

ST. LOUIS COUNTY, MISSOURI

OMB Circular A-133 Single Audit Report

Year ended December 31, 2014

ST. LOUIS COUNTY, MISSOURI

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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**

To Honorable Members
St. Louis County Council
St. Louis County, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Louis County, Missouri, as of and for the year ended December 31, 2014, and the related notes to the financial statements which collectively comprise St. Louis County, Missouri's basic financial statements and have issued our report thereon dated June 24, 2015. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units, as described in our report on St. Louis County, Missouri's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Productive Living Board for St. Louis County Citizens with Developmental Disabilities discretely presented component unit 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 St. Louis County, Missouri'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 St. Louis County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Louis County, Missouri'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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2014-01 and 2014-02 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Louis County, Missouri's financial statements are free of 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 test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

St. Louis County, Missouri's Response to Findings

St. Louis County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. St. Louis County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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.

Kerber, Eck & Brachel LLP

St. Louis, Missouri
June 24, 2015



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

To Honorable Members
St. Louis County Council
St. Louis County, Missouri

Report on Compliance for Each Major Program

We have audited St. Louis County, Missouri's compliance with the types of compliance requirements described in OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of St. Louis County, Missouri's major federal programs for the year ended December 31, 2014. The County'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 requirements of laws, regulations, contracts and grants applicable its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of St. Louis County, Missouri'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 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 St. Louis County, Missouri'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 St. Louis County, Missouri's compliance.

Opinion on Each Major Federal Programs

In our opinion, St. Louis County, 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 December 31, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014-03 through 2014-08. Our opinion on each major federal program is not modified with respect to these matters.

St. Louis County, Missouri's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. St. Louis County, Missouri'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 St. Louis County, Missouri 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 St. Louis County, Missouri'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 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 St. Louis County, Missouri'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 the attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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 considered to be material weaknesses. However, we identified certain deficiencies in internal control over compliance as described in the

accompanying schedule of findings and questioned costs as items 2014-03 through 2014-08 that we consider to be significant deficiencies.

St. Louis County, Missouri's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. St. Louis County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Louis County, Missouri as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise St. Louis County, Missouri's basic financial statements. We issued our report thereon dated June 24, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming our 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 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 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 basic financial statements as a whole.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
September 9, 2015
Except for paragraph 13,
which is as of June 24, 2015

ST. LOUIS COUNTY, MISSOURI
Schedule of Expenditures of Federal Awards
December 31, 2014

Federal Grantor/Federal Financial Assistance Program/Program Cluster Title	Pass Through Grantor	St. Louis County, Missouri Program Title	Contract/ Grant Number	Federal CFDA Number	FY 14 Federal Expenditures
United States Department of Agriculture					
Child Nutrition Cluster					
School Breakfast Program		School Breakfast Program	29-189-20137-00-2 29-189-51242-00-9	10.553 10.553	\$ 25,598 19,242 <u>44,840</u>
National School Lunch Program		National School Lunch Program	29-189-20137-00-2 29-189-51242-00-9	10.555 10.555	40,437 36,867 <u>77,304</u>
Special Milk Program for Children	Missouri Department of Elementary and Secondary Education	Special Milk Program for Children	820-003	10.556	<u>66,550</u> 66,550
Summer Food Service Program for Children	Missouri Department of Health Missouri Department of Health	Summer Food Service Health Inspections Summer Food Service Program,2014	ERS219-14104i 3MO300305-14	10.559 10.559	6,600 55,866 <u>62,466</u>
Total Child Nutrition Cluster					<u>251,160</u>
Special Supplemental Nutrition Program for Women, Infants, and Children	Missouri Department of Health Missouri Department of Health Missouri Department of Health Missouri Department of Health	WIC Suppl. Food Program-9/13 WIC Suppl. Food Program-9/14 WIC Suppl. Food Program-9/15 WIC Suppl. Food Voucher Program	ERS045-13197 ERS045-14197 ERS04515084 ERS04515084	10.557 10.557 10.557 10.557	7,287 1,141,360 333,890 6,439,042 <u>7,921,579</u>
Child and Adult Care Food Program	Missouri Department of Health	Child and Adult Care Food Program-Weinman Shelter	ERS46112480	10.558	<u>13,419</u> 13,419
Team Nutrition Grants	Missouri Department of Health	School Wellness Evaluation Project-3/14	DH130012004	10.574	<u>4</u> 4
Total United States Department of Agriculture					<u>8,186,162</u>
United States Department of Housing and Urban Development					
Community Development Block Grant/Entitlement Grants		CD Phase XXXIII CD Phase XXXIV CD Phase XXXV CD Phase XXXVI CD Phase XXXVII CD Phase XXXVIII CD Phase XXXIX CD Phase XXXX Federal Neighborhood Stabilization Program-2011	B-07-UC-29-0001 B-08-UC-29-0001 B-09-UC-29-0001 B-10-UC-29-0001 B-11-UC-29-0001 B-12-UC-29-0001 B-13-UC-29-0001 B-14-UC-29-0001 B-11-UN-29-001	14.218 14.218 14.218 14.218 14.218 14.218 14.218 14.218 14.218	1,642 593,597 76,390 165,053 220,889 465,911 2,953,956 829,259 662,890 <u>5,969,587</u>

ST. LOUIS COUNTY, MISSOURI
Schedule of Expenditures of Federal Awards
December 31, 2014

Federal Grantor/Federal Financial Assistance Program/Program Cluster Title	Pass Through Grantor	St. Louis County, Missouri Program Title	Contract/ Grant Number	Federal CFDA Number	FY 14 Federal Expenditures
Community Development Block Grant-State-Administered Small Cities Program Cluster	Missouri Department of Economic Development	MO Neighborhood Stabilization Program-2009	2008-DN-18,2008-DN-306	14.228	40,034
	Missouri Department of Economic Development	MO Neighborhood Stabilization Program-2011	2011-DN-04	14.228	173,306
	Missouri Department of Economic Development	Closed Fenton Chrysler Plant Planning Strategy	2008-DI-44	14.228	30,000
	Missouri Department of Economic Development	Wellston Developmental Child Care Center	2008-DI-16	14.228	1,064,983
	Missouri Department of Economic Development	Lemay Streetscape Improvement Project	2008-DI-85	14.228	113,851
	Missouri Department of Economic Development	Rehabilitate Girls Inc. facility in North St. Louis County-11/15	2008-DI-102	14.228	512,500
					<u>1,934,674</u>
Emergency Shelter Grants Program	-----	CD Emergency Shelter 2011,2012	S-11-UC-29-0001,S-12-UC-29-0001	14.231	27,169
	-----	CD Emergency Shelter 2013	S-13-UC-29-0001	14.231	32,748
	Missouri Housing Development Commission	CD MO Emergency Shelter=3/14	ESG 13-746-E	14.231	34,805
					<u>94,722</u>
Supportive Housing Program	-----	HUD/Supportive Housing Program 2011	MO0003B7E001002,MO0143B7E001000	14.235	192,162
	-----	HUD/Supportive Housing Program 2014	M00005L7E001203,M00106L7E001203,M0003L7E001204	14.235	544,911
					<u>737,073</u>
HOME Investment Partnership Program	-----	CD Home Investment Partnership Program-2010	M-10-DC-29-0200	14.239	63,910
	-----	CD Home Investment Partnership Program-2011	M-11-DC-29-0200	14.239	1,014,677
	-----	CD Home Investment Partnership Program-2012	M-12-DC-29-0200	14.239	776,395
	-----	CD Home Investment Partnership Program-2013	M-13-DC-29-0200	14.239	1,299,876
	-----	CD Home Investment Partnership Program-2014	M-14-DC-29-0200	14.239	194,174
					<u>3,349,032</u>
Sustainable Communities Regional Planning Grant Program	East-West Gateway Council of Governments	Sustainable Communities Regional Planning Grant	EWG 2011-1	14.703	546
					<u>546</u>
Choice Neighborhoods Implementation Grants	Office of Public Housing Investments and Office of Multifamily Housing	HUD Choice Neighborhoods Initiative-Wellston-12/15	M07E517CNP113	14.889	220,977
					<u>220,977</u>
Lead-Based Paint Hazard Control in Privately-Owned Housing	-----	Lead Based Paint Grant-2012	MOLHB0474-10	14.900	515,478
	-----	Lead Based Paint Grant-2017	MOLHB0579-14	14.900	22,088
					<u>537,566</u>
Total United States Department of Housing and Urban Development					<u>12,844,177</u>
United States Department of Interior					
National Park Service	-----	USFWL Queeny Habitat Restoration-12/15	MOPLO-F14AC01	15.631	2,999
					<u>2,999</u>
Natural Resource Damage Assessment, Restoration and Implementation	-----	Planting native prairie grasses and wildflowers at Lone Elk	30181AJ311	15.658	1,118
	-----	Restore and manage native habitat at George Winter Park and Buder Park	30181AJ286	15.658	14,370
					<u>15,488</u>
Outdoor Recreation,Acquisition,Development and Planning	Missouri Department of Natural Resources	LWCF-Bon Oak Park Playground Replacement-6/13	29-01565	15.916	5,903
					<u>5,903</u>
Total United States Department of Interior					<u>24,390</u>

ST. LOUIS COUNTY, MISSOURI
 Schedule of Expenditures of Federal Awards
 December 31, 2014

Federal Grantor/Federal Financial Assistance Program/Program Cluster Title	Pass Through Grantor	St. Louis County, Missouri Program Title	Contract/ Grant Number	Federal CFDA Number	FY 14 Federal Expenditures
United States Department of Justice					
Services for Trafficking Victims		DOJ Anti-Human Trafficking-2013	2013-VT-BX-K008	16.320	114,344
					<u>114,344</u>
Juvenile Accountability Block Grants	Missouri Department of Public Safety	Juvenile Accountability Incentive-06/15	2011-JABG-LG-009,2012-JABG-LG-003	16.523	52,218
					<u>52,218</u>
Crime Victim Assistance	Missouri Department of Public Safety	Victims of Crime Act-Weinman Shelter,2014	2013-VOCA-014-STL	16.575	73,609
					<u>73,609</u>
Violence Against Women Formula Grants	Missouri Department of Public Safety	STOP Domestic Violence Against Women-12/15	2013-VAWA-001-STL	16.588	45,997
	Missouri Department of Public Safety	Stop Violence Against Women-12/11	2010-VAWA-0049-STL	16.588	9,358
	Missouri Department of Public Safety	Stop Violence Against Women-12/15	2012-VAWA-033-STL	16.588	26,508
	Missouri Department of Public Safety	STOP Domestic Violence Against Women-12/13	2009-VAWA-02R-STL	16.588	13,668
	Missouri Department of Public Safety	STOP Domestic Violence Against Women-12/14	2011-VAWA-027-STL	16.588	143,768
					<u>239,299</u>
Residential Substance Abuse Treatment for State Prisoners	Missouri Department of Public Safety	Choices,Drug and Alcohol Treatment-6/14	2010-RSAT-004	16.593	66,616
	Missouri Department of Public Safety	Choices,Drug and Alcohol Treatment-6/15	2011-RSAT-002	16.593	60,211
					<u>126,827</u>
Enforcing Underage Drinking Laws Program	Missouri Department of Public Safety	Underage Drinking Enforcement-9/14	2014-EUDL-17	16.727	400
					<u>400</u>
Edward Byrne Memorial Justice Assistance Grant Program	Missouri Department of Public Safety	DOJ-JAG-Mobile Data Terminals-09/14	2011-DJ-BX-2430	16.738	306
	Missouri Department of Public Safety	Drug Task Force MJTF-6/14	2012-JAG-023	16.738	17,490
	Missouri Department of Public Safety	Drug Task Force MJTF-6/15	2013-JAG-024	16.738	87,377
					<u>105,173</u>
DNA Backlog Reduction Program		DNA Backlog Reduction Program-3/14	2012-DN-BX-0005	16.741	1,420
		DNA Backlog Reduction Program-3/15	2013-DN-BX-0006	16.741	189,046
					<u>190,466</u>
Federal Asset Sharing		Federal Asset Sharing-Justice Department	M00950000	16.922	442,660
					<u>442,660</u>
Total United States Department of Justice					<u>1,344,996</u>
United States Department of Labor					
Workforce Investment Act (WIA) Cluster					
WIA Adult Program	Missouri Department of Economic Development	WIA Title 1B-Adult PY11/FY12	10-13-13-12	17.258	2,742
	Missouri Department of Economic Development	WIA Title 1B-Adult PY12,FY13	10-13-13-13	17.258	13,418
	Missouri Department of Economic Development	WIA Title 1B-Adult PY13,FY14	10-13-13-14	17.258	1,095,030
	Missouri Department of Economic Development	WIA Title 1B-Adult PY14,FY15	10-13-13-15	17.258	135,653
					<u>1,246,843</u>
WIA Youth Activities	Missouri Department of Economic Development	WIA Title 1B-Youth PY12	10-13-13-13	17.259	29
	Missouri Department of Economic Development	WIA Title 1B-Youth PY13	10-13-13-14	17.259	1,368,495
	Missouri Department of Economic Development	WIA Title 1B-Youth PY14,FY15	10-13-13-15	17.259	695,276
					<u>2,063,800</u>
WIA Dislocated Workers	Missouri Department of Economic Development	WIA Title 1B-Dislocated Worker-PY12,FY13	10-13-13-13	17.278	423,383
	Missouri Department of Economic Development	WIA Title 1B-Dislocated Worker-PY13,FY14	10-13-13-14	17.278	1,152,868
	Missouri Department of Economic Development	WIA Title 1B-Dislocated Worker-PY14,FY15	10-13-13-15	17.278	45,310
	Missouri Department of Economic Development	WIA 25% Rapid Response Individual Training Accounts	99-13-13-13	17.278	74,536
	Missouri Department of Economic Development	WIA Title1-B -25% Rapid Response Show-Me-Heroes On the Job Training PY12	99-13-13-13	17.278	2,000
					<u>1,698,097</u>
Total Workforce Investment Act (WIA) Cluster					<u>5,008,740</u>

ST. LOUIS COUNTY, MISSOURI
 Schedule of Expenditures of Federal Awards
 December 31, 2014

Federal Grantor/Federal Financial Assistance Program/Program Cluster Title	Pass Through Grantor	St. Louis County, Missouri Program Title	Contract/ Grant Number	Federal CFDA Number	FY 14 Federal Expenditures
Workforce Investment Act (WIA) National Emergency Grants	Missouri Department of Economic Development	WIA Title 1-D NEG On-the-Job Training PY12	EM-20525-10-60-A-29	17,277	10,286
	Missouri Department of Economic Development	WIA Title 1-D NEG Hostess-Dual Enrollment FY13	25-13-13-11	17,277	4,686
					<u>14,972</u>
Total United States Department of Labor					<u>5,023,712</u>
United States Department of Transportation					
Airport Improvement Program	Missouri Department of Highway and Transportation	Wildlife Hazard Assessment	AIR 13-113A-1	20,106	4,194
	Missouri Department of Highway and Transportation	Replace North Airfield Signage	AIR 14-113A-2	20,106	22,325
					<u>26,519</u>
Highway Planning and Construction	Missouri Department of Highway and Transportation	Highway Planning and Construction	BRM-4901(616)-1237	20,205	43,816
	Missouri Department of Highway and Transportation	Highway Planning and Construction	BRM-5401(692)-1288	20,205	4,599
	Missouri Department of Highway and Transportation	Highway Planning and Construction	BRM-5401(697)-1277	20,205	50,725
	Missouri Department of Highway and Transportation	Highway Planning and Construction	BRM-5572(602)-1452	20,205	5,376
	Missouri Department of Highway and Transportation	Highway Planning and Construction	BRM-B096(2)-1286	20,205	27,861
	Missouri Department of Highway and Transportation	Highway Planning and Construction	BRO-B096(001)-1287	20,205	18,596
	Missouri Department of Highway and Transportation	Highway Planning and Construction	CMAQ-5401(648)-1403	20,205	82,308
	Missouri Department of Highway and Transportation	Highway Planning and Construction	CMAQ-5401(650)-1321	20,205	1,861
	Missouri Department of Highway and Transportation	Highway Planning and Construction	CMAQ-5401(651)-1231	20,205	9,249
	Missouri Department of Highway and Transportation	Highway Planning and Construction	CMAQ-5401(685)-1453	20,205	6,145
	Missouri Department of Highway and Transportation	Highway Planning and Construction	CMAQ-5401(686)-1454	20,205	3,788
	Missouri Department of Highway and Transportation	Highway Planning and Construction	DP-4991(603)-1181	20,205	5,715
	Missouri Department of Highway and Transportation	Highway Planning and Construction	DP-5613(602)-1132	20,205	69,692
	Missouri Department of Highway and Transportation	Highway Planning and Construction	STP-4900(621)-1212	20,205	10,000
	Missouri Department of Highway and Transportation	Highway Planning and Construction	STP-4900(622)-1212	20,205	1,260,387
	Missouri Department of Highway and Transportation	Highway Planning and Construction	STP-4901(625)-1409	20,205	24,738
	Missouri Department of Highway and Transportation	Highway Planning and Construction	STP-4901(619)-1268	20,205	188,128
	Missouri Department of Highway and Transportation	Highway Planning and Construction	STP-4901(622)-1392	20,205	565,897
	Missouri Department of Highway and Transportation	Highway Planning and Construction	STP-4901(624)-1393	20,205	135,486
	Missouri Department of Highway and Transportation	Highway Planning and Construction	STP-4901(624)-1397	20,205	49,302
	Missouri Department of Highway and Transportation	Highway Planning and Construction	STP-4901(626)-1393	20,205	600,678
	Missouri Department of Highway and Transportation	Highway Planning and Construction	STP-4901(629)-1325	20,205	571,510
	Missouri Department of Highway and Transportation	Highway Planning and Construction	STP-4901(630)-1327	20,205	27,865
	Missouri Department of Highway and Transportation	Highway Planning and Construction	STP-4901(633)-1396	20,205	35,895
	Missouri Department of Highway and Transportation	Highway Planning and Construction	STP-4901(634)-1398	20,205	796,199
	Missouri Department of Highway and Transportation	Highway Planning and Construction	STP-4901(635)-1388	20,205	11,490
	Missouri Department of Highway and Transportation	Highway Planning and Construction	STP-5401(634)-1309	20,205	1,243,221
	Missouri Department of Highway and Transportation	Highway Planning and Construction	STP-5401(691)-1434	20,205	22,262
	Missouri Department of Highway and Transportation	Highway Planning and Construction	STP-5401(693)-1424	20,205	40,824
	Missouri Department of Highway and Transportation	Highway Planning and Construction	STP-5401(694)-1450	20,205	9,840
	Missouri Department of Highway and Transportation	Highway Planning and Construction	STP-5410(609)-1213	20,205	10,000
	Missouri Department of Highway and Transportation	Highway Planning and Construction	STP-5513(609)-1261	20,205	113,800
	Missouri Department of Highway and Transportation	Highway Planning and Construction	STP-5574(604)-1133	20,205	114,799
Missouri Department of Highway and Transportation	Highway Planning and Construction	STP-5613(603)-1436	20,205	24,761	
Highway Planning and Construction	South County Economic Improvement Corporation	I-255 and Telegraph Landscape Improvements	DP-5503(604)	20,205	8,716
					<u>6,195,529</u>
Highway Safety Cluster					
State and Community Highway Safety	Missouri Department of Highway and Transportation	Highway Safety Team-9/14	14-PT-02-101	20,600	201,046
	Missouri Department of Highway and Transportation	Highway Safety Team-9/15	15-PT-02-082	20,600	344
	Missouri Department of Highway and Transportation	MODOT-Occupant Protection Enforcement-09/14	14-OP-05-027	20,600	13,401
					<u>214,791</u>
Alcohol Impaired Driving Countermeasures Incentive Grants	Missouri Department of Highway and Transportation	MODOT Sobriety Checkpoint-9/14	14-K8-03-088	20,601	14,410
					<u>14,410</u>

ST. LOUIS COUNTY, MISSOURI
 Schedule of Expenditures of Federal Awards
 December 31, 2014

Federal Grantor/Federal Financial Assistance Program/Program Cluster Title	Pass Through Grantor	St. Louis County, Missouri Program Title	Contract/ Grant Number	Federal CFDA Number	FY 14 Federal Expenditures
Total Highway Safety Cluster					<u>229,201</u>
Total United States Department of Transportation					<u>6,451,249</u>
United States Department of the Treasury					
Federal Asset Sharing		Federal Asset Sharing-Treasury Department	M00950000	21.000	<u>133,080</u> <u>133,080</u>
Total United States Department of the Treasury					<u>133,080</u>
United States Environmental Protection Agency					
Air Pollution Control Program Support	Missouri Department of Natural Resources	Public Drinking Water Program-6/14	AOC8000018	66.001	<u>351,381</u> <u>351,381</u>
Special Purpose Activities relating to the Clean Air Act		Community Based Asthma Care-9/14	97738101	66.034	<u>14,591</u> <u>14,591</u>
Total United States Environmental Protection Agency					<u>365,972</u>
Federal Election Commission					
Help America Vote Act Requirements Payments	Office of the Secretary of State, State of Missouri	2014 HAVA Operations		90.401	<u>28,514</u> <u>28,514</u>
Total Federal Election Commission					<u>28,514</u>
United States Department of Health and Human Services					
Medical Reserve Corps Small Grant Program	Officials	NACCHO Capacity Building-7/08	1 MRCSG061001-02	93.008	<u>421</u> <u>421</u>
Public Health Emergency Preparedness	Missouri Department of Health	Emergency Planning & Preparedness-6/14	AOC12380138	93.069	<u>269,344</u> <u>269,344</u>
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Missouri Department of Health	Emergency Planning & Preparedness-6/14	AOC12380138	93.074	83,650
	Missouri Department of Health	Emergency Planning & Preparedness-6/15	AOC15380005	93.074	134,536
	Missouri Department of Health	Emergency Planning & Preparedness (Cities Readiness Initiative)-6/15	AOC15380002	93.074	<u>97,415</u> <u>315,601</u>
Food and Drug Administration-Research	National Association of County and City Health Officials	FDA Voluntary National Retail Food Regulatory Program Standards-Mentor Program-8/13	2013-020411	93.103	1,282
		FDA Voluntary National Retail Food Regulatory Program Standards	G-SP-1402-01025	93.103	<u>3,000</u> <u>4,282</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	Missouri Department of Health	Tuberculosis Outreach-12/13	AOC11380140	93.116	2,451
	Missouri Department of Health	Tuberculosis Outreach-12/14	AOC14380060	93.116	66,260
	Missouri Department of Health	Tuberculosis Outreach-12/15	AOC14380060	93.116	<u>1,023</u> <u>69,734</u>

ST. LOUIS COUNTY, MISSOURI
 Schedule of Expenditures of Federal Awards
 December 31, 2014

Federal Grantor/Federal Financial Assistance Program/Program Cluster Title	Pass Through Grantor	St. Louis County, Missouri Program Title	Contract/ Grant Number	Federal CFDA Number	FY 14 Federal Expenditures
Family Planning Services	Missouri Family Health Council	Family Planning 3/14	13-14	93,217	7,199
	Missouri Family Health Council	Family Planning 3/15	14-15	93,217	145,941
					<u>153,140</u>
Consolidated Health Centers	Grace Hill Health Centers, Inc.	Health Care Homeless-Grace Hill	H80CS00415	93,224	30,250
					<u>30,250</u>
Immunization Grants	Missouri Department of Health	STD Program-12/13	AOC012380091	93,268	2,747
	Missouri Department of Health	STD Program-12/14	AOC14380065	93,268	47,734
	Missouri Department of Health	STD Program-12/15	AOC14380065	93,268	787
					<u>51,268</u>
Center for Disease Control and Prevention	Missouri Department of Health	Children with Special Health Care Needs-6/14	ERS04413008	93,283	23,558
					<u>23,558</u>
Temporary Assistance for Needy Families	Better Family Life	Better Family Life-Integrated Family Services /TANF-9/12	-----	93,558	17,140
	Better Family Life	Better Family Life-Integrated Family Services /TANF-9/13	-----	93,558	37,719
	Better Family Life	Better Family Life-Integrated Family Services /TANF-9/14	-----	93,558	11,615
	Better Family Life	Better Family Life-Integrated Family Services /TANF-9/15	-----	93,558	65,345
Total Temporary Assistance for Needy Families Cluster					<u>131,819</u>
Child Support Enforcement	Missouri Department of Social Services	Child Support Enforcement FY-14	1404M04004	93,563	1,083,505
					<u>1,083,505</u>
Child Care Health Cluster					
Child Care and Development Block Grant	Missouri Department of Health	Child Care Health Consult Program-9/15	PGA067- 6197C,AOC06380273,DH090004107,DH1 20007086	93,575	6,290
	Missouri Department of Health	Local Sanitation Inspections for Child Care Facilities	ERS220-11105,ERS220-13092,ERS22014092	93,575	62,790
Total Child Care Health Cluster					<u>69,080</u>
State Court Improvement Program	Office Of State Courts Administrator	OSCA-Domestic Violence Program-6/14	OSCA 14-002-07	93,586	6,400
					<u>6,400</u>
Social Services Block Grant	Missouri Department of Social Services	Reception and Diagnostic Services-06/11	AOCO4380106	93,667	67,057
	Missouri Department of Social Services	Juvenile Court Diversion Program-6/14	ERS172-388	93,667	177,918
	Missouri Department of Social Services	Juvenile Court Diversion Program-6/15	ERS172-388	93,667	183,946
					<u>428,921</u>
Family Violence Prevention and Services Grants for Battered Women's Shelters-Grants to States and Indian Tribes	Missouri Department of Social Services	Domestic Violence Shelter-Weinman Shelter 6/14 (federal portion)	SDA396121065	93,671	13,624
	Missouri Department of Social Services	Domestic Violence Shelter-Weinman Shelter 6/15 (federal portion)	SDA396121065	93,671	7,168
					<u>20,792</u>
Children's Health Insurance Program	Missouri Department of Health	Children's Health Insurance Program Health Services Initiative (CHIP)	AOC12380325	93,767	698,530
					<u>698,530</u>
Medical Assistance Program	Missouri Department of Health	Children with Special Health Care Needs-6/14	ERS04413008	93,778	6,127
	Missouri Department of Health	Children with Special Health Care Needs-6/15	ERS04413008	93,778	8,122
					<u>14,249</u>
Preventive Health Services-Sexually Transmitted Diseases Research	Washington University	Wash U. STD/HIV Prevent Training-8/14	5 U62 PS003291-03	93,941	6,930
					<u>6,930</u>

ST. LOUIS COUNTY, MISSOURI
Schedule of Expenditures of Federal Awards
December 31, 2014

Federal Grantor/Federal Financial Assistance Program/Program Cluster Title	Pass Through Grantor	St. Louis County, Missouri Program Title	Contract/ Grant Number	Federal CFDA Number	FY 14 Federal Expenditures
Preventive Health Services-Sexually Transmitted Diseases Control Grants	Missouri Department of Health	STD Program-12/14	AOC15380046	93.977	147,270
	Missouri Department of Health	STD Program-12/15	AOC15380046	93.977	2,685
					<u>149,955</u>
Maternal and Child Health Services Block Grant to the States	Missouri Department of Health	Maternal Child Health Program-9/13	AOC13380105	93.994	7,109
	Missouri Department of Health	Maternal Child Health Program-9/14	AOC12380091	93.994	109,560
	Missouri Department of Health	Maternal Child Health Program-9/15	AOC15380108	93.994	44,072
	Missouri Department of Health	Mo. Comm. Home Visiting Program-9/14	AOC14380038	93.994	140,456
	Missouri Department of Health	Mo. Comm. Home Visiting Program-9/15	AOC15380029	93.994	12,736
	Missouri Department of Health	Nurse Family Partnership-9/15	AOC11380067	93.994	637
	Missouri Department of Health	Nurse Family Partnership-9/14	AOC11380067	93.994	335,374
	Missouri Department of Health	Nurse Family Partnership-9/15	AOC11380067	93.994	80,628
	Missouri Department of Health	Children with Special Health Care Needs-6/15	ERS04413008	93.994	31,230
					<u>761,802</u>
Total United States Department of Health and Human Services					<u>4,289,581</u>
Executive Office of the President					
High Intensity Drug Trafficking Areas Program	Missouri Department of Public Safety	HIDTA Wire Intercept-12/14	G13MW0001A	95.001	40,923
	Missouri Department of Public Safety	HIDTA Wire Intercept-12/15	G14MW0001A	95.001	122,911
	Missouri Department of Public Safety	HIDTA DEA Intelligence Group-12/14	G13MW0001A	95.001	3,674
	Missouri Department of Public Safety	HIDTA DEA Intelligence Group-12/15	G14MW0001A	95.001	98,385
	Missouri Department of Public Safety	HIDTA Violent Traffickers Task Force-12/14	G13MW0001A	95.001	51,603
	Missouri Department of Public Safety	HIDTA Multi-Jurisdictional Drug Enforcement Task Force-12/15	G14MW0001A-P	95.001	125,009
	Missouri Department of Public Safety	HIDTA STL Major Investigation Group-12/14	G13MW0001A	95.001	909
	Missouri Department of Public Safety	HIDTA STL Major Investigation Group-12/15	G14MW0001A	95.001	3,600
	Missouri Department of Public Safety	HIDTA Forensic Lab-12/14	G13MW0001A	95.001	5,390
					<u>452,404</u>
United States Department of Homeland Security					
Civil Preparedness and Emergency	Missouri Department of Public Safety	Civ Preparedness	EMW-2011-EP-00004-S01	97.042	244,609
				<u>244,609</u>	
Port Security Grant Program	East-West Gateway	Port Security Grant Program	PORT 11	97.056	326,140
					<u>326,140</u>
Homeland Security Grant Program	East-West Gateway	St. Louis Terrorism Early Warning-07/14	TEWSTLC-130601140731	97.067	82,444
	East-West Gateway	St. Louis Terrorism Early Warning-06/15	TEWSTLC-140701150630	97.067	39,378
	East-West Gateway	Urban Area Security Initiative (UASI)	UASI 11	97.067	460,047
	East-West Gateway	Urban Area Security Initiative (UASI)	UASI 12	97.067	223,438
	East-West Gateway	Urban Area Security Initiative (UASI)	UASI 13	97.067	507,002
	East-West Gateway	Urban Area Security Initiative (UASI)	UASI 11	97.067	26,896
	East-West Gateway	Urban Area Security Initiative (UASI)	UASI 12	97.067	39,793
	East-West Gateway	Urban Area Security Initiative (UASI)	UASI 13	97.067	2,565
					<u>1,381,563</u>

ST. LOUIS COUNTY, MISSOURI
 Schedule of Expenditures of Federal Awards
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Federal Grantor/Federal Financial Assistance Program/Program Cluster Title	Pass Through Grantor	St. Louis County, Missouri Program Title	Contract/ Grant Number	Federal CFDA Number	FY 14 Federal Expenditures
Homeland Security Biowatch Program	Missouri Department of Natural Resources	Special Purpose Monitoring-6/13	B-3002-12	97.091	3,150
	Missouri Department of Natural Resources	Special Purpose Monitoring-6/14	B-3002-14	97.091	229,489
	Missouri Department of Natural Resources	Special Purpose Monitoring-6/15	B-3002-15	97.091	155,644
					<u>388,283</u>
					<u>2,340,595</u>
					<u>\$ 41,484,832</u>

Total United States Department of Homeland Security

TOTAL EXPENDITURES OF FEDERAL AWARDS

See accompanying independent auditors' report and notes to schedule of expenditures of federal awards

ST. LOUIS COUNTY, MISSOURI

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A – GENERAL

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of the County’s federal award programs for the year ended December 31, 2014. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule.

NOTE B – BASIS OF ACCOUNTING AND RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Amounts reported in the accompanying Schedule are presented using the accrual basis of accounting, which is described in Note 1 to the County’s basic financial statements. Related federal financial reports are prepared on the accrual basis of accounting. Federal awards revenue are reported as revenue from other governmental units in the County’s basic financial statements.

Vouchers from the U.S. Department of Agriculture Special Supplemental Nutrition Program for Women, Infant, and Children Supplemental Food Voucher Program (CFDA No. 10.557) are not reported in the County’s basic financial statements due to vouchers being redeemed directly by the Missouri Department of Health.

NOTE C – NON-CASH ASSISTANCE

The County received the following non-cash assistance during the year ended December 31, 2014:

WIC Suppl. Food Voucher Program	CFDA# 10.557	\$6,439,042
Port Security Grant Program	CFDA# 97.056	\$326,140
Homeland Security Grant Program	CFDA# 97.067	\$1,259,741

ST. LOUIS COUNTY, MISSOURI

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE D – GRANTS TO SUBRECIPIENTS

Certain program funds are passed through the County to subrecipient organizations. The Schedule does not include disbursements made by subrecipients outside the County's direct control, but does include disbursements to those subrecipients. Of the programs in the accompanying Schedule, the following cash basis expenditures of federal awards were passed through the County to subrecipient organizations:

<u>CFDA No.</u>	<u>Program Name</u>	<u>Expenditures</u>
14.218	CDBG - Entitlement Grants	\$ 4,325,340
14.228	CDBG - State Administered Small Cities Program Cluster	1,883,545
14.231	Emergency Solutions Grants Program	89,960
14.235	Supportive Housing Program	606,853
14.239	Home Investment Partnership Program	2,935,141
14.889	Choice Neighborhoods Implementation Grants	218,655
17.258	WIA Adult Program	816,144
17.259	WIA Youth Activities	1,679,629
17.277	WIA National Emergency Grants	13,948
17.278	WIA Dislocated Workers	823,252
93.558	Temporary Assistance for Needy Families	131,819
		<u>\$ 13,524,286</u>

ST. LOUIS COUNTY, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued on financial statement: Unmodified opinion.

Internal control over financial reporting

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered material weaknesses? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? Yes

The programs tested as major programs include:

<u>CFDA Numbers(s)</u>	<u>Name of Federal Program or Cluster</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
14.218	Community Development Block Grant - Entitlement Grant
14.228	Community Development Block Grant - State Administered - Small Cities Program
17.258, 17.259, 17.278	Workforce Investment Act Cluster
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between type A and type B programs: \$1,244,545

St. Louis County qualified as low risk auditee? No

ST. LOUIS COUNTY, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

II. FINDINGS - FINANCIAL STATEMENT AUDITS

Finding 2014-01

Criteria: Claims payable represents a significant accounting estimate included in the financial statements. Generally accepted accounting principles require that claims payable be reported at the estimated ultimate cost of settling the claims based on relevant and reliable data using the most current facts and circumstances available.

Condition: Audit procedures detected differences in claims payable reported in the County's financial statements and the most recent estimates by the County Counselor. Claims payable was not based on the most current facts and circumstances available.

Cause: The County Counselor is responsible for providing initial estimates of claims payable to a third-party claims administrator. These estimates are then compiled by the claims administrator along with other claims information and provided to a consultant to determine the final claims payable reported in the financial statements. It appears the differences were a result of ineffective communication between those parties responsible for estimating the claims liability.

Effect: The County may not have appropriate controls to ensure updates in facts and circumstances regarding claims payable are properly reflected in financial reports.

Recommendation: We recommend that when County Counselor communicates significant changes in facts and circumstances to the County's Risk Management department, the Risk Management department should summarize changes to the claims liability estimate and communicate them to the Fiscal Management department, who should then evaluate the effect of the changes on the claims liability. We also recommend that Risk Management reconcile claims information provided by the County Counselor to reports compiled by the claims administrator and the consultant.

Views of Responsible Official and Planned Corrective Action:

In order to insure an adequate liability for pending litigation, the County Counselor's Office will provide a "Summary of Significant Litigation" to Risk Management. This information will be used, in addition to data from the claims administrator, for preparation of the County's loss projection. Approximately three weeks prior to filing the County's financial statements, The County Counselor's Office will provide a "Litigation Letter" to Risk Management. The litigation letter will incorporate developments that have occurred subsequent to the "Summary of Significant Litigation."

Risk Management will insure that information contained in the "Summary of Significant Litigation" is incorporated into the loss projection and review the update of significant litigation to identify any claims that differ from the amount contained in the loss projection. This summary of differences will be provided to the Accounting Officer, who will determine whether the differences warrant further review to determine whether an adjustment to the loss projection is necessary.

*Responsible Parties: Bob Grant, County Counselor's Office
Bruce Kozzenski, Risk Management*

ST. LOUIS COUNTY, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Finding 2014-02

Criteria: Generally accepted accounting principles require that expenditures be recorded in the period in which the liability is incurred.

Condition: Audit procedures detected expenditures that were recorded in the incorrect accounting period.

Cause: The County incurred a liability upon executing a contract with another governmental unit. The contract was executed in a prior year, pursuant to enabling legislation, however the County did not identify the liability until invoices were received from the other governmental unit in the current year.

Effect: A prior period adjustment to the financial statements was necessary to decrease beginning fund balance and current year expenditures.

Recommendation: We recommend the County closely review all legislation to identify their impact on financial reporting.

Views of Responsible Official and Planned Corrective Action:

A monthly legislative review process has been implemented whereby the Accounting Officer and the Deputy Chief Accounting Officer will meet each month to review the previous months passed legislation. The purpose of the review will be to identify the potential impacts on financial reporting from recently passed legislation.

Contact Name: Don Rode, Fiscal Management

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

Finding 2014-03

Federal Programs: Homeland Security Grant Program

CFDA No: 97.067

Federal Agency: U.S. Department of Homeland Security

Pass-Through Entity: East-West Gateway

Award No: As listed in the Schedule of Expenditures of Federal Awards

Award Period: Various

Compliance Requirement: Equipment and Real Property Management

Criteria: The A-102 Common Rule and OMB Circular A-110 require a physical inventory of equipment be taken at least once every two years and reconciled to the equipment records. In addition, the grant agreement between the County and pass-through agency requires that a physical inventory of federally funded equipment be performed twice a year and the results reported to the pass-through agency within 45 days but no later than January 31 and July 31 of each year.

ST. LOUIS COUNTY, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Condition: The results of the physical inventories of the police equipment reported to the pass-through agency did not include all assets received under the grant.

Questioned Cost: None.

Cause: The County personnel responsible for compliance did not perform adequate inventory procedures to ensure all assets were physically inspected and reported.

Effect: The County did not complete accurate biannual physical inventories and report the results to the pass-through agency in accordance with program requirements. In addition, the County may not have appropriate controls to ensure equipment received through Federal programs is adequately safeguarded and maintained.

Recommendation: We recommend the County establish controls to ensure complete and accurate biannual physical inventories are taken and the results reported to the pass-through agency within the required deadlines.

Views of Responsible Official and Planned Corrective Actions:

A new procedure has been added to the physical inventory process whereby assets acquired through a relevant grant agreement will be confirmed with the pass-through agency. This procedure will insure a complete inventory listing on which to begin the inventory.

Responsible Party: Jeff Bader, Police Department

Finding 2014-04

Federal Programs: Community Development Block Grant – Entitlement Grants

CFDA No: 14.218

Federal Agency: Department of Housing and Urban Development

Pass-Through Entity: Not applicable

Award No.: As listed in the Schedule of Expenditures of Federal Awards

Award Period: Various

Compliance Requirement: Reporting

Criteria: Federal Financial Accountability Transparency Act (FFATA) requires the County to file a subaward report by the end of the month following the month in which the County awards any subcontract greater than \$25,000.

Condition: FFATA subaward reports were not filed timely. FFATA reports were due periodically throughout 2014; however, the County first filed a FFATA report in June 2014.

Questioned Costs: None.

Cause: Department personnel began performing timely reporting of FFATA subawards in June 2014. However, 2014 expenditures under subawards prior to June 2014 were not filed timely.

ST. LOUIS COUNTY, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Effect: FFATA subaward reports have not been filed by their due dates.

Recommendation: We recommend the County establish procedures to track federal reporting due dates and ensure reports are filed timely.

Views of Responsible Official and Planned Corrective Actions:

When this condition was noted in the County's 2013 audit, the County established procedures to track federal reporting due dates and ensure reports are filed on a timely basis. The county believes these controls are operating as designed and provide reasonable assurance that reports are filed on a timely basis. No exceptions to timely filing subsequent to the establishment of the tracking procedures were noted during the audit and no further remediation activities are considered necessary.

Responsible Party: Jim Holtzman, Community Development

Finding 2014-05

Federal Programs: Community Development Block Grant – Entitlement Grants, Community Development Block Grant – State-Administered Small Cities Program Cluster

CFDA No: 14.218, 14.228

Federal Agency: Department of Housing and Urban Development

Pass-Through Entity: Missouri Department of Economic Development

Award No. As listed within the Schedule of Expenditures of Federal Awards

Award Period: Various

Compliance Requirement: Reporting

Criteria: Amounts reported on SF-425 *Federal Financial Report*, CO4PR03 *Activity Summary Report*, and CO4PR26 *CDBG Financial Summary* should be complete and accurate and agree with the underlying accounting records.

Condition: Unreconciled differences exist between amounts reported on the SF-425, CO4PR03 and CO4PR26 and the County's general ledger and Schedule of Expenditures of Federal Awards (SEFA). In addition, an error in the CO4PR26 report totaling approximately \$130,000 was detected.

Questioned Costs: None

Cause: Differences between SF-425, CO4PR03 and CO4PR26 and the County's general ledger and Schedule of Expenditures of Federal Awards (SEFA) may result from adjustments to the general ledger subsequent to the preparation of those forms.

Effect: Unreconciled difference between the SF-425, CO4PR03 and CO4PR26 and the County's accounting records were identified. In addition, an error in the CO4PR26 report totaling approximately \$130,000 was detected and subsequently correct.

ST. LOUIS COUNTY, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Recommendation: We recommend the SF-425, CO4PR03 and CO4PR26 be reconciled to the general ledger and SEFA and the reconciliation be reviewed and approved by someone independent of the preparation of the reconciliation.

Views of Responsible Official and Planned Corrective Actions:

The Office of Community Development will obtain a copy of the SEFA from Fiscal Management and reconcile that report to the SF-425, CO4PR03 and CO4PR26.

Responsible Party: Jim Holtzman, Community Development

Finding 2014-06

Federal Programs: Community Development Block Grant – State-Administered Small Cities Program Cluster

CFDA No: 14.228

Federal Agency: Department of Housing and Urban Development

Pass-Through Entity: Missouri Department of Economic Development

Award No. 2008-DI-44; 2008-DI-16; 2008-DI-85

Award Period: Various

Compliance Requirement: Monitoring

Criteria: 31 USC 7502(f)(2)(B) requires pass-through entities to perform during-the-award monitoring to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements through reporting, site visits, or regular contact.

Condition: The County did not perform during-the-award monitoring to provide reasonable assurance that a subrecipient administers the Federal award in compliance with certain requirements, including Procurement, Cash Management, Reporting and Davis-Bacon Act.

Questioned Costs: None.

Cause: The County was not aware of its responsibility as a pass-through agency for this Federal award.

Effect: The County did not perform sufficient monitoring of Procurement, Cash Management, Reporting, and Davis-Bacon Act compliance requirements.

Recommendation: We recommend the County assign specific personnel with the task of monitoring the subrecipient's compliance with all direct and material grant requirements. Monitoring should be documented and any compliance issues should be communicated and addressed.

ST. LOUIS COUNTY, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Views of Responsible Official and Planned Corrective Action:

The Office of Community Development will serve as the responsible entity for all Community Development Block Grant (CDBG) awards made to St. Louis County whether from State or Federal sources. As the responsible entity, the Office of Community Development will enter into agreements with federal and state entities, provide financial oversight and monitor the project(s) based on all applicable CDBG regulations. If CDBG grants are awarded to other non-Office of Community Development divisions, then the Office of Community Development will serve as a pass thru to the designated entity. The Office of Community Development will enter into a sub-recipient agreement with the designated entity and be responsible for adhering to the CDBG regulations.

Responsible Party: Jim Holtzman, Community Development

Finding 2014-07

Federal Programs: Workforce Investment Act Cluster

CFDA No: 17.258, 17.259, 17.278

Federal Agency: Department of Labor

Pass-Through Entity: Missouri Department of Economic Development

Award No. As listed in the Schedule of Expenditures of Federal Awards

Award Period: Various

Compliance Requirement: Procurement

Criteria: 2 CFR Section 215.46 requires that procurement records document the basis for contractor selection and justification for the lack of competition when competitive bids or offers are not obtained.

Condition: The County did not obtain competitive bids prior to awarding a contract to provide adult services for alien residents. The procurement records did not document justification for the lack of competition.

Questioned Costs: None.

Cause: Chapter 107.133 of the St. Louis County Code of Ordinances requires the Purchasing Agent to determine whether a purchase shall be made as a sole-source and the basis therefore shall be in writing. Department personnel were not aware of this requirement.

Effect: The County did not obtain competitive bids prior to awarding a contract and the procurement records did not document justification for the lack of competition.

Recommendation: We recommend the County establish monitoring controls to ensure contracts with vendors deemed sole-source providers are approved by the Purchasing Agent and contemporaneously documented in accordance with the County policy.

ST. LOUIS COUNTY, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Views of Responsible Official and Planned Corrective Action:

Additional training has been provided to personnel responsible for contract awards to reinforce that all contracts must have a competitive bidding process prior to the contract being awarded and any contracts with vendors deemed sole – source providers must be approved by the Purchasing Agent and contemporaneously documented in accordance with county policy.

Responsible Party: Daryl Cothran, Human Services

Finding 2014-08

Federal Programs: Special Supplemental Nutrition Program for Women, Infants, and Children, Community Development Block Grant – Entitlement Grants, Community Development Block Grant – State-Administered Small Cities Program Cluster, Workforce Investment Act Cluster,

CFDA No: 10.557, 14.218, 14.228, 17.258, 17.259, 17.278

Federal Agency: Department of Agriculture, Department of Housing and Urban Development, Department of Labor

Pass-Through Entity: Missouri Department of Health, Missouri Department of Economic Development

Award No. As listed in the Schedule of Expenditures of Federal Awards

Award Period: Various

Compliance Requirement: Allowable Costs

Criteria: OMB Circular A-87 requires employees working on multiple grant activities or cost objectives to support salary and benefits allocated to the grant program with personnel activity reports signed by the employee which reflect an “after the fact” distribution of the actual activity of each employee. Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards.

Condition: The County allocates salaries and benefits to grant activities based on personnel time sheets. The time sheets are signed by the employee and submitted for processing prior to the end of the pay period, and therefore, do not qualify as an after the fact distribution of the actual activity of each employee.

Questioned Costs: None.

Cause: To expedite payroll processing, County personnel are required to submit their time sheets prior to the end of the pay period. The County trusts that the actual activity of each employee can be accurately estimated for the last few days of each pay period.

Effect: The personnel activity reports supporting the allocation of salaries and benefits to grant activities do not qualify as an after the fact distribution of the actual activity of each employee in accordance with OMB Circular A-87.

ST. LOUIS COUNTY, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Recommendation: For those employees working on multiple grant activities or cost objectives, we recommend personnel time sheets be reviewed and signed subsequent to the end of the pay period to reflect an after the fact distribution of actual activity.

Views of Responsible Official and Planned Corrective Action:

If departmental processing schedules require employees to sign and submit time sheets prior to the end of the payroll period and an employee has charged time to a grant on a day subsequent to the time they signed the time sheet, that employee will retain a copy of their timesheet, sign the timesheet copy after the payroll has ended and forward the copy to their departmental timekeeper. The timekeeper will retain the supplemental certification of time worked, along with the original timesheet, to be used as support for time charged to grants.

Alternatively, if an employee devotes all of their time to a single federal grant, they may provide a semi-annual certification. That certification will support that all time worked subsequent to the date timesheets were signed was actually worked and chargeable to the grant in question.

*Responsible Parties: Daryl Cothran, Human Services
Jim Holtzman, Community Development
Sharon Gardner, Department of Health*

ST. LOUIS COUNTY, MISSOURI

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 13-07 The County did not perform accurate biannual physical inventories of equipment received through a federal program and report the results to the pass-through agency by January 31 and July 31 of each year in accordance with the grant agreement.

Comment: This finding has been repeated at 2014-03.

Finding 13-08 The Section 1512 report for the quarter ended March 31, 2013 was not filed, and the County did not file FFATA subaward reports due in 2013 until June 2014.

Comment: This finding has been repeated at 2014-04.

Finding 13-09 In our test of 25 payroll transactions, we noted two instances in which costs associated with employee leave time was not equitably allocated.

Comment: Remedial activities have been completed as planned and no additional actions are considered necessary.

Finding 13-10 Two contracts to provide youth activities were not awarded on a competitive basis in accordance with WIA Section 123 (29 USC 284).

Comment: This finding has been repeated at 2014-07.