

---

**THE CITY OF KANSAS CITY, MISSOURI**

**COMPLIANCE REPORT  
(WITH INDEPENDENT AUDITOR'S REPORT)**

**FOR THE YEAR ENDED APRIL 30, 2022**

---

# THE CITY OF KANSAS CITY, MISSOURI

FOR THE YEAR ENDED APRIL 30, 2022

## TABLE OF CONTENTS

	Page
<b>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> .....</b>	<b>1</b>
<b>Independent Auditor’s Report on the Schedule of Expenditures of Federal Awards.....</b>	<b>3</b>
<b>Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....</b>	<b>4</b>
<b>Schedule of Expenditure of Federal Awards.....</b>	<b>8</b>
<b>Notes to Schedule of Expenditure of Federal Awards.....</b>	<b>14</b>
<b>Schedule of Findings and Questioned Costs.....</b>	<b>15</b>
<b>Summary Schedule of Prior Audit Findings.....</b>	<b>19</b>
<b>Corrective Action Plan.....</b>	<b>28</b>

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

---

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Kansas City, Missouri (City), as of and for the year ended April 30, 2022, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 30, 2022. Our report includes a reference to other auditors who audited the financial statements of the Kansas City Board of Police Commissioners, the Port Authority of Kansas City, Missouri, and the American Jazz Museum, which are component units included in the financial statements of the aggregate discretely presented component units as described in our report on the City'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 Kansas City International Airport - Community Improvement District, Maintenance Reserve Corporation, Employees' Retirement System, Firefighters' Pension System, Police Retirement System and Civilian Employees' Retirement System, which are included in the City's financial statements, were not audited in accordance with *Government Auditing Standards*.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

As part of obtaining reasonable assurance about whether the City'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 tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Allen, Gibbs & Houlik, L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

Overland Park, KS  
November 30, 2022



INDEPENDENT AUDITOR'S REPORT ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

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 the City of Kansas City, Missouri (City) as of and for the year ended April 30, 2022, and the related notes to financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 30, 2022, which contained unmodified opinions on those financial statements. Our report included a reference to the reports of other auditors.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Allen, Gibbs & Houlik, L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

Overland Park, KS  
November 30, 2022

# ***Welch & Associates, L.L.C.***

CERTIFIED PUBLIC ACCOUNTANTS

Ten Main Center  
920 Main, Suite 640  
Kansas City, Missouri 64105  
Ph. (816) 756-2620 Fax (816) 756-2621  
www.welchcpafirm.com

---

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Mayor  
And Members of the City Council  
City of Kansas City, Missouri  
Kansas City, Missouri

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

#### **Qualified and Unmodified Opinions**

We have audited the City of Kansas City, 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 the City of Kansas City, Missouri's major federal programs for the year ended April 30, 2022. The City of Kansas City, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### *Qualified Opinion on CDBG – Entitlements Grant Cluster*

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the City of Kansas City, Missouri complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on CDBG – Entitlements Grant Cluster for the year ended April 30, 2022.

#### *Unmodified Opinion on Each of the Other Major Federal Programs*

In our opinion, the City of Kansas City, 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 identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended April 30, 2022.

#### **Basis for Qualified and Unmodified Opinions**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 the City of Kansas City, Missouri's 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 the City of Kansas City, Missouri's compliance with the compliance requirements referred to above.

#### *Matter Giving Rise to Qualified Opinion on CDBG – Entitlements Grant Cluster*

As described in the accompanying schedule of findings and questioned costs, the City of Kansas City, Missouri did not comply with requirements regarding Assistance Listing No. 14.218 CDBG – Entitlement Grants Cluster as described in *finding 2022-001* for J - Program Income.

Compliance with such requirements is necessary, in our opinion, for the City of Kansas City, Missouri to comply with the requirements applicable to that program.

#### **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 the City of Kansas City, 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 the City of Kansas City, 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 generally accepted auditing standards, *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 the City of Kansas City, Missouri's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 the City of Kansas City, 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 the City of Kansas City, 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 Audit Guide, but not for the purpose of

expressing an opinion on the effectiveness of the City of Kansas City, 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 *finding 2022-002*. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Kansas City, Missouri's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The City of Kansas City, 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. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a material weakness and significant deficiency.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as *finding 2022-001* to be material weakness.

*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 *finding 2022-002* 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 the City of Kansas City, Missouri's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City of



Kansas City, 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.

A handwritten signature in blue ink that reads "Welch & Associates, L.L.C." in a cursive style.

**Welch & Associates, L.L.C.**

Kansas City, Missouri

December 7, 2022

**THE CITY OF KANSAS CITY, MISSOURI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED APRIL 30, 2022**

<u>Federal Grantor / Pass-Through Entity / Program Title</u>	<u>Cluster</u>	<u>Federal Assistance Listing Number</u>	<u>Identifying Number</u>	<u>Total Federal Expenditures</u>	<u>Amounts Passed Through to Subrecipients</u>
<b>Department of Agriculture</b>					
Summer Food Service Program for Children	1	10.559	ERS21949943	\$ 5,935	\$ -
<b>Total Department of Agriculture Programs</b>				<u>\$ 5,935</u>	<u>\$ -</u>
<b>Department of Housing and Urban Development Programs</b>					
Community Development Block Grants / Entitlement Grants	2	14.218*	B-16-MC-29-0003	\$ 3,558	\$ -
Community Development Block Grants / Entitlement Grants	2	14.218*	B-17-MC-29-0003	464,405	-
Community Development Block Grants / Entitlement Grants	2	14.218*	B-18-MC-29-0003	959,032	-
Community Development Block Grants / Entitlement Grants	2	14.218*	B-19-MC-29-0003	160,192	-
Community Development Block Grants / Entitlement Grants	2	14.218*	B-20-MC-29-0003	885,862	-
Community Development Block Grants / Entitlement Grants (COVID-19)	2	14.218*	B-20-MW-29-0003	992,607	-
Community Development Block Grants / Entitlement Grants (COVID-19)	2	14.218*	B-20-MW-29-0003	176,848	-
Community Development Block Grants / Entitlement Grants	2	14.218*	B-21-MC-29-0003	4,712,218	-
			Total AL 14.218	<u>8,354,722</u>	<u>-</u>
Emergency Solutions Grants Program		14.231	E-20-MC-29-0003	49,537	-
Emergency Solutions Grants Program		14.231	E-20-MC-29-0003	181,780	-
Emergency Solutions Grants Program (COVID-19)		14.231	E-20-MW-29-0003	642,409	-
Emergency Solutions Grants Program (COVID-19)		14.231	E-20-MW-29-0003	1,728,809	-
Emergency Solutions Grants Program		14.231	E-21-MC-290003	390,166	-
			Total AL 14.231	<u>2,992,701</u>	<u>-</u>
Shelter Plus Care		14.238	MO0117L7P041911	74,910	67,758
Shelter Plus Care		14.238	MO0117L7P042012	287,101	281,021
			Total AL 14.238	<u>362,011</u>	<u>348,779</u>
HOME Investment Partnerships Program		14.239	MOH19F001	64,191	-
HOME Investment Partnerships Program		14.239	MOH20F001	308,073	-
HOME Investment Partnerships Program		14.239	MOH20-FHW001	174,980	-
HOME Investment Partnerships Program		14.239	MOH21F001	1,167,400	-
			Total AL 14.239	<u>1,714,644</u>	<u>-</u>
Housing Opportunities for Persons with AIDS		14.241	MOH18F001	154,015	150,261
Housing Opportunities for Persons with AIDS		14.241	MOH19F001	333,471	246,795
Housing Opportunities for Persons with AIDS		14.241	MO-H15-0002	1,222,989	1,110,690
Housing Opportunities for Persons with AIDS (COVID-19)		14.241	MO-H15-0001	75,745	86,092
			Total AL 14.241	<u>1,786,220</u>	<u>1,593,838</u>
Neighborhood Stabilization Program		14.256	B-08-MN-29-0001	226,445	-
Continuum of Care Program		14.267	MO0178L7P042007	197,105	-
Fair Housing Grant		14.401	MOH18F001	1,605	-
Fair Housing Grant		14.401	MOH19F001	31,925	-
Fair Housing Grant		14.401	MO-H15-0002	7,366	-
Fair Housing Grant		14.401	MO-H15-0001	20,962	-
			Total AL 14.401	<u>61,858</u>	<u>-</u>
<u>Passed Through Kansas City Housing Authority:</u>					
HUD Choice Initiative Grant		14.889	MO7A002CNG114	490,793	-
Lead-Based Paint Hazard Control in Privately-Owned Housing		14.900	MOLHD0434-20	1,149,635	-

(CONT)

Passed Through University of Missouri - Kansas City:

Homes that Put Children At High Risk for Lead Poisoning	14.902	00104818/00071699	5,346	-
---	--------	-------------------	-------	---

**Total Department of Housing and Urban Development Programs**

<u>\$ 17,341,480</u>	<u>\$ 1,942,617</u>
----------------------	---------------------

**Department of Justice Programs**

Coronavirus Emergency Supplemental Funding (COVID-19)	16.034	2020-VD-BX-1564	\$ 547,237	\$ -
A4P Hospital Violence Prevention Program	16.582	2018-V3-GX-K037	114,846	-
Domestic Violence Victims of Crime Act	16.588	2019-VA-GX-0079	56,568	-
Domestic Violence Victims of Crime Act	16.588	N/A	73,189	-
		Total AL 16.588	129,757	-
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2017-WE-AX-0024	212,180	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0752	45,143	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0180	111,300	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0601	71,536	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0522	55,515	-
		Total AL 16.738	283,494	-
Second Chance Act Reentry Initiative	16.812	2018-RW-BX-0005	66,708	-
Domestic Violence Reinvestment Initiative	16.827	2020-ZB-BX-0023	55,458	-

**Total Department of Justice Programs**

<u>\$ 1,409,680</u>	<u>\$ -</u>
---------------------	-------------

**Department of Transportation Programs**

Airport Improvement Program	20.106*	3-29-0040-074	\$ (36,479)	\$ -
Airport Improvement Program	20.106*	3-29-0040-075	108,348	-
Airport Improvement Program	20.106*	3-29-0040-076	16,806	-
Airport Improvement Program	20.106*	3-29-0040-077	402,287	-
Airport Improvement Program	20.106*	3-29-0040-078	1,711,973	-
Airport Improvement Program	20.106*	3-29-0040-079	14,313	-
Airport Improvement Program (COVID-19)	20.106*	3-29-0040-080	818,679	-
Airport Improvement Program	20.106*	3-29-0040-081	22,382,355	-
Airport Improvement Program (COVID-19)	20.106*	3-29-0040-082	10,949,580	-
Airport Improvement Program (COVID-19)	20.106*	3-29-0040-083	1,233,518	-
Airport Improvement Program	20.106*	3-29-0040-084	321,237	-
Airport Improvement Program	20.106*	3-29-0040-085	83,489	-
Airport Improvement Program (COVID-19)	20.106*	3-29-0040-086	17,758,492	-
Airport Improvement Program (COVID-19)	20.106*	3-29-0040-087	4,934,070	-
Airport Improvement Program	20.106*	3-29-0041-027	2,474	-
Airport Improvement Program	20.106*	3-29-0041-029	2,294,472	-
Airport Improvement Program (COVID-19)	20.106*	3-29-0041-030	52,546	-
		Total AL 20.106	63,048,160	-

Passed Through Missouri Department of Transportation (MODOT):

Highway Planning and Construction	3	20.205	BRO-B048(50)	80,631	-
Highway Planning and Construction	3	20.205	CMAQ 3391 (412)	493,311	-
Highway Planning and Construction	3	20.205	CMAQ 3391 (412)	891,561	-
Highway Planning and Construction	3	20.205	CMAQ-3301(503)	6,194	-
Highway Planning and Construction	3	20.205	CMAQ-3376(404)	605	-
Highway Planning and Construction	3	20.205	CMAQ-3391 (412)	475,000	-
Highway Planning and Construction	3	20.205	CMAQ-9901(437)	55,760	-
Highway Planning and Construction	3	20.205	STP 3301 (508)	370,526	-
Highway Planning and Construction	3	20.205	STP 3301 (517)	365,722	-
Highway Planning and Construction	3	20.205	STP -3451 (403)	37,081	-
Highway Planning and Construction	3	20.205	STP-3311(402)	38,737	-
Highway Planning and Construction	3	20.205	STP-3337(411)	4,246	-
Highway Planning and Construction	3	20.205	STP-3374 (402)	341,148	-
Highway Planning and Construction	3	20.205	STP-3377 (408)	53,614	-
Highway Planning and Construction	3	20.205	STP-3400(438)	1,649	-
Highway Planning and Construction	3	20.205	STP-3451(401)	3,311	-
Highway Planning and Construction	3	20.205	STP-3451(404)	3,738,117	-
Highway Planning and Construction	3	20.205	TAP 3301 (489)	526,606	-
			Total AL 20.205	7,483,819	-

(CONT)

Federal Transit - Capital Investment Grants	4	20.500		\$ 17,153,933	\$ -
Federal Transit - Formula Grants (COVID-19)	4	20.507		524,657	-
			Total AL 20.500 and 20.507	17,678,590	-
<b>Total Department of Transportation Programs</b>				<b>\$ 88,210,569</b>	<b>\$ -</b>
<b>Department of Treasury Programs</b>					
<u>Passed Through Clay County:</u>					
Coronavirus Relief Fund (COVID-19)	21.019*	N/A		\$ 544,520	\$ -
<u>Passed Through Jackson County:</u>					
Coronavirus Relief Fund (COVID-19)	21.019*	N/A		\$ 3,038,974	\$ -
<u>Passed Through Platte County:</u>					
Coronavirus Relief Fund (COVID-19)	21.019*	N/A		\$ 2,480	\$ -
			Total AL 21.019	3,585,974	-
<u>Passed Through State of Missouri:</u>					
Emergency Rental Assistance Program (COVID-19)	21.023*	N/A		7,691,129	7,425,485
Emergency Rental Assistance Program (COVID-19)	21.023*	N/A		6,239,011	6,239,011
Emergency Rental Assistance Program (COVID-19)	21.023*	N/A		12,209,864	12,767,168
			Total AL 21.023	26,140,004	26,431,664
Coronavirus State And Local Fiscal Recovery Funds (COVID-19)	21.027*	N/A		79,625,405	-
<b>Total Department of Treasury Programs</b>				<b>\$ 109,351,383</b>	<b>\$ 26,431,664</b>
<b>Equal Employment Opportunity Commission Programs</b>					
Clearinghouse Services, Civil Rights Discrimination Complaints	29.001	EEC45015C0058		\$ 6,051	\$ -
Clearinghouse Services, Civil Rights Discrimination Complaints	29.001	EEC45015C0058		20,367	-
			Total AL 29.001	26,418	-
<b>Total Equal Employment Opportunity Commission Programs</b>				<b>\$ 26,418</b>	<b>\$ -</b>
<b>Environmental Protection Agency Programs</b>					
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	2B-97708801-0		\$ 314,067	\$ -
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	BF-97700901		483,163	-
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	BF-97750401		(2,275)	-
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	BF-97750401		7,320	-
			Total AL 66.818	802,275	-
<b>Total Environmental Protection Agency Programs</b>				<b>\$ 802,275</b>	<b>\$ -</b>
<b>Department of Energy Programs</b>					
iCast HUD Weather	81.042	SC-00415		\$ 99	\$ -
<u>Passed Through Metropolitan Energy Center:</u>					
Conservation Research and Development	81.086	DE-EE0008262		212,783	-
Energy Works KC	81.128	DE-EE0003564		253,880	-
<b>Total Department of Energy Programs</b>				<b>\$ 466,762</b>	<b>\$ -</b>
<b>Department of Health and Human Services Programs</b>					

(CONT)

Passed Through Missouri Department of Health and Senior Services:

Public Health Emergency Preparedness	93.069	DH210048521 - Amd 01	\$ 189,718	\$ -
Public Health Emergency Preparedness	93.069	DH210048521 - Amd 02	200,020	-
Cities Readiness Initiative	93.069	DH210048687 - Amd 01	99,991	-
Cities Readiness Initiative	93.069	DH210048687 - Amd 02	105,674	-

Passed Through Centers for Disease Control:

Crisis Cooperative Agreement	93.069	DH220050190 - Amd 01	221,595	-
		Total AL 93.069	816,998	-
Food and Drug Administrative Research	93.103	G-MP-2108-09755	24,462	-
Food and Drug Administrative Research	93.103	G-SP-1910-08315	3,000	-
		Total AL 93.103	27,462	-

Passed Through Missouri Department of Health and Senior Services:

Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	DH200048261 - Amd 01	45,077	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	DH200048261 - Amd 02	17,275	-
		Total AL 93.116	62,352	-
KC Health IQ	93.137	1CPIMP211239-01-00	477,472	190,386
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79TI081078-01	441,177	-

Passed Through Missouri Department of Health and Senior Services:

Immunization Cooperative Agreements	93.268	AOC19380001 - Amd 03	4,684	-
Immunization Cooperative Agreements	93.268	DH220050009	15,919	-

Passed Through Centers for Disease Control:

Immunization Cooperative Agreements (COVID-19)	93.268	DH210049861 - Amd 01	407,413	-
		Total AL 93.268	428,016	-

Passed Through University of Missouri - Kansas City:

Trans-NIH Research Support (COVID-19)	93.310	00103595/00072663- Amd 1	62,116	-
---------------------------------------	--------	-----------------------------	--------	---

Passed Through Centers for Disease Control:

Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (COVID-19)	93.323	DH210049167	126,150	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (COVID-19)	93.323	DH220051269 - Amd 01	22,767	-

Passed Through Missouri Department of Health and Senior Services:

Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	DH190014001 - Amd 01	11,600	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	DH190014001 - Amd 03	3,733	-
		Total AL 93.323	164,250	-

Passed Through Centers for Disease Control:

COVID Interventions for High Risk and Underserved Populations (COVID-19)	93.391	21NH75OT000012C5	762,910	214,114
---	--------	------------------	---------	---------

Passed Through Missouri Department of Health and Senior Services:

Child Care and Development Block Grant	5	93.575	ERS220-20052	31,340	-
--	---	--------	--------------	--------	---

(CONT)

CORE Public Health Functions	93.767	AOC18380288 - Year 03	170,380	-
CORE Public Health Functions	93.767	DH210050477	480,104	-
		Total AL 93.767	650,484	-
<i>Passed Through from Aids United:</i>				
Capacity Building Assistance (CBA) for High-Impact HIV Prevention	93.834	AU CDC PS19-1904 - Amd 03	50,000	-
<i>Passed Through From Washington University:</i>				
Capacity Building Assistance (CBA) for High-Impact HIV Prevention	93.834	WU-21-0474	25,000	-
		Total AL 93.834	75,000	-
<i>Passed Through Missouri Department of Health and Senior Services:</i>				
HIV Emergency Relief Project Gants (Ryan White HIV/AIDS Program Part A)	93.914	H89HA00028-28-00	3,272,182	2,631,603
HIV Emergency Relief Project Gants (Ryan White HIV/AIDS Program Part A)	93.914	H89HA00028-28-00M	245,375	215,828
HIV Emergency Relief Project Gants (Ryan White HIV/AIDS Program Part A)	93.914	H89HA00028-29-00	370,671	116,472
HIV Emergency Relief Project Gants (Ryan White HIV/AIDS Program Part A)	93.914	H89HA00028-29-00M	32,699	13,991
HIV Emergency Relief Project Gants (Ryan White HIV/AIDS Program Part A) (COVID-19)	93.914	H9AHA36942-01-01	31,933	25,942
		Total AL 93.914	3,952,860	3,003,836
<i>Passed Through Missouri Department of Health and Senior Services:</i>				
HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)	93.917*	DH1920A0002 - Amd 03	1,079,384	866,379
<i>Passed Through Missouri Department of Health and Senior Services:</i>				
HIV Prevention Activities Health Department Based	93.940	DH200048051 - Amd 02	330,894	158,525
HIV Prevention Activities Health Department Based	93.940	DH200048051 - Amd 03	93,072	37,938
<i>Passed Through Missouri Department of Health and Senior Services:</i>				
HIV Prevention Activities Health Department Based	93.940	DH2000048203 - Amd 01	92,025	-
HIV Prevention Activities Health Department Based	93.940	DH2000048203 - Amd 02	40,644	-
HIV Prevention Activities Health Department Based	93.940	DH210049607	101,520	66,572
HIV Prevention Activities Health Department Based	93.940	DH210049607 - Amd 1	156,311	87,883
		Total AL 93.940	814,466	350,918
<i>Passed Through Missouri Department of Health and Senior Services:</i>				
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	DH210049524	200,449	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	DH210049524 - Amd 01	67,528	-
		Total AL 93.977	267,977	-
<i>Passed Through Missouri Department of Health and Senior Services:</i>				
Maternal and Child Health Services Block Grant to the States	93.994	AOC19380021 - Amd 03	128,135	-
Maternal and Child Health Services Block Grant to the States	93.994	AOC19380161 - Amd 02	92,557	-
Maternal and Child Health Services Block Grant to the States	93.994	BB10012021	139,423	-
Maternal and Child Health Services Block Grant to the States	93.994	DH220051096	92,005	-
Maternal and Child Health Services Block Grant to the States	93.994	ERS04419011 - Amd 01	22,055	-
Maternal and Child Health Services Block Grant to the States	93.994	ERS04419011 - Amd 02	94,071	-
Maternal and Child Health Services Block Grant to the States	93.994	ERS04419012 - Amd 01	11,325	-
Maternal and Child Health Services Block Grant to the States	93.994	ERS04419012 - Amd 02	47,383	-
		Total AL 93.994	626,954	-

(CONT)

<b>Total Department of Health and Human Services Programs</b>			<u>\$ 10,741,218</u>	<u>\$ 4,625,633</u>
<b>Department of Homeland Security Programs</b>				
Cooperating Technical Partners Program	97.024	82000329	\$ 50,573	\$ -
<i>Passed Through Missouri State Emergency Management Agency:</i>				
Emergency Management Performance Grants (COVID-19)	97.042	EMK-2021-EP-00005-S24	5,264	-
Emergency Management Performance Grants	97.042	EMK-2021-EP-00006-058	85,364	-
Emergency Management Performance Grants	97.042	EMK-2021-EP-00006-059	79,882	-
		Total AL 97.042	170,510	-
Assistance to Firefighters Grant	97.044	EMW2018FP00676	16,404	-
Assistance to Firefighters Grant	97.044	EMW2019FG04653	373,695	-
		Total AL 97.044	390,099	-
<i>Passed Through Transportation Security Administration:</i>				
National Explosives Detection Canine Team Program	97.072	70T02020T9NNCP446	177,929	-
<i>Passed Through Federal Emergency Management Association:</i>				
Transit Security Grant	97.075	EMW-2021-RA-00026-S01	5,360	-
Homeland Security (SAFER) Staffing for Adequate Fire and Emergency Response	97.083	EMW2018FFH00568	825,645	-
TSA Electronic Baggage Screening Program - (EBSP)	97.117*	70T04021T7672N018	12,936,619	-
<b>Total Department of Homeland Security Programs</b>			<u>\$ 14,556,735</u>	<u>\$ -</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 242,912,455</u>	<u>\$ 32,999,914</u>

\* Major Programs as determined by Auditor

**Clusters**

1 - Child Nutrition Cluster	\$ 5,935
2 - CDBG - Entitlement Grants Cluster	\$ 8,354,722
3 - Highway Planning and Construction Cluster	\$ 7,483,819
4 - Federal Transit Cluster	\$ 17,678,590
5 - CCDF Cluster	\$ 31,340

**THE CITY OF KANSAS CITY, MISSOURI**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED APRIL 30, 2022**

**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Kansas City, Missouri (the Organization) under programs of the federal government for the year ended April 30, 2022. The information in this Schedule is presented in accordance with 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). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization. This Schedule includes only those awards received by the primary government.

**Note 2. Summary of Significant Accounting Policies**

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements. Expenditures reported on the Schedule are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Schedule includes federally funded projects received directly from federal agencies and the federal fund amounts of pass-through awards received by the City through the State of Missouri or other non-federal entities.

**Note 3. Indirect Cost Rate**

The Organization did not elect to use the 10% de minimis Indirect Cost Rate allowed under Uniform Guidance.

**Note 4. Balances of Loan and Loan Guarantee Programs**

The City (Water Service Department) has loan funds listed below, which were originally financed with federal financial assistance, passed-through from the state of Missouri. These programs either are not part of a federal loan or loan guarantee program or have no continuing compliance requirements other than continued loan payments; therefore, the outstanding loan balances have not been included in the accompanying schedule of expenditures of federal awards.

Funding Agency/Program Name	AL #	Description	Reference #	Issue Date	Maturity Date	Balance 4/30/2022
<b><i>Environmental Protection Agency</i></b>						
Clean Water State Revolving Fund Loan Program (CWSRFL)						
CWSRFL	66.458	SRF Series 2001B	C295248-08	11/20/2001	7/1/2022	1,060,000
CWSRFL	66.458	SRF Series 2002J	C295248-10	11/7/2002	7/1/2022	635,000
CWSRFL	66.458	SRF Series 2004H	C295248-13	12/9/2004	1/5/2025	1,915,000
CWSRFL - ARRA	66.458	SRF Series 2009B	C295588-01	12/15/2009	6/15/2030	6,535,100
CWSRFL	66.458	SRF Series 2021A	C295840-01	4/28/2021	1/1/2044	26,902,403
						<u>37,047,503</u>



**THE CITY OF KANSAS CITY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED APRIL 30, 2022**

**SUMMARY OF AUDITOR'S RESULTS**

**I. Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal Control over financial reporting:

- Material weakness(es) identified?  Yes  None Reported
- Significant deficiencies identified?  Yes  None Reported
- Noncompliance material to financial statements noted?  Yes  No

**II. Federal Awards**

Type of report the auditor issued on compliance for major programs:

- Qualified Opinion for Community Development Block Grants/Entitlement Grants
- Unmodified Opinion for all other Major Programs

Internal Control over compliance for major programs:

- Material weakness(es) identified?  Yes  None Reported
- Significant deficiencies identified?  Yes  None Reported

Audit findings relative to the major programs were disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a):  Yes  No

**Identification of Major Programs:**

<u>AL Number</u>	<u>Name of Federal Program/Cluster</u>
14.218	CDBG – Entitlement Grants Cluster
20.106	Airport Improvement Program
21.019	Coronavirus Relief Fund
21.023	Emergency Rental Assistance Program
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.917	HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)
97.117	TSA Electronic Baggage Screening Program (EBSP)

Dollar threshold used to distinguish between Types A and B programs: \$3,000,000

Auditee qualified as low-risk auditee?  Yes  No

**THE CITY OF KANSAS CITY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED APRIL 30, 2022**

**III. Findings and Questioned Costs for Financial Statements**

N/A

**IV. Findings and Questioned Costs for Federal Awards**

***Finding 2022-001 (Material Weakness)***

**Program:** Community Development Block Grants/Entitlement Grants

**Federal Agency:** Department of Housing and Urban Development (HUD)

**AL #:** 14.218

**Federal Award Identification Number and Year:** Various – See SEFA

**Pass-through Entity:** N/A

**Type of Compliance Finding:** J – Program Income

***Criteria***

Per OMB Uniform Guidance, 24 CFR sections 570.500 and 570.504, “The grantee must accurately account for any program income generated from the use of CDBG funds and must treat such income as additional CDBG funds which are subject to all program rules.”

***Condition/Context***

The City hired a third party to service single family home loans made with federal funds from this grant. The City did not maintain a listing or monitor the loans originated under this grant. Accordingly, the City cannot reconcile the loan servicer’s accounting reports to City records.

Although the City indicated that they have other sources of program income, the City does not have a system which identifies other sources of program income.

***Cause***

The City has not established a process to ensure that all income received by the third-party loan servicer, less their administrative fee, is remitted to the City. Because the City does not maintain a listing of all loans made, the City cannot reconcile the accounting reports provided by the loan servicer to City records.

The City has also not established a system to ascertain that all other anticipated sources of program income is remitted to the City.

***Effect***

The City may not have recorded all program income received, which would result in the City drawing down entitlement funds rather than using program income.

***Questioned Costs***

Unknown

***Is the finding a repeat finding***

Yes – Finding 2021-001 and 2020-002

**THE CITY OF KANSAS CITY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED APRIL 30, 2022**

**Recommendations**

We recommend that the City establish a process that:

- Identifies all sources of program income
- All program income is recorded in the accounting records
- All program income was used in accordance with program requirements

**Views of Responsible Officials/ Planned Corrective Actions**

Management agrees with the finding. See Corrective Action Plan on Organization's letterhead.

**Finding 2022-002 (Significant Deficiency)**

**Program:** Airport Improvement Program

**Federal Agency:** Department of Transportation (DOT)/Federal Aviation Administration (FAA)

**AL #:** 20.106

**Federal Award Identification Number and Year:** Various – See SEFA

**Pass-through Entity:** N/A

**Type of Compliance Finding:** N – Special Tests and Provisions

**Criteria**

Per 49 U.S. Code §47017(b) and §47133, sponsors are required to use airport revenue for the capital or operating costs of the airport, the local airport system, or other local facilities that are directly and substantially related to air transportation of passengers or property.

The U.S. Department of Transportation/Federal Aviation Administration - National Policy (*Order 5100.38D, Change 1*), Airport Improvement Handbook, effective February 29, 2019 provides the policy on the use of airport revenue. Among other things the policy prohibits the use of airport revenue for:

- Direct or indirect payments that exceed the fair and reasonable value of those services and facilities provided to the airport.

**Condition/Context**

- The City utilizes 745,190 square feet of land owned by the Aviation Department for the City's Fire Department and Police Station serving the north Kansas City community including the Kansas City airport. The City pays ground rent of \$0.168 per square foot per year based on a rate study done in 2003.

**Cause**

Management did not perform analysis to verify the fair and reasonableness of the rental rate.

**Effect**

The City's direct costs charged, or credits given to the Aviation Department may not be commensurate to the services provided or products received by the airport.

**Questioned Costs**

Unknown

**THE CITY OF KANSAS CITY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED APRIL 30, 2022**

***Is the finding a repeat finding***

Yes – Finding 2021-002 and 2020-007

***Recommendations***

We recommend that management perform analysis to verify the fair and reasonableness of the rental rate.

***Views of Responsible Officials/ Planned Corrective Actions***

Management agrees with the finding. See Corrective Action Plan on Organization's letterhead.



## Finance Department

### Accounts Division

3<sup>rd</sup> Floor, City Hall  
414 East 12<sup>th</sup> Street  
Kansas City, Missouri 64106

(816) 513-1173  
Fax: (816) 513-1174

### The City of Kansas City, Missouri

### Summary Schedule of Prior Audit Findings

### For the Period Ended April 30, 2022

Title 2, U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Subpart F, Section 511 – Audit Findings Follow-up requires *the auditee to prepare a Summary Schedule of Prior Audit Findings (Schedule)*. This Schedule identifies the status of all findings included in the prior audit's *Schedule of Findings and Questions Costs* and the findings reported in the prior audit's *Summary Schedule of prior Audit Findings* that were identified as unresolved or partially resolved.

**2021-001**      **Program:** Community Development Block Grants/Entitlement Grants

**Federal Agency:** Department of Housing and Urban Development (HUD)

**AL #:** 14.218

**Federal Award Identification Number and Year:** Various – See SEFA

**Pass-Through Entity:** N/A

**COVID-19 Identification:** Various – See SEFA

**Type of Compliance Finding:** J - Program Income

**Finding Type:** Compliance and Internal Control

**Internal Control Impact:** Material Weakness

**Finding:** The City hired a third-party to service single family home loans made with federal funds from this grant. The City did not maintain a listing of the loans originated under this program. Accordingly, the City cannot reconcile the loan servicer's accounting reports to City records.

**Status:** The City has obtained information from the third-party loan servicer which will allow for the tracking and confirmation of existing loans with the goal of taking a more active role in the management of the portfolio including making decisions for write-off of non-performing balances and those where the cost of servicing the loan exceeds the loan payments.

**Person(s) Responsible for Implementation:** Pearline McFall, Housing Department, Fiscal Officer, Telephone (816) 513-8432; Email: [Pearline.McFall@kcmo.org](mailto:Pearline.McFall@kcmo.org)

**Implementation Date:** Ongoing

**2021-002 Program:** Airport Improvement Program

**Federal Agency:** Department of Transportation (DOT)/Federal Aviation Administration (FAA)

**AL #:** 20.106

**Federal Award Identification Number and Year:** Various – See SEFA

**Pass-Through Entity:** N/A

**COVID-19 Identification:** Various – See SEFA

**Type of Compliance Finding:** N – Special Tests and Provisions

**Finding Type:** Compliance and Internal Control

**Internal Control Impact:** Significant Deficiency

**Findings:**

- The City utilizes 745,190 square feet of land owned by the Aviation Department for the City's Fire Department and Police Station serving the north Kansas City community including the Kansas City airport. The City pays ground rent of \$0.168 per square foot per year based on a rate study done in 2003.
- The City provides ambulance services to the Aviation Department and the total cost is covered by Aviation. The ambulance station also

provides emergency services to the Northland community. The Aviation Department has been provided with a credit for the insurance proceeds collected by the City for services provided at the Aviation location.

**Status:**

- Fair and reasonableness of the rental rate: Upon completion of the New Terminal the Department will undertake either a Land Use Survey or a Market Rate Study to determine if our leased property is competitively priced. The Aviation Department has placed in FY24 budget a placeholder for a Market Study contract.
- Ambulance Services: Resolved – The Fire Department no longer charges the Department for ambulance services.

**Person(s) Responsible for Implementation:** Contact Person: Fred O’Neill, Aviation Department, Fiscal Officer, (816) 243-3201; E-mail [Fred\\_ONeill@kcmo.org](mailto:Fred_ONeill@kcmo.org)

**Implementation Date:** Fair and reasonableness of the rental rate will be evaluated upon completion of the new terminal.

**2020-002**      **Program:** Community Development Block Grant (CDBG) (CFDA #14.218)

**Compliance:** J-Program Income

**Finding Type:** Compliance and Internal Control

**Agency:** Department of Housing and Urban Development (HUD)

**Internal Control Impact:** Material Weakness

**Finding:** The City hired a third-party to service single family home loans made with federal funds from this grant. The City did not maintain a listing of the loans originated under this program. Accordingly, the City cannot reconcile the loan servicer’s accounting reports to City records.

**Status:** The City has obtained information from the third-party loan servicer which will allow for the tracking and confirmation of existing loans with the goal of taking a more active role in the management of the portfolio including making decisions for write-off of non-performing balances and those where the cost of servicing the loan exceeds the loan payments.

**Person(s) Responsible for Implementation:** Pearline McFall, Housing Department, Fiscal Officer, Telephone (816) 513-8432; Email: [Pearline.McFall@kcmo.org](mailto:Pearline.McFall@kcmo.org)

**Implementation Date:** Ongoing

**2020-005**      **Program:** HOME Investment Partnerships Program (CFDA #14.239)

**Compliance:** Compliance and Internal Control

**Finding Type:** J-Program Income

**Agency:** Department of Housing and Urban Development (HUD)

**Internal Control Impact:** Material Weakness

**Finding:** Management's spreadsheet tracking program income received could not be validated because the loan receivables generating the purported income listed on the spreadsheet could not be reconciled to the general ledger.

**Status:** The City has obtained information from the third-party loan servicer which will allow for the tracking and confirmation of existing loans with the goal of taking a more active role in the management of the portfolio including making decisions for write-off of non-performing balances and those where the cost of servicing the loan exceeds the loan payments.

**Person(s) Responsible for Implementation:** Pearline McFall, Housing and Community Services Department, Fiscal Officer, (816) 513-8432; Email: [Pearline.McFall@kcmo.org](mailto:Pearline.McFall@kcmo.org)

**Implementation Date:** Ongoing

**2020-007**      **Program:** Airport Improvement Program (CFDA #20.106)

**Compliance:** Compliance and Internal Control

**Finding Type:** N-Special Tests and Provisions

**Agency:** Department of Transportation (DOT)/Federal Aviation Administration (FAA)



**Internal Control Impact:** Significant Deficiency

**Findings:**

- The City utilizes 745,190 square feet of land owned by the Aviation Department for the City's Fire Department and Police Station serving the north Kansas City community including the Kansas City airport. The City pays ground rent of \$0.168 per square foot per year based on a rate study done in 2003.
- The City provides ambulance services to the Aviation Department and the total cost is covered by Aviation. The ambulance station also provides emergency services to the Northland community. The Aviation Department has been provided with a credit for the insurance proceeds collected by the City for services provided at the Aviation location.

**Status:**

- Fair and reasonableness of the rental rate: Upon completion of the New Terminal the Department will undertake either a Land Use Survey or a Market Rate Study to determine if our leased property is competitively priced. The Aviation Department has placed in FY24 budget a placeholder for a Market Study contract.
- Ambulance Services: Resolved – The Fire Department no longer charges the Department for ambulance services.

**Person(s) Responsible for Implementation:** Contact Person: Fred O'Neill, Aviation Department, Fiscal Officer, (816) 243-3201; E-mail [Fred\\_ONeill@kcmo.org](mailto:Fred_ONeill@kcmo.org)

**Implementation Date:** Fair and reasonableness of the rental rate will be evaluated upon completion of the new terminal.

**2019-006**

**Program:** Airport Improvement Program (CFDA #20.106)

**Compliance:** Special Test and Provisions – Revenue Diversion

**Finding Type:** Compliance and Internal Control

**Agency:** Department of Transportation – Federal Aviation Administration (FAA)

**Internal Control Impact:** Control Deficiency

**Findings:**

- The City utilizes 745,190 of land owned by the Aviation Department for the City's Fire Department and Police Station serving the north Kansas City community including the KCI airport. Based on discussion with City personnel, the Fire Department is not dedicated for the airport use. The City pays ground rent of \$0.1625 per square foot per year. We were unable to verify the fair and reasonableness of the rental rate.
- The City provides ambulance services to the Aviation Department and the total cost would be covered by the Aviation Department. The ambulance station also provides emergency services to the Northland community. Although the Aviation Department has been provided with a credit for the insurance proceeds collected by the City for the service provided to the Aviation location, the Department might not be receiving a credit for the service provided to the Northland community due to lack of reconciliation of monthly run count with the credit provided. We were told that the Aviation Department is receiving a credit only for the ambulance services provided by the City at the Aviation location.

**Status:**

- Fair and reasonableness of the rental rate: Upon completion of the New Terminal the Department will undertake either a Land Use Survey or a Market Rate Study to determine if our leased property is competitively priced. The Aviation Department has placed in FY24 budget a placeholder for a Market Study contract.
- Ambulance Services: Resolved – The Fire Department no longer charges the Department for ambulance services.

**Person(s) Responsible for Implementation:** Contact Person: Fred O'Neill, Aviation Department, Fiscal Officer, (816) 243-3201; E-mail [Fred\\_ONeill@kcmo.org](mailto:Fred_ONeill@kcmo.org)

**Implementation Date:** Fair and reasonableness of the rental rate will be evaluated upon completion of the new terminal.

**2018-006**      **Programs:** Airport Improvement Program (CFDA #20.106)

**Compliance:** Special Tests and Provisions for Revenue Diversion

**Finding Type:** Compliance and Internal Control

**Agency:** Federal Aviation Administration (FAA)

**Internal Control Impact:** Significant Deficiency

**Findings:**

- The City utilizes 745,190 of land owned by the Aviation Department for the City's Fire Department and Police Station serving the north Kansas City community including the KCI airport. The City pays ground rent of \$0.168 per square foot per year based on a rate study done in 2003. The City was unable to verify the fair and reasonableness of the rental rate.
- Based on our review of the MOU the City signed with Aviation, the City provides ambulance services to the Aviation Department and the total cost is covered by the Aviation Department. The ambulance station also provides emergency services to the Northland community. The Aviation Department has been provided with a credit for the insurance proceeds collected by the City for the service provided at the Aviation location. However, due to a lack of a monthly run count reconciliation, the completeness of the credit could not be verified. We were also told that the Aviation Department is receiving a credit only for the ambulance services provided by the City at the Aviation location.

**Status:**

- Fair and reasonableness of the rental rate: Upon completion of the New Terminal the Department will undertake either a Land Use Survey or a Market Rate Study to determine if our leased property is competitively priced. The Aviation Department has placed in FY24 budget a placeholder for a Market Study contract.
- Ambulance Services: Resolved – The Fire Department no longer charges the Department for ambulance services.

**Person(s) Responsible for Implementation:** Contact Person: Fred O’Neill, Aviation Department, Fiscal Officer, (816) 243-3201; E-mail [Fred\\_ONeill@kcmo.org](mailto:Fred_ONeill@kcmo.org)

**Implementation Date:** Fair and reasonableness of the rental rate will be evaluated upon completion of the new terminal.

**2017-005**      **Programs:** Airport Improvement Program (CFDA # 20.106)

**Compliance:** Special Tests and Provisions

**Finding Type:** Compliance and Internal Control

**Agency:** Federal Aviation Administration (FAA)

**Internal Control Impact:** Significant Deficiency

**Findings:**

- The City utilizes 745,190 square feet of land owned by the Aviation Department for the City’s Fire Department and Police Station serving the north Kansas City community including the KCI airport. Based on discussion with City personnel, the Fire Department is not dedicated for the airport use. The City pays ground rent of \$0.1625 per square foot per year. We were unable to verify the fair and reasonableness of the rental rate.
- Based on our review of the MOU the City signed with Aviation, the City provides ambulance services to the Aviation Department and the total cost is covered by the Aviation Department. The ambulance station also provides emergency services to the Northland community. Although the Aviation Department has been provided with a credit for the insurance proceeds collected by the City, the Aviation Department might not be receiving a full credit due to a lack of reconciliation of a monthly run count with the credit provided. We were told that the Aviation Department and the City are working together to reconcile the monthly run report with the credit given.

**Status:**

- Fair and reasonableness of the rental rate: Upon completion of the New Terminal the Department will undertake either a Land Use Survey or a Market Rate Study to determine if our leased property is competitively priced. The Aviation Department has placed in FY24 budget a placeholder for a Market Study contract.
- Ambulance Services: Resolved – The Fire Department no longer charges the Department for ambulance services.

**Person(s) Responsible for Implementation:** Contact Person: Fred O’Neill, Aviation Department, Fiscal Officer, (816) 243-3201; E-mail [Fred\\_ONeill@kcmo.org](mailto:Fred_ONeill@kcmo.org)

**Implementation Date:** Fair and reasonableness of the rental rate will be evaluated upon completion of the new terminal.



**Finance Department  
Accounts Division**

3<sup>rd</sup> Floor, City Hall  
414 East 12<sup>th</sup> Street  
Kansas City, Missouri 64106-2790

(816) 513-1206  
Fax: (816) 513-1174

**The City of Kansas City, Missouri**

**Corrective Action Plan**

**For the Period Ended April 30, 2022**

Title 2, U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Subpart F, Section 511 – Audit Findings Follow-up requires the auditee to prepare a corrective action plan to address each audit finding included in the current year auditor’s reports. The *Corrective Action Plan for Current Year Findings* present the City’s corrective action plan for the Financial Statement and Federal Award Findings described in the accompanying *Schedule of Findings and Questioned Costs* for the period ended April 30, 2022.

**2022-001**      **Program:** Community Development Block Grants/Entitlement Grants

**Compliance:** J-Program Income

**Finding Type:** Compliance and Internal Control

**Agency:** Department of Housing and Urban Development (HUD)

**Internal Control Impact:** Material Weakness

**Finding:** The City hired a third party to service single family home loans made with federal funds from this grant. The City did not maintain a listing or monitor the loans originated under this grant. Accordingly, the City cannot reconcile the loan servicer’s accounting reports to City records.

Although the City indicated that they have other sources of program income, the City does not have a system which identifies other sources of program income.

**Status:** Corrective action plan in progress

**Corrective Action Plan:** The City has obtained information from the third-party loan servicer which will allow for the tracking and confirmation of existing loans with the goal of taking a more active role in the management of the portfolio including making decisions for write-off of non-performing balances and those where the cost of servicing the loan exceeds the loan payments.

**Person(s) Responsible for Implementation:** Pearline McFall, Housing Department Fiscal Officer, Telephone: (816) 513-8432; Email: Pearline.McFall@kcmo.org

**Implementation Date:** Ongoing

**2022-002** **Program:** Airport Improvement Program

**Compliance:** N – Special Tests and Provisions

**Finding Type:** Compliance and Internal Control

**Agency:** Department of Transportation (DOT)/Federal Aviation Administration (FAA)

**Internal Control Impact:** Significant Deficiency

**Finding:** The City utilizes 745,190 square feet of land owned by the Aviation Department for the City's Fire Department and Police Station serving the north Kansas City community including the Kansas City airport. The City pays ground rent of \$0.168 per square foot per year based on a rate study done in 2003.

**Status:** Corrective action plan in progress

**Corrective Action Plan:** Fair and reasonableness of the rental rate: Upon completion of the New Terminal the Department will undertake either a Land Use Survey or a Market Rate Study to determine if our leased property is competitively priced. The Aviation Department has placed in FY24 budget a placeholder for a Market Study contract.

**Person(s) Responsible for Implementation:** Fred O'Neill, Aviation Department Fiscal Officer, Telephone: (816) 243-3201; Email: [Fred.ONeill@kcmo.org](mailto:Fred.ONeill@kcmo.org)

**Implementation Date:** Fair and reasonableness of the rental rate will be reviewed upon completion of the new terminal.