

**City of Hazelwood, Missouri**

EIN 43-6004533

DUNS No. 075894980

UEI: QFA6JCV8HXXH3

**Single Audit**

For the year ended June 30, 2023



**City of Hazelwood, Missouri**  
**Table of Contents**  
**For the year ended June 30, 2023**

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	<u><b>Page</b></u>
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	1
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance in Accordance with the Uniform Guidance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.....	3
Schedule of Expenditures of Federal Awards.....	7
Notes to the Schedule of Expenditures of Federal Awards.....	9
Schedule of Findings and Questioned Costs.....	11
Summary Schedule of Prior Year Findings and Questioned Costs.....	14

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING  
STANDARDS*

*Independent Auditor's Report*

Honorable Mayor and City Council  
City of Hazelwood, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Hazelwood, Missouri as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Hazelwood, Missouri's basic financial statements, and have issued our report thereon dated February 20, 2024.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered City of Hazelwood, Missouri'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 City of Hazelwood, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Hazelwood, 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 City of Hazelwood, Missouri'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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be significant deficiencies.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether City of Hazelwood, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain

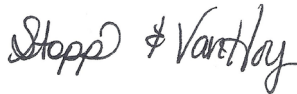
provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such 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*.

### **City of Hazelwood, Missouri's Responses to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on City of Hazelwood, Missouri's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. City of Hazelwood, Missouri's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **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 City of Hazelwood, Missouri's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Hazelwood, Missouri's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Stopp & VanHoy". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri  
February 20, 2024

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM  
GUIDANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS REQUIRED BY THE UNIFORM GUIDANCE

*Independent Auditor's Report*

Honorable Mayor and City Council  
City of Hazelwood, Missouri

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

***Opinion on Each Major Federal Program***

We have audited City of Hazelwood, Missouri's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Hazelwood, Missouri's major federal programs for the year ended June 30, 2023. City of Hazelwood, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Hazelwood, Missouri complied, in all material respects, with the 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, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Hazelwood, Missouri and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Hazelwood, Missouri's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to City of Hazelwood, Missouri's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Hazelwood, Missouri's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Hazelwood, Missouri's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Hazelwood, Missouri's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Hazelwood, Missouri's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 City of Hazelwood, Missouri's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-003. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on City of Hazelwood, Missouri's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. City of Hazelwood, Missouri's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance 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, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-003, to be a significant deficiency.

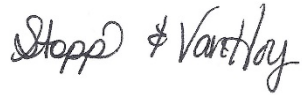
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on City of Hazelwood, Missouri's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. City of Hazelwood, Missouri's response was not subjected to the other 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 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Hazelwood, Missouri as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Hazelwood, Missouri's basic financial statements. We issued our report thereon, dated February 20, 2024, 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 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.

A handwritten signature in black ink, appearing to read "Stopp & VanHoy". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri

May 20, 2024 (except for our Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance which is dated February 20, 2024)



**City of Hazelwood, Missouri**  
**Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2023**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Number	Federal Expenditures
<b>U.S. Department of Justice</b>			
Direct Program:			
Equitable Sharing Program	16.922	n/a	100,110
<b>U.S. Department of Transportation</b>			
Passed through state:			
Missouri Department of Transportation Highway Planning and Construction	20.205	STP-5408(608)	70,168
Highway Safety Cluster			
Passed through state:			
Missouri Department of Transportation			
State and Community Highway Safety	20.600	22-PT-02-085	19,171
State and Community Highway Safety	20.600	23-PT-02-103	41,155
			60,326
Passed through state:			
Missouri Department of Transportation			
National Priority Safety Programs	20.616	22-M3DA-04-005	8,966
National Priority Safety Programs	20.616	22-M2HVE-05-013	3,931
National Priority Safety Programs	20.616	23-M2HVE-05-019	9,741
			22,638
Total Highway Safety Cluster			82,964
Passed through state:			
Missouri Department of Transportation			
Alcohol Open Container Requirements	20.607	22-154-AL-068	845
Alcohol Open Container Requirements	20.607	23-154-AL-077	2,638
Alcohol Open Container Requirements	20.607	22-154-AL-077	3,454
Alcohol Open Container Requirements	20.607	23-154-AL-078	6,054
Alcohol Open Container Requirements	20.607	22-154-AL-078	1,262
Alcohol Open Container Requirements	20.607	23-154-AL-074	25,152
			39,405
Total U.S. Department of Transportation			192,537
<b>U.S. Department of Treasury</b>			
Direct Program:			
Equitable Sharing	21.016	n/a	1,847
Direct Program:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	2,558,543
Total U.S. Department of Treasury			2,560,390

See Notes to the Schedule of Expenditures of Federal Awards

**City of Hazelwood, Missouri**  
**Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2023**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Number	Federal Expenditures
<b>U.S. Department of Homeland Security</b>			
Passed through state:			
Missouri Department of Public Safety			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4665-DR-MO	77,566
Direct Program:			
Staffing for Adequate Fire and Emergency Response	97.083	n/a	<u>1,062,372</u>
Total U.S. Department of Homeland Security			<u>1,139,938</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 3,992,975</u></u>

See Notes to the Schedule of Expenditures of Federal Awards

**City of Hazelwood, Missouri**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2023**

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**Note 1 - Summary of Significant Accounting Policies**

Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This Uniform Guidance requires a schedule that provides total federal awards expended for each federal program and the assistance listing number or other identifying number when the assistance listing number is not available.

This schedule includes all federal awards administered by the City of Hazelwood, Missouri.

Basis of Presentation

The *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* includes these definitions, which govern the contents of the schedule:

*Federal financial assistance* means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

*Federal award* means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Because the Schedule presents only a selected portion of operations of the City of Hazelwood, Missouri, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Hazelwood, Missouri.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting. Such expenditures are recognized following the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

The City of Hazelwood, Missouri has not elected to use the 10% de minimis indirect cost rate.

**Note 2 - Awards Provided to Subrecipients**

The City of Hazelwood, Missouri provided no federal awards to subrecipients during the year ended June 30, 2023.

**Note 3 - Donated Personal Protective Equipment**

The City of Hazelwood, Missouri received no donated personal protective equipment which had been purchased with federal funds. This footnote is unaudited.

**City of Hazelwood, Missouri**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2023**

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**Note 4 - Subsequent Events**

The Organization has evaluated events subsequent to June 30, 2023 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through May 20, 2024, the date the financial statements were available to be issued.

**City of Hazelwood, Missouri**  
**Schedule of Findings and Questioned Costs**  
**For the year ended June 30, 2023**

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**Section 1 - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: 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)?       X       Yes \_\_\_\_\_ None Reported

Any 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 weakness(es)?       X       Yes \_\_\_\_\_ 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 section 2 CFR section 200.516(a)?       X       Yes \_\_\_\_\_ No

Identification of Major Programs:

<u>Assistance Listing No.</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
97.083	Staffing for Adequate Fire and Emergency Response

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 Hazelwood, Missouri**  
**Schedule of Findings and Questioned Costs**  
**For the year ended June 30, 2023**

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**Section 2 - Financial Statement Findings**

2023-001 **Criteria:** During the audit, we noted numerous account balances across several funds that were not reconciled as part of the year-end closing process. Consequently, we were required to make material adjusting entries to the financial statements to correct errors that would have been detected by management during a functioning annual closing process.

**Condition:** Strong internal control over financial statements require a financial closing and reporting process to ensure all accounts are reconciled and the financial statements are free from material misstatement.

**Cause:** Management did not follow an annual financial closing and reporting process.

**Effect:** Without an annual closing process, errors and material misstatements in the financial statements may remain undetected by management.

**Recommendation:** We recommend management develop an annual financial closing and reporting process. This process should include procedures to review and reconcile all accounts in every fund the City maintains. By implementing a closing process, management will have more reliable financial information to make decisions.

**Management's Response:** Management does have and does follow a rigorous financial closing procedure. Internal control policies govern the procedures that are followed at year end. At the close of FY 2023 several agencies did not respond to repeated requests for confirmations or information important to the closing of the City's books. In addition, the Finance Department staff experienced extensive illnesses at the time of closing and audit fieldwork which led to delays in reconciliation.

Prior to FY 2024 closing, the entire Finance Department will review the financial closing procedures and update as needed. The Finance Director will personally assign closing procedures to the appropriate personnel, will review, and assess the results of the closing procedures, and track the entire process. The review will begin prior to the end of the fiscal year and end with the completion of closing, around August 31, 2024.

2023-002 **Criteria:** The City's municipal division is charged with maintaining accountability over funds held in a custodial capacity as a agent of an individual, taxing units, or other government. A proper system of internal controls dictates that bank reconciliations be performed on a timely basis to ensure that cash balances per accounting records agree to the cash balances held in the bank. Procedures to be followed are outlined in the Show-Me Courts *Municipal Clerk Handbook* Chapter 4, Section 4.5 - *Recommended Accounting Procedures for Municipal Divisions*.

**Condition:** The City's municipal division was unable to provide bank statements and reconciliations which support the cash balances held.

**Cause:** The City's municipal division has not implemented a proper system of internal controls to ensure accurate and timely bank reconciliations are performed in accordance with policies outlined by Show-Me Courts.

**Effect:** Without an effective system of internal controls, errors and material misstatements in the bank statements and accounting records may remain undetected by management.

**Recommendation:** We recommend the municipal division and management of the City implement the necessary procedures to ensure that all funds are accounted for in a custodial capacity and supported by funds held in the bank account. These procedures should follow the guidelines outlined by Show-Me Courts in accordance with RSMo.

**City of Hazelwood, Missouri**  
**Schedule of Findings and Questioned Costs**  
**For the year ended June 30, 2023**

**Section 3 - Federal Award Findings and Questioned Costs**

2023-002 (cont.) **Management's Response:** Beginning with FY 2024 the Municipal Court will be included in the City's financial statements. With that inclusion, the Court staff will conduct a monthly bank reconciliation following the guidelines presented by Show-Me Courts. The bank reconciliation will be monitored and reviewed by the Financed Director and the Assistant Finance Director. The monthly cash balance will be reported in the City's general ledger.

2023-003 Federal Grantor: All Programs  
Pass-through Grantor: All Programs  
Federal Assistance Listing No.: All Programs  
Program Title: All Programs

**Criteria:** Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires auditees to prepare an accurate Schedule of Expenditures of Federal Awards containing awards expended, assistance listing title and number, award number, name of the Federal agency, name of pass-through entity, and awards paid to subrecipients.

**Condition:** During our audit, we noted that the Schedule of Expenditures of Federal Awards contained errors. The City's current internal controls over Schedule of Expenditures of Federal Awards reporting are not sufficient enough to ensure correct reporting. This finding is a repeat finding and was reported in the most recent audit for the year ended June 30, 2022.

Federal Agency	Assistance Listing Number	As Reported On Original SEFA	As Corrected	\$ Difference
Department of Justice	16.607	\$ 3,300	\$ -	\$ (3,300)
Department of Justice	16.922	31,609	100,110	68,501
Department of Transportation	20.205	38,883	70,168	31,285
Department of Transportation	20.600	77,244	60,326	(16,918)
Department of Transportation	20.607	38,680	39,405	725
Department of Transportation	20.616	22,638	22,638	-
Department of Treasury	21.016	-	1,847	1,847
Department of Treasury	21.027	2,558,543	2,558,543	-
Department of Homeland Security	97.029	77,566	-	(77,566)
Department of Homeland Security	97.036	-	77,566	77,566
Department of Homeland Security	97.083	959,664	1,062,372	102,708
		<u>\$ 3,808,127</u>	<u>\$ 3,992,975</u>	<u>\$ 184,848</u>

**Cause:** Management failed to follow reporting requirements related to the Schedule of Expenditures of Federal Awards.

**Effect:** Federal expenditures reported in the Schedule of Expenditures of Federal Awards were incorrect.

**Recommendation:** We recommend management develop internal controls over reporting and consult with external consultants, if necessary, to ensure an accurate Schedule of Expenditures of Federal Awards is prepared.

**Management's Response:** The Finance Director and the Assistant Finance Director both attended additional training regarding the preparation of the Schedule of Expenditures of Federal Awards. A complete internal control schedule separate from the Purchasing Policy will be written and in place by June 30, 2024.

**City of Hazelwood, Missouri**  
**Summary Schedule of Prior Year Findings and Questioned Costs**  
**For the year ended June 30, 2023**

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**Financial Statement Findings - Prior Year**

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by the City of Hazelwood, Missouri, on the applicable findings in the prior financial statement audit report issued for the year ended June 30, 2022. No findings were reported.

**Federal Award Findings and Questioned Costs - Prior Year**

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by the City of Hazelwood, Missouri, on the applicable findings in the prior single audit report issued for the year ended June 30, 2022.

2022-001    Federal Grantor:                      All Programs  
                  Pass-through Grantor:                All Programs  
                  Federal Assistance Listing No.:       All Programs  
                  Program Title:                            All Programs

**Criteria:** Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires auditees to prepare an accurate Schedule of Expenditures of Federal Awards containing awards expended, assistance listing title and number, award number, name of the Federal agency, name of pass-through entity, and awards paid to subrecipients.

**Condition:** During our audit, we noted that the Schedule of Expenditures of Federal Awards contained errors. The City's current internal controls over Schedule of Expenditures of Federal Awards reporting are not sufficient enough to ensure correct reporting. This finding is a repeat finding and was reported in the most recent audit for the year ended June 30, 2021.

Assistance Listing Number	As Reported On Original SEFA	As Corrected	\$ Difference
16.922	\$ 55,078	\$ 55,078	\$ -
20.205	-	106,766	106,766
20.600	33,810	38,127	4,317
20.607	33,506	23,321	(10,185)
20.616	3,953	7,263	3,310
21.027	2,558,543	2,558,543	-
97.044	362,542	362,542	-
97.083	298,759	298,759	-
	<u>\$ 3,346,191</u>	<u>\$ 3,450,399</u>	<u>\$ 104,208</u>

**Cause:** Management failed to follow reporting requirements related to the Schedule of Expenditures of Federal Awards.

**Effect:** Federal expenditures reported in the Schedule of Expenditures of Federal Awards were incorrect.

**Recommendation:** We recommend management develop internal controls over reporting and consult with external consultants, if necessary, to ensure an accurate Schedule of Expenditures of Federal Awards is prepared.



**City of Hazelwood, Missouri**  
**Summary Schedule of Prior Year Findings and Questioned Costs**  
**For the year ended June 30, 2023**

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**Federal Award Findings and Questioned Costs - Prior Year (continued)**

2022-001     **Management's Response:** Title 2 U.S. *Code of Federal Regulations* Part 200 is being reviewed and training  
(cont.)     sessions will be initiated by the Finance Director's office. The Finance Director is working towards capturing grant transactions in a manner sufficient to readily report the necessary information required on the Schedule of Expenditures of Federal Awards by the next audit period. The expected completion date is June 30, 2023. The phone number for the Finance Director's office is (314) 513-5040.

**Status:** Management has not implemented adequate corrective action, therefore, this finding will be repeated in the current year as finding 2023-003.