

CITY OF JOPLIN, MISSOURI

SINGLE AUDIT REPORT

FOR THE YEAR ENDED OCTOBER 31, 2016

**City of Joplin, Missouri
Single Audit Report**

For the Year Ended October 31, 2016

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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

Other Offices in
Missouri and Kansas

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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 31, 2017, 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.

Kansas City, Missouri
March 31, 2017

Cochran Head Vick & Co., P.C.

ADDITIONAL INFORMATION

CITY OF JOPLIN, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED OCTOBER 31, 2016

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	3MO700804-216	\$ 544,741	\$ -
PEER COUNSELING PROJECT	10.557	3MO700804-216	55,407	-
SUMMER FOOD SERVICE PROGRAM	10.559	3MO300305-216	500	-
<i>TOTAL U.S. DEPARTMENT OF AGRICULTURE</i>			<u>600,648</u>	<u>-</u>
U.S. DEPARTMENT OF COMMERCE:				
DIRECT PROGRAMS:				
EDA LIBRARY CONSTRUCTION GRANT	11.307	05-79-05345	6,862,231	-
<i>TOTAL U.S. DEPARTMENT OF COMMERCE</i>			<u>6,862,231</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	8,382	3,323
2013 PROJECT	14.218	B-13-MC-29-0008	2,360	2,360
2014 PROJECT	14.218	B-14-MC-29-0008	161,416	15,195
2015 PROJECT	14.218	B-15-MC-29-0008	496,245	16,320
2016 PROJECT	14.218	B-16-MC-29-0008	17,000	17,000
CDBG DISASTER RECOVERY-2012	14.218	B-12-MT-29-0001	7,344,302	127,453
CDBG DISASTER RECOVERY-2013	14.218	B-13-MS-29-0001	25,770,354	4,473,295
<i>TOTAL CDBG ENTITLEMENT GRANT CLUSTER DIRECT PROGRAMS</i>			<u>33,800,059</u>	<u>4,654,946</u>
DIRECT PROGRAMS:				
HOME CONSORTIUM - 2009	14.239	2009-M-09-DC-29-0209	189,584	189,584
HOME CONSORTIUM - 2010	14.239	2010 M-10-DC-29-0209	300	300
HOME CONSORTIUM - 2011	14.239	2011 M-11-DC-29-0209	96,949	96,949
HOME CONSORTIUM - 2013	14.239	2013 M-13-DC-29-0209	170,730	141,558
HOME CONSORTIUM - 2014	14.239	2014 M-14-DC-29-0209	103,974	73,348
<i>TOTAL DIRECT PROGRAMS</i>			<u>561,537</u>	<u>501,739</u>
PASSED THROUGH THE MO DEPT OF ECONOMIC DEVELOPMENT:				
CDBG GRANT	14.228		100,480	-
<i>TOTAL PASSED THROUGH THE MO DEPT OF ECON DVLP</i>			<u>100,480</u>	<u>-</u>
<i>TOTAL U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</i>			<u>34,462,076</u>	<u>5,156,685</u>
U.S. DEPARTMENT OF INTERIOR				
PASSED THROUGH MISSOURI DEPARTMENT OF NATURAL RESOURCES				
HISTORIC PRESERVATION	15.904	29-15-131224-002	30,000	-
<i>TOTAL U.S. DEPARTMENT OF INTERIOR</i>			<u>30,000</u>	<u>-</u>
U.S. DEPARTMENT OF JUSTICE:				
DIRECT PROGRAMS				
ATF OVERTIME	16.012		16,738	-
OCDETF	16.111	WC-MOW-0308	2,519	-
ICE	16.606		6,405	-
BULLETPROOF VEST PROGRAM	16.607	2014-BUBX-14072689	3,591	-
BULLETPROOF VEST PROGRAM	16.607	2015-BUBX-15078668	4,065	-
JUSTICE ADMINISTRATION GRANT	16.738	2013-DJ-BX-0409	1,192	-
JUSTICE ADMINISTRATION GRANT	16.738	2014-DJ-BX-1136	7,300	-
JUSTICE ADMINISTRATION GRANT	16.738	2015-DJ-BX-0780	25,006	15,770
MENTAL HEALTH COLLABORATIVE	16.745	2014-MO-BX-0015	179,044	-
<i>TOTAL DIRECT PROGRAMS</i>			<u>245,860</u>	<u>15,770</u>
PASSED THROUGH MISSOURI DEPARTMENT OF PUBLIC SAFETY:				
MULTI-JURISDICTION CYBER CRIME	16.803	2016-SCCG-004	155,785	71,391
MULTI-JURISDICTION CYBER CRIME	16.803	2017-SCCG-004	86,155	38,266
<i>TOTAL PASSED THROUGH THE MISSOURI DEPT OF PUBLIC SAFETY</i>			<u>241,940</u>	<u>109,657</u>
MO - INTERNET CRIMES AGAINST CHILDREN GRANT	16.800	2014-MC-FX-K043	13,997	-
<i>TOTAL PASSED THROUGH THE CITY OF GLENDALE, MISSOURI</i>			<u>13,997</u>	<u>-</u>
<i>TOTAL U.S. DEPARTMENT OF JUSTICE</i>			<u>501,797</u>	<u>125,427</u>

CITY OF JOPLIN, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED OCTOBER 31, 2016

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	\$ 74,483	\$ -
AIRPORT TAXIWAY D-PHASE B	20.106	3-29-0037-033	85,805	-
AIRPORT TAXIWAY B/N	20.106	3-29-0037-036	265,183	-
AIRPORT TERMINAL RAMP OVERLAY	20.106	AIR 156-090A	1,143,985	-
AIRPORT ENVIRONMENTAL ASSESSMENT	20.106	3-29-0037-035	72,336	-
AIRPORT STATE BLOCK GRANT	20.106	14-090A-1	62,216	-
ZONING AND PLANNING MPO	20.505	MO810008	145,767	-
<i>TOTAL DIRECT PROGRAMS</i>			1,849,775	-
PASSED THROUGH THE MISSOURI DEPT OF TRANSPORTATION:				
FHWA-MSSU TRAIL	20.205	STP-3201(705)	2,417	-
HIGHWAY PLANNING & CONSTRUCTION	20.205	RRP-000S(432)	20,000	-
HAZARDOUS MOVING VIOLATION	20.600	16-PT-02-079	6,407	-
HAZARDOUS MOVING VIOLATION	20.600	17-PT-02-123	1,001	-
DWI OFFICER GRANT	20.601	16-154-AL-059	85,489	-
DWI OFFICER GRANT	20.601	17-154-AL-035	7,679	-
DWI ENFORCEMENT	20.607	16-154-AL-060	11,193	-
DWI EQUIPMENT GRANT	20.607	16-154-AL-142	7,954	-
DWI EQUIPMENT GRANT	20.616	16-M5HVE03-106	65,000	-
TIGER	20.933	TDG-3200(718)	1,836,460	-
TIGER	20.933	TDG-3200(718)	400,000	-
<i>TOTAL PASSED THROUGH THE MISSOURI DEPT OF TRANSPORTATION</i>			2,443,600	-
FEDERAL TRANSIT CLUSTER:				
DIRECT PROGRAMS:				
CAPITAL ASSISTANCE	20.507	MO900297	141,735	-
CAPITAL ASSISTANCE	20.507	MO900309	93,765	-
CAPITAL ASSISTANCE	20.507	MO90X314 12-02	6,400	-
PLANNING ASSISTANCE	20.507	MO902309	54,823	-
OPERATING ASSISTANCE	20.507	MO904309	136,102	-
OPERATING ASSISTANCE	20.507	MO90X314 12-05	255,161	-
PARATRANSIT-LIVABILITY	20.507	MO040129	12,193	-
<i>TOTAL FEDERAL TRANSIT CLUSTER</i>			700,179	-
<i>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</i>			4,993,554	-
NATIONAL ENDOWMENT FOR THE HUMANITIES				
PASSED THROUGH MISSOURI STATE LIBRARY:				
SUMMER LIBRARY PROGRAM	45.310	2015-LFL4-SLPC4CN4-7771	14,836	-
SHOW ME STEPS	45.310	LS-00-16-0026-16	1,388	-
RACING TO READ	45.310	2015-LFL4-RTRC4CN4-7747	19,351	-
TECHNOLOGY MINI-GRANT	45.310	2015-LBE4-TMGC4CN4-7579	4,305	-
<i>TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES</i>			39,880	-
U.S. ENVIRONMENTAL PROTECTION AGENCY:				
DIRECT PROGRAMS:				
EPA GRANT-LEAD REMEDIATION	66.802	V-97733301	1,152,448	-
<i>TOTAL DIRECT PROGRAMS</i>			1,152,448	-
PASSED THROUGH MISSOURI DEPARTMENT OF NATURAL RESOURCES:				
CLEAN WATER STATE REVOLVING FUND-DIRECT LOAN PROGRAM 2014	66.458	C295548-03	424,830	-
<i>TOTAL PASSED THROUGH THE MISSOURI DEPARTMENT OF NATURAL RESOURCES</i>			424,830	-
<i>TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY</i>			1,577,278	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
PASSED THROUGH MISSOURI DEPARTMENT OF HEALTH:				
REGIONAL PUBLIC HEALTH EMERGENCY PLANNING	93.069	5NU90TP000531-05	\$ 38,298	\$ -
COUNTY HEALTH PREPAREDNESS	93.069	E0205-6008	58,533	-
TB CONTROL PROGRAM	93.116		142	-
CHILD CARE SANITATION INSPECTION	93.575	ERS22014107	3,580	-
CORE FUNCTION	93.767		101,177	-
MEDICAID, TITLE XIX	93.778	GMDM6455-R001	11,830	-
MATERNAL & CHILD HEALTH BLOCK GRANT	93.944	1B04MC26677-01	33,797	-
<i>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</i>			247,357	-

**CITY OF JOPLIN, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED OCTOBER 31, 2016**

PROGRAM	CFDA #	GRANT NUMBER	FEDERAL EXPENDITURES	AMOUNTS PAID TO SUBRECIPIENTS
U.S. DEPARTMENT OF HOMELAND SECURITY:				
DIRECT PROGRAMS:				
TSA AIRPORT SECURITY	97.042	HSTS0213HSLR728	25,710	-
<i>TOTAL DIRECT PROGRAMS</i>			25,710	-
PASSED THROUGH MISSOURI DEPARTMENT OF PUBLIC SAFETY:				
EMERGENCY MANAGEMENT	97.042	2016-EP-00004-055	69,469	-
<i>TOTAL PASSED THROUGH MO DEPT OF PUBLIC SAFETY</i>			69,469	-
<i>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</i>			95,179	-
<i>TOTAL EXPENDITURES OF FEDERAL AWARDS</i>			\$ 49,410,000	\$ 5,282,112

City of Joplin, Missouri
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended October 31, 2016

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 Title 2 U.S. *Code of Federal Regulation* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 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 Title 2 CFR Part 200, Subpart D, Section 200.306 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, 2016.

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, 2016, the outstanding loan payable balances, reflecting the balance of draw downs as of year-end, were \$5,029,000 for the 2010 Sewer Revenue Bond issue, \$24,359,883 for the 2011A Sewer Revenue Bond issue and \$2,485,694 for the 2014 Sewer Revenue Bond issue.

Note 6. Indirect Cost Rate

The City does not allocate indirect costs, and therefore has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

City of Joplin, Missouri
Schedule of Findings and Questioned Costs
For the Year Ended October 31, 2016

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
No significant deficiencies reported, no material weaknesses identified.

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
Five significant deficiencies reported, no material weaknesses identified.

Type Audit Report Issued on Compliance for Major Programs
Unmodified

Audit Findings
See findings at 2016-001 through 2016-005.

Major Programs

<u>CFDA Number</u>	<u>Name of Federal Program</u>
11.307	EDA Library Construction Grant
14.218	Community Development Block Grant Program
20.106	Airport Improvement Program

Dollar Threshold Used to Distinguish Between Type A and Type B Program
\$1,482,300

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, 2016

Section 2 – Financial Statement Findings

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

None

Summary Schedule of Prior Audit Findings

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.

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 implemented in the current year.

Section 3 – Federal Award Findings and Questioned Costs

Federal Award Findings Required to be Reported in Accordance with the Uniform Guidance

2016-001 EDA Library Construction Grant CFDA No. 11.307 – Activities Allowed/Allowable Costs

Condition

During our testing, we noted a portion of an employee's benefit amounts were being allocated to the grant but no time was coded 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

City of Joplin, Missouri
Schedule of Findings and Questioned Costs (continued)
For the Year Ended October 31, 2016

Prevalence

Due to the issues noted in prior year as 2015-003 and 2015-005, management indicated that the same systematic issue is occurring for the EDA Library Construction Grant. Accordingly, based on our review of the pay period selected, CHV concurred with management and did not perform additional testing.

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.

Management's Response

During the 2016 fiscal year, the City worked with the electronic payroll system to ensure the allocations between grants were correct. However, it appears issues continue with the system generated payroll allocation. Therefore, the City will institute a manual calculation of the payroll allocations of the grant-related work. This will help to ensure the payroll allocations are correct.

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, 2017

2016-002 Community Development Block Grant Program CFDA No. 14.218 – Activities Allowed/Allowable Costs

Condition

During our testing, we noted that wage and benefit amounts coded to the grant did not agree to the time allocated 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

City of Joplin, Missouri
Schedule of Findings and Questioned Costs (continued)
For the Year Ended October 31, 2016

Prevalence

Due to the issues noted in prior year as 2015-003 and 2015-005, management indicated that the same systematic issue is occurring in the current year. Accordingly, based on our review of the pay period selected, CHV concurred with management and did not perform additional testing.

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.

Management's Response

During the 2016 fiscal year, the City worked with the electronic payroll system to ensure the allocations between grants were correct. However, it appears issues continue with the system generated payroll allocation. Therefore, the City will institute a manual calculation of the payroll allocations of the grant-related work. This will help to ensure the payroll allocations are correct.

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, 2017

2016-003 Community Development Block Grant Program CFDA No. 14.218 – Reporting

Condition

During our testing, we noted the entitlement grant report selected for testing was filed after the due date and did not agree to the underlying support. We consider this to be a significant deficiency in internal control over compliance.

Criteria

The City's grant agreement requires one annual report to be submitted within 90 days after the end of the City's program year end for the entitlement grant.

Cause

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

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, 2016

Prevalence

Of the five reports selected for testing, four were in relation to the disaster relief grants and were filed timely and accurately in the current year. Finding is being repeated from 2015-004 in relation to the entitlement grant's annual report not being filed by the due date and not agreeing to the underlying support.

Recommendation

We recommend that management review and revise policies and procedures related to the entitlement grant reporting to ensure that the report is submitted accurately and by the appropriate deadline.

Management's Response

The City will ensure the reports for the Block Grant Entitlement grants are submitted timely. Furthermore, the City will institute an approval process to ensure the reports agree to the underlying support.

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, 2017

2016-004 Community Development Block Grant Program CFDA No. 14.218 – Subrecipient Monitoring

Condition

During our testing, the City indicated that monitoring activities had not been performed in several years for several subrecipients of entitlement grant programs. We consider this to be a significant deficiency in internal control over compliance.

Criteria

The City is required to monitor the subrecipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements.

Cause

The City's internal control was not sufficient to ensure that the subrecipient's use of Federal awards was appropriate.

Effect

The City was noncompliant with the requirements of subrecipient monitoring for the grant.

Questioned Costs

NA

City of Joplin, Missouri
Schedule of Findings and Questioned Costs (continued)
For the Year Ended October 31, 2016

Prevalence

Management indicated that that monitoring activities had not been performed in several years for several subrecipients of entitlement grant programs.

Recommendation

We recommend that management review and revise policies and procedures over subrecipient monitoring to ensure that Federal awards are appropriately monitored.

Management's Response

The City will review the subrecipient monitoring policies and procedures and ensure compliance with grant requirements.

Contact Person – Leslie Haase, Finance Director

Corrective Action Plan – Review and implement needed policies and procedures related to subrecipient monitoring.

Expected Completion Date – October 31, 2017

2016-005 Airport Improvement Program CFDA No. 20.106 – Reporting

Condition

During our testing, we noted certain reports selected for testing were filed after the due date and reported incorrect amounts. We consider this to be a significant deficiency in internal control over compliance.

Criteria

The City's grant agreements and compliance supplement requires the annual report to be submitted within 90 days after the end of the City's program year end.

Cause

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

Effect

The City is not in compliance with grant requirements.

Questioned Costs

NA

Prevalence

During the current year, 6 out of 12 applicable reports were selected for testing. Of which 3 were not filed by the due date and 1 reported incorrect amounts. Although the Airport Improvement Program was not tested in the prior year, similar findings were noted as 2015-004 and 2015-007.

City of Joplin, Missouri
Schedule of Findings and Questioned Costs (continued)
For the Year Ended October 31, 2016

Recommendation

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

Management's Response

The City will ensure the reports for the Airport Improvement Program grants are submitted timely. Furthermore, the City will institute an approval process to ensure the reports agree to the underlying support.

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, 2017

Summary Schedule of Prior Audit Findings

- 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 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

While the Transportation Investment Generating Economic Recovery Grant was not tested in the current year, management reviewed policies and procedures to ensure compliance with the wage rate requirements. In addition, no issues were noted for the wage rate requirements for applicable grants tested in the current year.

- 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 considered this to be a significant deficiency 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 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, 2016

Current Year Status

Comment repeated as 2016-002 in the current year.

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 considered this to be a significant deficiency in internal control over compliance.

Recommendation

We recommended 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.

Current Year Status

It was noted that the disaster relief grant reports selected for testing in the current year were filed timely and accurately. The comment was repeated in the current year in relation to the entitlement grant as 2016-003.

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 considered this to be a significant deficiency 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 is allocated appropriately.

Current Year Status

Although the EPA Lead Remediation Grant was not audited in the current year, similar issues were noted for grants tested in the current year with applicable payroll costs.

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 considered this to be a significant deficiency in internal control over compliance.

Recommendation

We recommended 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.

City of Joplin, Missouri
Schedule of Findings and Questioned Costs (continued)
For the Year Ended October 31, 2016

Current Year Status

In the current year, the eligibility requirements were not applicable for the grants tested. The comment was an isolated incident and management indicated that policies and procedures were reviewed to ensure that verification checklists were completed and reviewed by appropriate City personnel.

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 considered this to be a significant deficiency in internal control over compliance.

Recommendation

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

Current Year Status

Although the EPA Lead Remediation Grant was not audited in the current year, similar issues were noted for grants tested in the current year with reporting requirements.

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 considered this to be a significant deficiency in internal control over compliance.

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.

Current Year Status

Although the EPA Lead Remediation Grant was not audited in the current year, no issues were noted for the wage rate requirements for applicable grants tested in the current year.

COMPLIANCE REPORTS

CHV

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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***

Other Offices in
Missouri and Kansas

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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 31, 2017. 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. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Joplin Sports Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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. 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.

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*.

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.

Kansas City, Missouri
March 31, 2017

Cochran Heed Vick & Co., P.C.



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**Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

Other Offices in
Missouri and Kansas

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 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, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 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). Those standards and the Uniform Guidance 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, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-001 through 2016-005. 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 the Uniform Guidance, 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 2016-001 through 2016-005 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kansas City, Missouri
March 31, 2017

Cochran Heed Vick & Co., P.C.