



CITY OF KIRKWOOD, MISSOURI

SINGLE AUDIT REPORT

For the Year Ended March 31, 2025

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CITY OF KIRKWOOD, MISSOURI
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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Mayor and Members of the City Council
City of Kirkwood, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Kirkwood, Missouri’s (the City) 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’s major federal programs for the year ended March 31, 2025. The City’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, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2025.

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; 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 Responsibility for the Auditor Compliance section of our report.

We are required to be independent of the City 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’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 the City'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'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'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'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'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 the City'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.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance Section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies may exist that have not been identified.

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.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended March 31, 2025, and the related notes to financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated October 22, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sikich CPA LLC

St. Louis, Missouri
October 22, 2025

CITY OF KIRKWOOD, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended March 31, 2025

Federal Grantor	Pass-Through Grantor	Program Title	Federal ALN Number	Program/Grant Number	Expenditures
U.S. Department of Justice	N/A	Equitable Sharing Program	16.922	N/A	\$ 13,602
	N/A	Bulletproof Vest Partnership Program	16.607	N/A	<u>6,113</u>
Total U.S. Department of Justice					<u>19,715</u>
U.S. Department of Transportation	Missouri Department of Transportation	Highway Planning and Construction	20.205*	STP 5502(609)	782,325
	Missouri Department of Transportation	Highway Planning and Construction	20.205*	STP 5502(610)	45,296
	Missouri Department of Transportation	Highway Planning and Construction	20.205*	STP 5502(611)	44,896
	Missouri Department of Transportation	Highway Planning and Construction	20.205*	STP 5502(612)	8,836
	Missouri Department of Transportation	Highway Planning and Construction	20.205*	STP 5502(614)	65,725
	Missouri Department of Transportation	Highway Planning and Construction	20.205*	STP 5502(615)	22,571
	Missouri Department of Transportation	Highway Planning and Construction	20.205*	TAP 5502(613)	123,436
	Missouri Department of Transportation	Highway Planning and Construction	20.205*	TAP-5502 (616)	187,162
	Missouri Department of Transportation	COVID-19 Highway Planning and Construction	20.205*	TAP-5502(613)	<u>216,642</u>
Total Highway Planning and Construction					<u>1,496,889</u>
U.S. Department of Transportation	Missouri Department of Transportation	Safe Streets and Roads for All	20.939	693JJ32340393	<u>307,892</u>
Highway Safety Cluster:					
U.S. Department of Transportation	Missouri Department of Transportation	State and Community Highway Safety	20.600	24-PT-02-119	6,784
	Missouri Department of Transportation	State and Community Highway Safety	20.600	25-PT-02-129	<u>2,744</u>
Total State and Community Highway Safety					<u>9,528</u>
U.S. Department of Transportation	Missouri Department of Transportation	National Priority Safety Programs	20.616	24-M2HVE-05-022	2,713
	Missouri Department of Transportation	National Priority Safety Programs	20.616	25-M2HVE-05-015	<u>4,666</u>
Total National Priority Safety Programs					<u>7,379</u>
Total Highway Safety Cluster					<u>16,907</u>
Total U.S. Department of Transportation					<u>1,821,688</u>
U.S. Department of Treasury	N/A	COVID-19 Coronavirus State and Local Recovery Funds	21.027*	N/A	722,042
	Missouri Department of Health and Senior Services	COVID-19 Coronavirus State and Local Recovery Funds	21.027*	N/A	100,000
	Missouri Department of Public Safety	COVID-19 Coronavirus State and Local Recovery Funds	21.027*	SLFRP4542	<u>328,305</u>
Total U.S. Department of Treasury					<u>1,150,347</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					<u><u>\$ 2,991,750</u></u>

*Denotes major federal program.

CITY OF KIRKWOOD, MISSOURI

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended March 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards has been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). It is a summary of the activity of the City's federal awards programs prepared on the accrual basis of accounting. Accordingly, expenditures are recognized when the liability has been incurred and revenues are recognized when the qualifying expenditure has been incurred.

2. OTHER INFORMATION

The City did not receive any federal insurance or noncash assistance and provided no Federal awards to subrecipients during the year ended March 31, 2025.

3. INDIRECT COST RATE

The City did not elect the federal 10% de minimis indirect cost rate for the year ended March 31, 2025.

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended March 31, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified? X Yes No

Significant deficiency(ies) identified? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal Control over major federal programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None reported

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

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

Identification of major federal programs:

<u>ALN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 Coronavirus State and and Local Recovery Funds
20.205	Highway Planning and Construction

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

Auditee qualified as low-risk auditee? Yes X No

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended March 31, 2025

Section II - Findings – 2025-001 Financial Statement Audit

Criteria – Entities should reconcile bank reconciliations monthly and they should be reviewed by someone other than the person preparing the bank reconciliation timely.

Condition - During the audit, it was discovered that the City did not reconcile its bank reconciliations monthly or timely and the bank reconciliation did not agree to the general ledger by a material amount as of the audit fieldwork date.

Effect - The City could have inaccurate financial reporting throughout the year, missed or duplicate transactions, and potential cash flow issues that could have been discovered sooner. Material journal entries were required to adjust cash and other accounts months after they should have been adjusted and after the audit began.

Cause - The City did not have adequate internal controls surrounding bank reconciliations.

Recommendation - We recommend the City institute a process where bank reconciliations are prepared timely and reviewed by someone other than the person preparing the bank reconciliation.

Management Response - The City recognizes the importance of timely preparing bank reconciliations and the effects it can have on cash flow and reporting and will begin steps to implement these recommendations immediately. The City plans to outsource monthly bank reconciliation preparation until Finance staff can be trained on this task. The Finance Director or the Assistant Finance Director will review the monthly bank reconciliation which will help to satisfy the separation of duties criteria. This will be done each month on a timely basis which will help to improve and strengthen both the reporting process and help to maintain adequate internal controls.

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Audit Findings

None



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CITY OF KIRKWOOD, MISSOURI

Corrective Action Plan

For the Year Ended March 31, 2025

Material Weakness – Control Financial Statement Finding - Year Ended March 31, 2025

Criteria – Entities should reconcile bank reconciliations monthly and they should be reviewed by someone other than the person preparing the bank reconciliation timely.

Condition - During the audit, it was discovered that the City did not reconcile its bank reconciliations monthly or timely and the bank reconciliation did not agree to the general ledger by a material amount as of the audit fieldwork date.

Effect - The City could have inaccurate financial reporting throughout the year, missed or duplicate transactions, and potential cash flow issues that could have been discovered sooner. Material journal entries were required to adjust cash and other accounts months after they should have been adjusted and after the audit began.

Cause - The City did not have adequate internal controls surrounding bank reconciliations.

Recommendation - We recommend the City institute a process where bank reconciliations are prepared timely and reviewed by someone other than the person preparing the bank reconciliation.

Corrective Action Plan

The City recognizes the importance of timely preparing bank reconciliations and the effects it can have on cash flow and reporting and will begin steps to implement these recommendations immediately.

The City plans to outsource monthly bank reconciliation preparation until Finance staff can be trained on this task. The Finance Director or the Assistant Finance Director will review the monthly bank reconciliation which will help to satisfy the separation of duties criteria.

This will be done each month on a timely basis which will help to improve and strengthen both the reporting process and help to maintain adequate internal controls.

Responsible Person for Corrective Action Plan

Finance Director

Implementation Date of Corrective Action Plan

November 1, 2025
