE

CITY OF INDEPENDENCE, MISSOURI

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For The Year Ended June 30, 2021

Finding No.	Federal Assistance Listing No.	Program	Condition	Current Year Status
2020-001	14.218	Community Development Block Grants/Entitlement Grants	In our non-statistically valid sample, we noted in one instance of the two tested where the City submitted the SF-425 report (or its equivalent) 4 days past the deadline. We noted one instance of the one tested where the City did not submit (through the date of this audit report) the annual CAPER report, which includes the PR03 and the PR26 report. We noted one instance of the one tested that the HUD 60002 report was 147 days past the deadline.	Corrective Action Taken
2020-002	14.218	Community Development Block Grants/Entitlement Grants	In our non-statistically valid sample, we noted in one instance of the one annual 60002 form tested where the City included the total dollar amount of construction contracts awarded as \$651,221.62 in the section "Part II: Contracts Awarded", line "Total dollar amount of construction contracts awarded". The City provided support for awards made from the City's disbursements of \$610,000, which is \$41,221.62 less than the amount included in the previously noted line item. HUD identifies this line as a "Key Line Item" in the report.	Corrective Action Taken