

CITY OF JOPLIN, MISSOURI

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

FOR THE YEAR ENDED OCTOBER 31, 2014

**City of Joplin, Missouri
Single Audit Report
(OMB Circular A-133)
For the Year Ended October 31, 2014**

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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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated April 16, 2015, 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.

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Kansas City, Missouri

April 16, 2015



ADDITIONAL INFORMATION

CITY OF JOPLIN, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED OCTOBER 31, 2014

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	ERS04512217	570,519	-
PEER COUNSELING PROJECT	10.557	ERS04512217	60,215	-
SUMMER FOOD SERVICE PROGRAM	10.559	ERS219-12051	750	-
<i>TOTAL U.S. DEPARTMENT OF AGRICULTURE</i>			631,484	-
U.S. DEPARTMENT OF COMMERCE:				
DIRECT PROGRAMS:				
EDA RECOVERY GRANT	11.307	05-79-05345	109,176	-
EDA CONSTRUCTION GRANT	11.307	05-79-05171-01	3,437	-
<i>TOTAL U.S. DEPARTMENT OF COMMERCE</i>			112,613	-
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
CDBG ENTITLEMENT GRANT CLUSTER:				
DIRECT PROGRAMS:				
2011 PROJECT	14.218	B-11-MC-29-008	7,757	7,757
2012 PROJECT	14.218	B-12-MC-29-008	34,097	10,100
2013 PROJECT	14.218	B-13-MC-29-008	417,436	20,050
SPECIAL HABITAT ALLOCATION	14.218		16,538	16,538
CDBG DISASTER RECOVERY-2012	14.218		7,524,582	-
CDBG DISASTER RECOVERY-2013	14.218		2,335,672	276,154
<i>TOTAL CDBG ENTITLEMENT GRANT CLUSTER DIRECT PROGRAMS</i>			10,336,082	330,599
DIRECT PROGRAMS:				
HOME CONSORTIUM - 2007	14.239	2007 M-07-DC-29-0209	9,984	9,984
HOME CONSORTIUM - 2009	14.239	2009 M-09-DC-29-0209	30,454	30,454
HOME CONSORTIUM - 2010	14.239	2010 M-10-DC-29-0209	127,682	127,682
HOME CONSORTIUM - 2011	14.239	2011 M-11-DC-29-0209	65,964	33,447
HOME CONSORTIUM - 2012	14.239	2012 M-12-DC-29-0209	110,039	110,039
HOME CONSORTIUM - 2013	14.239	2013 M-13-DC-29-0209	107,092	107,092
<i>TOTAL DIRECT PROGRAMS</i>			451,215	418,698
PASSED THROUGH THE MO DEPT OF ECONOMIC DEVELOPMENT:				
NEIGHBORHOOD STABILIZATION GRANT				
	14.228	2008-DN-10	1,905	-
CDBG GRANT				
	14.228		92,146	-
<i>TOTAL PASSED THROUGH THE MO DEPT OF ECON DVLP</i>			94,051	-
<i>TOTAL U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</i>			10,881,348	749,297
U.S. DEPARTMENT OF INTERIOR				
PASSED THROUGH MISSOURI DEPARTMENT OF NATURAL RESOURCES				
HISTORIC PRESERVATION				
	15.904	29-14-121161-003	3,000	-
LWCF-OUTDOOR RECREATION-PARR HILL				
	15.916	29-01584	165,967	-
<i>TOTAL U.S. DEPARTMENT OF INTERIOR</i>			168,967	-
U.S. DEPARTMENT OF JUSTICE:				
DIRECT PROGRAMS:				
ATF OVERTIME	16.012		17,034	-
OCDETF	16.111	WC-MOW-0281	5,305	-
ICE	16.606		7,155	-
BULLETPROOF VEST PROGRAM	16.607	2011-BUBX-11055493	5,051	-
JUSTICE ADMINISTRATION GRANT	16.738	2012-DJ-BX-0285	34,279	17,794
<i>TOTAL DIRECT PROGRAMS</i>			68,824	17,794
PASSED THROUGH MISSOURI DEPARTMENT OF PUBLIC SAFETY:				
ARRA - MULTI-JURISDICTION CYBER CRIME				
	16.803	2009-MJCCG-032	188,730	80,911
<i>TOTAL PASSED THROUGH THE MISSOURI DEPT OF PUBLIC SAFETY</i>			188,730	80,911
PASSED THROUGH THE CITY OF GLENDALE, MISSOURI:				
ARRA - MO - INTERNET CRIMES AGAINST CHILDREN				
	16.800	2011-MX-CX-KO12	12,769	-
<i>TOTAL PASSED THROUGH THE CITY OF GLENDALE, MISSOURI</i>			12,769	-
<i>TOTAL U.S. DEPARTMENT OF JUSTICE</i>			270,323	98,705
U.S. DEPARTMENT OF TRANSPORTATION:				
DIRECT PROGRAMS:				
AIRPORT IMPROVEMENT PROGRAM:				
ELECTRICAL VAULT	20.106	3-29-0037-27-2009	55,801	-
EMERGENCY GENERATOR	20.106	3-29-0037-029	18,122	-
AIRPORT MASTER PLAN	20.106	3-29-0037-030	326,549	-
AIRPORT TAXIWAY	20.106	3-29-0037-034	895,378	-
AIRPORT SERVICE ROAD	20.106	3-29-0037-032	1,101,520	-
AIRPORT TAXIWAY II	20.106	3-29-0037-033	1,321,994	-
FAA TOWER GRANT	20.106	AIR 096-90A1	7,450	-
ZONING AND PLANNING MPO	20.505	MO810008	53,576	-
<i>TOTAL DIRECT PROGRAMS</i>			3,780,390	-

CITY OF JOPLIN, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED OCTOBER 31, 2014

PROGRAM	CFDA #	GRANT NUMBER	FEDERAL EXPENDITURES	AMOUNTS PAID TO SUBRECIPIENTS
PASSED THROUGH THE MISSOURI DEPT OF TRANSPORTATION:				
FHWA-CROSSROADS SEWER	20.205		17,042	-
FHWA-DISASTER RECOVERY-TRAFFIC SIGNALS	20.205	ER-3212(701)	216,458	-
FHWA-DISASTER RECOVERY-SIGNS	20.205	ER-3212(702)	56,569	-
FHWA-MSSU TRAIL	20.205	STP-3201(705)	15,907	-
FHWA-KELSEY NORMAN SIDEWALK	20.205	STP-3200(715)	172,912	-
DNR PARKS GRANT-CUNNINGHAM	20.219	2011-12	3,212	-
HAZARDOUS MOVING VIOLATION-2012	20.600		10,022	-
HAZARDOUS MOVING VIOLATION-2013	20.600	13-PT-02-041	7,669	-
HAZARDOUS MOVING VIOLATION	20.600	14-PT-02-052	9,487	-
HAZARDOUS MOVING VIOLATION-SEAT BELT	20.600	14-OP-05-002	450	-
DWI OFFICER GRANT	20.601	12-154-AL-067	59,628	-
DWI ENFORCEMENT-2012	20.607		9,470	-
DWI ENFORCEMENT-2013	20.607	13-154-AL-042	11,250	-
DWI ENFORCEMENT	20.607	14-154-AL-053	10,069	-
DWI-DRIVE SOBER	20.607	14-154-AL-062	565	-
TIGER	20.933		3,198,712	-
<i>TOTAL PASSED THROUGH THE MISSOURI DEPT OF TRANSPORTATION</i>			<u>3,799,422</u>	-
FEDERAL TRANSIT CLUSTER:				
DIRECT PROGRAMS:				
CAPITAL ASSISTANCE	20.507	MO900235	350,675	-
OPERATING ASSISTANCE	20.507	MO904235	484,436	-
ARRA - MAPS STIMULUS GRANT	20.507	MO960004	5,873	-
<i>TOTAL FEDERAL TRANSIT CLUSTER</i>			<u>840,984</u>	-
<i>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</i>			<u>8,420,796</u>	-
U.S. ENVIRONMENTAL PROTECTION AGENCY:				
DIRECT PROGRAMS:				
EPA GRANT-LEAD REMEDIATION	66.802	V-97733301	1,530,233	-
<i>TOTAL DIRECT PROGRAMS</i>			<u>1,530,233</u>	-
PASSED THROUGH MISSOURI DEPARTMENT OF NATURAL RESOURCES:				
CLEAN WATER STATE REVOLVING FUND-DIRECT 2010	66.458	C295548-01	673,099	-
CLEAN WATER STATE REVOLVING FUND-DIRECT 2011A	66.458	C295548-02	6,708,250	-
<i>TOTAL PASSED THROUGH THE MISSOURI DEPARTMENT OF NATURAL RESOURCES</i>			<u>7,381,349</u>	-
<i>TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY</i>			<u>8,911,582</u>	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
PASSED THROUGH MISSOURI DEPARTMENT OF HEALTH:				
REGIONAL PUBLIC HEALTH EMERGENCY PLANNING	93.069	2U90TP716971-11	39,838	-
COUNTY HEALTH PREPAREDNESS	93.069	E0205-6008	65,648	-
CHILD CARE SANITATION INSPECTION	93.575	ERS220-11051	3,990	-
MEDICARE	93.778		632	-
MEDICAID, TITLE XIX	93.778	3MDM6455-R001	9,499	-
MATERNAL & CHILD HEALTH BLOCK GRANT	93.944	1B04MC23390-01	28,525	-
<i>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</i>			<u>148,132</u>	-
U.S. DEPARTMENT OF HOMELAND SECURITY:				
DIRECT PROGRAMS:				
TSA AIRPORT SECURITY	97.042	HSTS0213HSLR728	22,289	-
<i>TOTAL DIRECT PROGRAMS</i>			<u>22,289</u>	-
PASSED THROUGH MISSOURI STATE EMERGENCY MANAGEMENT AGENCY:				
FEMA-FEDERAL DISASTER GRANTS	97.036	FEMA-1980-DR-MO	5,869	-
FEMA-FLOOD PLAIN BUYOUT	97.039	FEMA-1980-DR-MO	4,138	-
<i>TOTAL PASSED THROUGH MO STATE EMER MGMNT AGENCY</i>			<u>10,007</u>	-
PASSED THROUGH MISSOURI DEPARTMENT OF PUBLIC SAFETY:				
EMERGENCY MANAGEMENT	97.042	5695	72,636	-
<i>TOTAL PASSED THROUGH MO DEPT OF PUBLIC SAFETY</i>			<u>72,636</u>	-
<i>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</i>			<u>104,932</u>	-
<i>TOTAL EXPENDITURES OF FEDERAL AWARDS</i>			<u>29,650,177</u>	<u>848,002</u>

City of Joplin, Missouri
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended October 31, 2014

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, 2014.

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, 2014, the outstanding loan payable balances, reflecting the balance of draw downs as of year-end, were \$5,420,300 for the 2010 Sewer Revenue Bond issue and \$18,148,731 for the 2011A 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, 2014

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
Significant deficiencies reported, no material weaknesses identified.

See findings 14-01 and 14-02.

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
One material weakness identified. One significant deficiency reported.

Type Audit Report Issued on Compliance for Major Programs
Unmodified

Audit Findings
See findings at 14-03 and 14-04.

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
66.458	Clean Water State Revolving Fund

Dollar Threshold Used to Distinguish Between Type A and Type B Program
\$889,505

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, 2014

Section 2 – Financial Statement Findings

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

14-01 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 consider this matter to be a significant deficiency in internal control over financial reporting.

Criteria

Internal controls should be in place to ensure year-end balances and external financial reporting conforms to generally accepted accounting principles and the City's accounting policies.

Cause

Year-end procedures were not sufficient to identify the adjustments listed above in a timely manner.

Effect

Potential exists for misstatements to the financial statements.

Recommendation

We recommend 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.

Management's Response

The City will review our year-end closing procedures to ensure all transactions are properly reported in accordance with the City's policies and generally accepted accounting principles.

14-02 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 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.

City of Joplin, Missouri
Schedule of Findings and Questioned Costs (continued)
For the Year Ended October 31, 2014

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 will review our policies and procedures to ensure the information reported to the actuary is complete and accurate.

Summary Schedule of Prior Audit Findings

13-01 Financial Reporting

Condition

During our review of capital assets, we identified certain amounts recorded as infrastructure that were duplicated and certain other amounts that were not included in the listings. In addition, during our review of receivables and their associated unavailable revenues, we noted certain amounts were not included in the unavailable revenue balances.

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.

Current Year Status

The items noted above were corrected in the current year, but we noted additional financial reporting items as described in finding 14-01.

City of Joplin, Missouri
Schedule of Findings and Questioned Costs (continued)
For the Year Ended October 31, 2014

Section 3 – Federal Award Findings and Questioned Costs

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

14-03 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 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 Davis-Bacon Act requirements.

Cause

The City did not have adequate controls in place to ensure that appropriate documentation was received from the contractor.

Effect

The City was not in compliance with Davis-Bacon Act 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 certified payroll documentation is received by the City and properly reviewed.

Management's Response/Corrective Action Plan

Contact Person – Finance Director

Corrective Action Plan - The City has a policy regarding certified payrolls with regard to the Davis-Bacon Act. The Finance Department will ensure the departments are complying with this policy and ensure the documentation of such compliance.

Expected Completion Date – May 1, 2015

City of Joplin, Missouri
Schedule of Findings and Questioned Costs (continued)
For the Year Ended October 31, 2014

14-04 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 consider this to be a material weakness 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

\$269,397

Recommendation

We recommend 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.

Management's Response/Corrective Action Plan

Contact Person – Finance Director

Corrective Action Plan – This was an error in updating batches in regards to project numbers within the electronic computer system. The City has now implemented procedures in updating batches and reviewing project numbers associated with payroll expenditures to ensure this type of error does not happen in the future. Additionally, the Finance Department has implemented additional review steps on all grant reimbursements as an added step to help ensure this type of error does not happen in the future.

Expected Completion Date – May 1, 2015

City of Joplin, Missouri
Schedule of Findings and Questioned Costs (continued)
For the Year Ended October 31, 2014

Summary Schedule of Prior Audit Findings

- 13-02 Transportation Investment Generating Economic Recovery Grant CFDA No. 20.933 - Procurement, Suspension and Debarment

Condition

During testing it was noted that controls were not in place with regard to ensuring that the City's contract template containing a Suspension and Debarment clause was used in connection with this program and consequently the vendor contract did not contain the required Suspension and Debarment certification. We consider this to be a significant deficiency in internal control over compliance.

Recommendation

We recommend that the City review its policies and standard contracts to ensure that all federal contracts contain suspension and debarment clauses.

Current Year Status

Recommendation implemented in the current year.

- 13-03 Transportation Investment Generating Economic Recovery Grant CFDA No. 20.933 - Reporting

Condition

During our testing, we noted that the City had incorrectly reported the total federal share of expenditures for the most recent quarterly report. We consider this to be a significant deficiency in internal control over compliance.

Recommendation

We recommend that management review policies and procedures related to review of federal financial reports to ensure that all data elements are accurate before submission to the awarding agency.

Current Year Status

Recommendation was implemented in the current year.

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, 2014, 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 16, 2015. 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. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 14-01 and 14-02 that we consider to be significant deficiencies.

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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*.

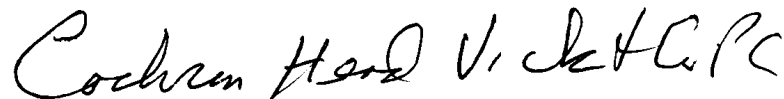
The City's Response to Findings

The City's responses to the 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 the financial statements and, accordingly, we express no opinion on them.

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 16, 2015

A handwritten signature in black ink that reads "Cochran Henderson V. J. Henderson". The signature is written in a cursive, flowing style.



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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, 2014. 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, 2014.

Other Offices

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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 14-03 and 14-04. 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 14-04 to be a material weakness. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 14-03 to be a significant deficiency.

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 16, 2015

