

CITY OF JOPLIN, MISSOURI

**SINGLE AUDIT REPORT
(OMB Circular A-133)**

FOR THE YEAR ENDED OCTOBER 31, 2015

**City of Joplin, Missouri
Single Audit Report
(OMB Circular A-133)
For the Year Ended October 31, 2015**

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**Independent Auditor's Report on Schedule
of Expenditures of Federal Awards**

To the Honorable Mayor and Members of the City Council
City of Joplin, 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 Joplin, Missouri (the City) as of and for the year ended October 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated April 15, 2016, 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 OMB Circular A-133, 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.

Other Offices

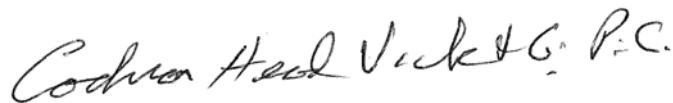
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April 15, 2016



ADDITIONAL INFORMATION

CITY OF JOPLIN, MISSOURI
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR FISCAL YEAR ENDED OCTOBER 31, 2015

PROGRAM	CFDA #	GRANT NUMBER	FEDERAL EXPENDITURES	AMOUNTS PAID TO SUBRECIPIENTS
U.S. DEPARTMENT OF AGRICULTURE:				
PASSED THROUGH MISSOURI DEPT OF HEALTH:				
SPECIAL SUPPLEMENTAL FOOD NUTRITION FOR WOMEN, INFANTS, AND CHILDREN:				
WIC PROGRAM	10.557	ERS04515108	\$ 574,901	\$ -
PEER COUNSELING PROJECT	10.557	ERS04515108	66,265	-
SUMMER FOOD SERVICE PROGRAM	10.559	ERS219-12051	360	-
<i>TOTAL U.S. DEPARTMENT OF AGRICULTURE</i>			<u>641,526</u>	<u>-</u>
U.S. DEPARTMENT OF COMMERCE:				
DIRECT PROGRAMS:				
EDA LIBRARY CONSTRUCTION GRANT	11.307	05-79-05345	1,210,466	-
<i>TOTAL U.S. DEPARTMENT OF COMMERCE</i>			<u>1,210,466</u>	<u>-</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
CDBG ENTITLEMENT GRANT CLUSTER:				
DIRECT PROGRAMS:				
2012 PROJECT	14.218	B-12-MC-29-0008	8,713	5,788
2013 PROJECT	14.218	B-13-MC-29-0008	98,480	43,940
2014 PROJECT	14.218	B-14-MC-29-0008	384,056	6,765
SPECIAL HABITAT ALLOCATION	14.218	B-11-MC-29-0008	33,367	-
CDBG DISASTER RECOVERY-2012	14.218	B-12-MT-29-0001	6,705,098	5,081
CDBG DISASTER RECOVERY-2013	14.218	B-13-MS-29-0001	10,967,133	487,389
<i>TOTAL CDBG ENTITLEMENT GRANT CLUSTER DIRECT PROGRAMS</i>			<u>18,196,847</u>	<u>548,963</u>
DIRECT PROGRAMS:				
HOME CONSORTIUM - 2010	14.239	2010 M-10-DC-29-0209	300	300
HOME CONSORTIUM - 2011	14.239	2011 M-11-DC-29-0209	57,729	42,804
HOME CONSORTIUM - 2012	14.239	2012 M-12-DC-29-0209	117,618	97,694
HOME CONSORTIUM - 2013	14.239	2013 M-13-DC-29-0209	137,019	125,820
HOME CONSORTIUM - 2014	14.239	2014 M-14-DC-29-0209	55,043	55,043
<i>TOTAL DIRECT PROGRAMS</i>			<u>367,709</u>	<u>321,661</u>
PASSED THROUGH THE MO DEPT OF ECONOMIC DEVELOPMENT:				
CDBG GRANT	14.228		63,547	-
<i>TOTAL PASSED THROUGH THE MO DEPT OF ECON DVLP</i>			<u>63,547</u>	<u>-</u>
<i>TOTAL U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</i>			<u>18,628,103</u>	<u>870,624</u>
U.S. DEPARTMENT OF INTERIOR				
PASSED THROUGH MISSOURI DEPARTMENT OF NATURAL RESOURCES				
HISTORIC PRESERVATION	15.904	29-14-121161-003	8,724	-
<i>TOTAL U.S. DEPARTMENT OF INTERIOR</i>			<u>8,724</u>	<u>-</u>
U.S. DEPARTMENT OF JUSTICE:				
DIRECT PROGRAMS:				
ATF OVERTIME	16.012		14,980	-
OCDETF	16.111	WC-MOW-0281	2,030	-
ICE	16.606		11,011	-
BULLETPROOF VEST PROGRAM	16.607	2013-BUBX-13066594	2,144	-
BULLETPROOF VEST PROGRAM	16.607	2014-BUBX-14072689	6,975	-
JUSTICE ADMINISTRATION GRANT	16.738	2013-DJ-BX-0409	1,503	-
JUSTICE ADMINISTRATION GRANT	16.738	2014-DJ-BX-1136	31,209	19,537
MENTAL HEALTH COLLABORATIVE	16.745	2014-MO-BX-0015	36,239	36,239
<i>TOTAL DIRECT PROGRAMS</i>			<u>106,091</u>	<u>55,776</u>
PASSED THROUGH MISSOURI DEPARTMENT OF PUBLIC SAFETY:				
ARRA - MULTI-JURISDICTION CYBER CRIME	16.803	2015-SCCG-005	227,080	121,720
ARRA - MULTI-JURISDICTION CYBER CRIME	16.803	2016-SCCG-004	81,809	56,898
<i>TOTAL PASSED THROUGH THE MISSOURI DEPT OF PUBLIC SAFETY</i>			<u>308,889</u>	<u>178,618</u>
ARRA - MO - INTERNET CRIMES AGAINST CHILDREN GRANT	16.800	2011-MX-CX-KO12	9,448	-
<i>TOTAL PASSED THROUGH THE CITY OF GLENDALE, MISSOURI</i>			<u>9,448</u>	<u>-</u>
<i>TOTAL U.S. DEPARTMENT OF JUSTICE</i>			<u>424,428</u>	<u>234,394</u>

CITY OF JOPLIN, MISSOURI
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR FISCAL YEAR ENDED OCTOBER 31, 2015

PROGRAM	CFDA #	GRANT NUMBER	FEDERAL EXPENDITURES	AMOUNTS PAID TO SUBRECIPIENTS
U.S. DEPARTMENT OF TRANSPORTATION:				
DIRECT PROGRAMS:				
AIRPORT IMPROVEMENT PROGRAM:				
AIRPORT MASTER PLAN	20.106	3-29-0037-030	\$ 87,040	\$ -
ARFF TRUCK	20.106	3-29-0037-031	281,318	-
AIRPORT SERVICE ROAD	20.106	3-29-0037-032	6,518	-
AIRPORT TAXIWAY D-PHASE B	20.106	3-29-0037-033	2,067,132	-
AIRPORT ENVIRONMENTAL ASSESSMENT	20.106	3-29-0037-035	81,443	-
AIRPORT TAXIWAY B/N	20.106	3-29-0037-036	192,216	-
AIRPORT TERMINAL RAMP OVERLAY	20.106	AIR 156-090A	84,947	-
FAA TOWER GRANT	20.106	AIR 096-90A1	14,021	-
AIRPORT STATE BLOCK GRANT	20.106	14-090A-1	237,784	-
ZONING AND PLANNING MPO	20.505	MO810008	202,417	-
<i>TOTAL DIRECT PROGRAMS</i>			3,254,836	-
PASSED THROUGH THE MISSOURI DEPT OF TRANSPORTATION:				
FHWA-DISASTER RECOVERY-TRAFFIC SIGNALS	20.205	ER-3212(701)	469,777	-
FHWA-MSSU TRAIL	20.205	STP-3201(705)	16,035	-
FHWA-KELSEY NORMAN SIDEWALK	20.205	STP-3200(715)	20,525	-
FHWA-NEWMAN SIDEWALK	20.205	STP-3201(704)	145,470	-
FHWA-EASTMORELAND	20.205	SRTS-INF-H287(103)	250,000	-
HAZARDOUS MOVING VIOLATION	20.600	15-PT-02-115	9,523	-
HAZARDOUS MOVING VIOLATION-SEAT BELT	20.600	15-M2HVE-05-027	297	-
DWI-DRIVE SOBER	20.607	15-M5HVE-03-035	1,884	-
DWI ENFORCEMENT	20.607	15-154-AL-096	11,171	-
DWI OFFICER GRANT	20.601	15-154-AL-097	60,475	-
TIGER	20.933		5,690,145	-
<i>TOTAL PASSED THROUGH THE MISSOURI DEPT OF TRANSPORTATION</i>			6,675,302	-
FEDERAL TRANSIT CLUSTER:				
DIRECT PROGRAMS:				
CAPITAL ASSISTANCE	20.507	MO900235/MO900297	228,133	-
CAPITAL ASSISTANCE	20.507	MO902235/MO902309	50,635	-
OPERATING ASSISTANCE	20.507	MO904297/MO904309	403,836	-
<i>TOTAL FEDERAL TRANSIT CLUSTER</i>			682,604	-
<i>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</i>			10,612,742	-
NATIONAL ENDOWMENT FOR THE HUMANITIES				
PASSED THROUGH MISSOURI STATE LIBRARY:				
SUMMER LIBRARY PROGRAM	45.310	2015-LFL4-SLPC4CN4-7771	19,774	-
PUBLIC LIBRARY COLLECTION DEVELOPMENT	45.310	2015-LCP4-COLC4CN4-7935	10,673	-
RACING TO READ	45.310	2015-LFL4-RTRC4CN4-7747	7,269	-
TECHNOLOGY MINI-GRANT	45.310	2015-LBE4-TMGC4CN4-7579	4,296	-
<i>TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES</i>			42,012	-
U.S. ENVIRONMENTAL PROTECTION AGENCY:				
DIRECT PROGRAMS:				
EPA GRANT-LEAD REMEDIATION	66.802	V-97733301	2,099,278	-
<i>TOTAL DIRECT PROGRAMS</i>			2,099,278	-
PASSED THROUGH MISSOURI DEPARTMENT OF NATURAL RESOURCES:				
CLEAN WATER STATE REVOLVING FUND-DIRECT LOAN PROGRAM 2011A	66.458	C295548-02	4,848,574	-
CLEAN WATER STATE REVOLVING FUND-DIRECT LOAN PROGRAM 2014	66.458	C295548-03	2,169,552	-
<i>TOTAL PASSED THROUGH THE MISSOURI DEPARTMENT OF NATURAL RESOURCES</i>			7,018,126	-
<i>TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY</i>			9,117,404	-

CITY OF JOPLIN, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED OCTOBER 31, 2015

PROGRAM	CFDA #	GRANT NUMBER	FEDERAL EXPENDITURES	AMOUNTS PAID TO SUBRECIPIENTS
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
PASSED THROUGH MISSOURI DEPARTMENT OF HEALTH:				
EBOLA VIRUS DISEASE MONITORING	93.074	TPO0053103S1	\$ 945	\$ -
REGIONAL PUBLIC HEALTH EMERGENCY PLANNING	93.069	2U90TP716971-11	38,477	-
COUNTY HEALTH PREPAREDNESS	93.069	E0205-6008	67,019	-
CHILD CARE SANITATION INSPECTION	93.575	ERS220-11051	3,640	-
MEDICAID, TITLE XIX	93.778	GMDM6455-R001	9,539	-
MEDICARE	93.778		294	-
MATERNAL & CHILD HEALTH BLOCK GRANT	93.944	1B04MC23390-01	32,670	-
<i>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</i>			152,584	-
U.S. DEPARTMENT OF HOMELAND SECURITY:				
DIRECT PROGRAMS:				
TSA AIRPORT SECURITY	97.042	HSTS0213HSLR728	24,980	-
<i>TOTAL DIRECT PROGRAMS</i>			24,980	-
PASSED THROUGH MISSOURI STATE EMERGENCY MANAGEMENT AGENCY:				
FEMA-FLOOD PLAIN BUYOUT	97.039	FEMA-1980-DR-MO	90,842	-
<i>TOTAL PASSED THROUGH MO STATE EMER MGMNT AGENCY</i>			90,842	-
PASSED THROUGH MISSOURI DEPARTMENT OF PUBLIC SAFETY:				
EMERGENCY MANAGEMENT	97.042	2015-EP-00043-056	61,440	-
<i>TOTAL PASSED THROUGH MO DEPT OF PUBLIC SAFETY</i>			61,440	-
<i>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</i>			177,262	-
<i>TOTAL EXPENDITURES OF FEDERAL AWARDS</i>			\$ 41,015,251	\$ 1,105,018

City of Joplin, Missouri
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended October 31, 2015

Note 1. Organization

The City of Joplin, Missouri, is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

Note 2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Joplin, Missouri, and is presented on the modified accrual basis of accounting. The information presented in this schedule is in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3. Local Government Contributions

Local cost sharing, as defined by the Office of Management and Budget Circular A-102, Attachment F, is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

Note 4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results that may result in disallowed costs to the City of Joplin, Missouri. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position at October 31, 2015.

Note 5. Outstanding Loans

The City has outstanding loan commitments under the Clean Water Direct Loan Program from the Missouri Department of Natural Resources, as a pass through agency for the Environmental Protection Agency (CFDA #66.458). As of October 31, 2015, the outstanding loan payable balances, reflecting the balance of draw downs as of year-end, were \$5,325,300 for the 2010 Sewer Revenue Bond issue, \$22,573,494 for the 2011A Sewer Revenue Bond issue and \$2,052,472 for the 2014 Sewer Revenue Bond issue.

Note 6. FEMA Expenditures

Management has included in the Schedule of Expenditures of Federal Awards, approximately \$1,700,000 of expenditures for the FEMA Federal Disaster grant (CFDA #97.036) that have exceeded the initial project estimates. Management believes that these expenditures will be reimbursed but, due to the nature of the reimbursement process for these projects, reimbursement of these expenditures will not be approved by FEMA until after the project is completed and submitted for reimbursement.

City of Joplin, Missouri
Schedule of Findings and Questioned Costs
For the Year Ended October 31, 2015

Section 1 - Summary of Auditor's Results

Financial Statements:

Type Audit Report Issued on the Basic Financial Statements of Auditee
Unmodified

Internal Control Over Financial Reporting
One significant deficiency reported, no material weaknesses identified.

See finding 2015-001.

General Compliance
The audit did not disclose any instances of noncompliance, which would be material to the basic financial statements.

Federal Awards:

Internal Control Over Major Programs
Seven significant deficiencies reported, no material weaknesses identified.

Type Audit Report Issued on Compliance for Major Programs
Unmodified

Audit Findings
See findings at 2015-002, 2015-003, 2015-004, 2015-005, 2015-006, 2015-007, and 2015-008.

Major Programs

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.218	Community Development Block Grant Program
20.933	Transportation Investment Generating Economic Recovery Grant
66.802	EPA Grant – Lead Remediation

Dollar Threshold Used to Distinguish Between Type A and Type B Program
\$1,230,458

Auditee Qualified as a Low-risk Auditee
No

City of Joplin, Missouri
Schedule of Findings and Questioned Costs (continued)
For the Year Ended October 31, 2015

Section 2 – Financial Statement Findings

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

2015-001 Pension Information

Condition

During our audit of the Policeman's and Fireman's Pension Plan, we noted that the payroll information submitted to the actuary to calculate the pension liability included three employees for which their salary information was not correctly reported. Accordingly, we consider this to be a significant deficiency in internal control over financial reporting.

Criteria

Internal controls should be in place to ensure that actuarial information conforms to the City's fiscal year-end financial information.

Cause

Procedures were not sufficient to ensure the proper payroll information was submitted to the actuary.

Effect

Potential exists for misstatements to the financial statements for the pension liability.

Recommendation

We recommend that management review policies and procedures to ensure the payroll information submitted to the actuary is complete and accurate.

Management's Response

The City discovered a programming error with the electronic computer system as a result of two employees moving from one public safety department to the other public safety department. The City will ensure this programming error is corrected, so that year-to-date wages are accurate in the computer system. Additionally, there was one clerical error. The City will review our policies and procedures to ensure the information reported to the actuary is complete and accurate.

Summary Schedule of Prior Audit Findings

2014-001 Financial Reporting

Condition

During our testing of accounts receivable related to sewer and trash billings, we noted that the allowance for doubtful accounts needed to be adjusted. In addition, we noted that the receipts and expenditures associated with the trash service fees had not been recorded during the year. As a result, adjustments were required to properly report these items. Accordingly, since the City's year-end procedures were not sufficient to identify the adjustments in a timely manner, we considered this matter to be a significant deficiency in internal control over financial reporting.

Recommendation

We recommended that management review year-end closing procedures to ensure that transactions are reviewed to determine the proper reporting in accordance with the City's policies and generally accepted accounting principles.

City of Joplin, Missouri
Schedule of Findings and Questioned Costs (continued)
For the Year Ended October 31, 2015

Current Year Status

Recommendation implemented in the current year.

2014-002 Pension Information

Condition

During our audit of the Policeman's and Fireman's Pension Plan, we noted that the payroll information submitted to the actuary to calculate the 2015 pension liability included only the payroll amounts for the calendar year-to-date amounts through October 31, 2014, rather than the information for November 1, 2013 through October 31, 2014. While this did not affect the pension liability calculation for the year currently being audited, it could have had a substantial impact on the liability calculation for 2015. Accordingly, we considered this to be a significant deficiency in internal control over financial reporting.

Recommendation

We recommended that management review policies and procedures to ensure the payroll information submitted to the actuary is complete and accurate.

Current Year Status

Recommendation repeated in the current year.

Section 3 – Federal Award Findings and Questioned Costs

Federal Award Findings Required to be Reported in Accordance with OMB Circular A-133.

2015-002 Transportation Investment Generating Economic Recovery Grant CFDA No. 20.933 – Wage Rate Requirement

Condition

During testing of compliance with wage rate requirements, one of the projects selected for testing included an incorrect wage order which resulted in several wage amounts not being in compliance. We consider this to be a significant deficiency in internal control over compliance.

Criteria

The City is required to have adequate controls in place to ensure contractors are complying with wage rate requirements.

Cause

The City did not have adequate controls in place to ensure that the correct wage order was being used.

Effect

The City was not in compliance with wage rate requirements.

Questioned Costs

NA

City of Joplin, Missouri
Schedule of Findings and Questioned Costs (continued)
For the Year Ended October 31, 2015

Recommendation

We recommend that the City review its policies and procedures related to the review of wage orders to ensure that appropriate amounts are being used.

Management's Response

The City will review our policies and procedures related to the review of wage orders and certified payrolls to ensure that appropriate amounts are being paid and submitted to ensure that the City is in compliance with all required federal and state regulations.

Contact Person – Leslie Haase, Finance Director

Corrective Action Plan – Review and implement needed policies and procedures related to wage orders and certified payrolls.

Expected Completion Date – October 31, 2016

2015-003 Community Development Block Grant Program CFDA No. 14.218 – Activities Allowed/Allowable Costs

Condition

During our testing, we noted two employees for which the hours coded to the grant did not agree to timesheets for the pay period selected for testing. We consider this to be a significant deficiency in internal control over compliance.

Criteria

Costs charged to the grant must be supported by appropriate documentation.

Cause

The City's internal control was not sufficient to ensure that all payroll charges were supported by appropriate documentation.

Effect

The City was noncompliant with the activities allowed/allowable cost requirements of the grant.

Questioned Costs

NA

Recommendation

We recommend that management review and revise policies and procedures over payroll allocations to grants to ensure that all time is allocated appropriately and supported by adequate documentation.

City of Joplin, Missouri
Schedule of Findings and Questioned Costs (continued)
For the Year Ended October 31, 2015

Management's Response

The City will review and revise policies and procedures related to payroll allocations on grant-related work to ensure time is properly allocated and supported by adequate documentation.

Contact Person – Leslie Haase, Finance Director

Corrective Action Plan – Review and implement needed policies and procedures related to payroll allocations by the electronic computer system.

Expected Completion Date – October 31, 2016

2015-004 Community Development Block Grant Program CFDA No. 14.218 – Reporting

Condition

During our testing, we noted four of the five reports selected for testing were filed after the due date. Also, the underlying support for four of the disaster relief grant reports selected for testing did not agree. We consider this to be a significant deficiency in internal control over compliance.

Criteria

The City's grant agreements require one annual report to be submitted within 90 days after the end of the City's program year end for the entitlement grant and quarterly reports to be submitted within 30 days after the end of each quarter for the disaster relief grants.

Cause

Internal controls over the report submission process were not sufficient to ensure accurate and timely submissions of the required reports.

Effect

The City is not in compliance with grant requirements.

Questioned Costs

NA

Recommendation

We recommend that management review and revise policies and procedures related to grant reporting to ensure that all reports are submitted accurately and by the appropriate deadlines.

Management's Response

The City will review and revise policies and procedures related to grant reporting to ensure that all reports submitted are accurate and in accordance with appropriate deadlines.

Contact Person – Leslie Haase, Finance Director

Corrective Action Plan – Review and implement needed policies and procedures related to grant reporting.

Expected Completion Date – October 31, 2016

City of Joplin, Missouri
Schedule of Findings and Questioned Costs (continued)
For the Year Ended October 31, 2015

2015-005 EPA Lead Remediation Grant CFDA No. 66.802 – Activities Allowed/Allowable Costs

Condition

During our testing, we noted that on one pay period selected for testing, the allocation to the grant for overtime compensation was not allocated proportionately to grant and non-grant activities. We consider this to be a significant deficiency in internal control over compliance.

Criteria

The overtime portion of salary expense should be allocated based on the portion of hours charged to the grant.

Cause

The City's internal control was not sufficient to ensure that all payroll charges were appropriately allocated.

Effect

The City was noncompliant with the activities allowed/allowable cost requirements of the grant.

Questioned Costs

NA

Recommendation

We recommend that management review and revise policies and procedures over payroll allocations to grants to ensure that all time is allocated appropriately.

Management's Response

The City will review and revise policies and procedures related to payroll allocations on grant-related work to ensure time is properly allocated and supported by adequate documentation.

Contact Person – Leslie Haase, Finance Director

Corrective Action Plan – Review and implement needed policies and procedures related to payroll allocations by the electronic computer system.

Expected Completion Date – October 31, 2016

2015-006 EPA Lead Remediation Grant CFDA No. 66.802 – Eligibility

Condition

During our testing, we noted two instances where eligibility verification checklists were not completed. We consider this to be a significant deficiency in internal control over compliance.

Criteria

The City is required to ensure eligibility requirements are fulfilled before providing services.

City of Joplin, Missouri
Schedule of Findings and Questioned Costs (continued)
For the Year Ended October 31, 2015

Cause

The City's internal control was not sufficient to ensure that all eligibility verification checklists were completed by appropriate City personnel.

Effect

Internal controls were not sufficient to ensure eligibility requirements were met.

Questioned Costs

NA

Recommendation

We recommend that management review and revise policies and procedures related to eligibility to ensure that verification checklists are being completed and reviewed by appropriate City personnel.

Management's Response

The City will review and revise policies and procedures related to grant eligibility for recipients and ensure proper documentation is maintained.

Contact Person – Leslie Haase, Finance Director

Corrective Action Plan – Review and implement needed policies and procedures related to grant eligibility.

Expected Completion Date – October 31, 2016

2015-007 EPA Lead Remediation Grant CFDA No. 66.802 – Reporting

Condition

During our testing, we noted two instances where required reports were filed after the due date. We consider this to be a significant deficiency in internal control over compliance.

Criteria

The City's grant agreements require quarterly reports to be submitted within 30 days after the end of each quarter.

Cause

Internal controls were not sufficient to ensure timely submission of the required reports.

Effect

The City is not in compliance with grant requirements.

Questioned Costs

NA

City of Joplin, Missouri
Schedule of Findings and Questioned Costs (continued)
For the Year Ended October 31, 2015

Recommendation

We recommend that management review and revise policies and procedures related to grant reporting to ensure that all reports are submitted by the appropriate deadlines.

Management's Response

The City will review and revise policies and procedures related to grant reporting to ensure that all reports submitted are accurate and in accordance with appropriate deadlines.

Contact Person – Leslie Haase, Finance Director

Corrective Action Plan – Review and implement needed policies and procedures related to grant reporting.

Expected Completion Date – October 31, 2016

2015-008 EPA Lead Remediation Grant CFDA No. 66.802 – Wage Rate Requirements

Condition

During testing of compliance with wage rate requirements, we noted three of the five certified payrolls reviewed were incorrect and resulted in certain amounts not being paid in accordance with wage rate requirements. In addition, we noted that at the time of our testing, certified payrolls had not been provided to the City for the previous four months. We consider this to be a significant deficiency in internal control over compliance.

Criteria

The City is required to have adequate controls in place to ensure contractors are complying with wage rate requirements.

Cause

The City did not have adequate controls in place to ensure that correct wages were being paid in accordance with wage rate requirements.

Effect

The City was not in compliance with wage rate requirements.

Questioned Costs

NA

Recommendation

We recommend that the City review its policies and procedures related to the review of certified payrolls to ensure that all required documentation is received timely by the City and properly reviewed.

City of Joplin, Missouri
Schedule of Findings and Questioned Costs (continued)
For the Year Ended October 31, 2015

Management's Response

The City will review our policies and procedures related to the review of certified payrolls to ensure that appropriate amounts are being paid and submitted to ensure that the City is in compliance with all required federal and state regulations.

Contact Person – Leslie Haase, Finance Director

Corrective Action Plan – Review and implement needed policies and procedures related to certified payrolls.

Expected Completion Date – October 31, 2016

Summary Schedule of Prior Audit Findings

2014-003 Transportation Investment Generating Economic Recovery Grant CFDA No. 20.933 – Davis-Bacon Act

Condition

During testing of compliance with the Davis-Bacon Act, two certified payrolls did not contain the certification page from the contractor. We considered this to be a significant deficiency in internal control over compliance.

Recommendation

We recommended that the City review its policies and procedures related to the review of certified payrolls to ensure that all required certified payroll documentation is received by the City and properly reviewed.

Current Year Status

Recommendation implemented in the current year.

2014-004 Community Development Block Grant Program CFDA No. 14.218 – Activities Allowed/Allowable Costs

Condition

During our testing, we were unable to recalculate the payroll amounts charged to the grant for the pay periods selected for testing. We noted that certain benefit amounts were being charged to the grant for employees that did not work on the grant, holiday pay was being allocated based on a preset percentage and not based on actual time charged to the grant, and certain timesheet allocations between activities did not agree to the allocations charged to the grant. The differences noted during our testing were not individually material, but we were unable to project the impact this would have on the grant as a whole and accordingly, considered the entire payroll amount charged to the grant of \$269,397 to be questioned costs. We considered this to be a material weakness in internal control over compliance.

Recommendation

We recommended that management review and revise policies and procedures over payroll allocations to grants to ensure that all time allocated is appropriate and supported by adequate documentation.

Current Year Status

The City implemented a new process in June to address the deficiencies noted in the prior year. However, additional items were noted in the current year and therefore this comment is partially repeated as finding 2015-003.

COMPLIANCE REPORTS



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**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***

To the Honorable Mayor and Members of the City Council
City of Joplin, 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 Joplin, Missouri (the City), as of and for the year ended October 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 15, 2016. Our report also included a reference to the report of other auditors. Our report includes a reference to other auditors who audited the financial statements of the Joplin Sports Authority, a discretely presented component unit, as described in our report on the City's financial statements.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City'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 did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2015-001 that we consider to be a significant deficiency.

Other Offices

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(913) 378-1177 FAX

400 Jules Street
Suite 415
St. Joseph, MO 64501
(816) 364-1118
(816) 364-6144 FAX

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

The City's Response to the Finding

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

Purpose of this Report

This 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.

Kansas City, Missouri
April 15, 2016

Cochran Head Vick + Co. P.C.



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& Co

Certified Public Accountants

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

To the Honorable Mayor and City Council
City of Joplin, Missouri

Report on Compliance for Each Major Federal Program

We have audited the City of Joplin, Missouri's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended October 31, 2015. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

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 October 31, 2015.

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Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2015-002, 2015-003, 2015-004, 2015-005, and 2015-007. Our opinion on each major federal program is not modified with respect to these matters.

The City's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-002 through 2015-008 that we consider to be significant deficiencies.

The City's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Kansas City, Missouri
April 15, 2016

