



Scott Fitzpatrick

Missouri State Auditor

City of Joplin

Report No. 2025-058

October 2025

auditor.mo.gov



Findings in the audit of City of Joplin

Emergency Ordinances	<p>The City Council limited opportunities for public comment and reduced transparency by presenting 80% of ordinances as emergency ordinances. The city Home Rule Charter over legislative proceedings allows almost any ordinance to be an emergency ordinance. During the fiscal year ended October 31, 2023, 130 of the 162 ordinances discussed in City Council meetings were emergency ordinances. When an ordinance is classified as an emergency, the amount of time it takes to pass the bill is reduced and the Home Rule Charter does not require allowance for public comment, limiting the transparency of the action.</p>
Finance Department Controls and Procedures	<p>User activity for users with complete access to the financial and budgeting accounting system is not adequately reviewed. Finance Department personnel do not account for all receipt slip numbers issued by the accounting system or reconcile the credit card payments received in person or online to the deposits on the bank statement. Finance Department personnel do not have adequate procedures to collect outstanding accounts receivable balances. As of October 31, 2023, there were 1,485 customers with outstanding balances due totaling approximately \$2.7 million, of which 710 accounts, totaling \$745,628, were over a year old. Finance Department personnel do not reconcile utility records monthly, including total billings, payments received, and amounts remaining unpaid for utility services.</p>
Budgeting Procedures	<p>The City Council did not include the amount of encumbrances not yet paid at the end of the prior year in the adopted city budget for the fiscal year ended October 31, 2023. In total, approximately \$12,769,000 in planned expenditures from encumbrances were not included in the approved fiscal year 2023 budget and only added in late November 2022. The City Council did not disclose the additional expenditures to the public. The Finance Director did not timely prepare, and the City Council did not timely approve, the final budget amendments for the fiscal year.</p>
Payroll and Allowance Procedures	<p>The city does not have a process to ensure the leave balances of department directors and employees appointed by the City Council are accurate. As exempt employees, they are only required to track leave taken, and not all time worked. The city has no documentation supporting vehicle allowance amounts are reasonable or necessary. The city pays vehicle allowances ranging from \$1,800 to \$6,000 annually to 17 employees for using their personal vehicles to conduct city business. In total, the city paid approximately \$74,000 in vehicle allowances for the fiscal year ended October 31, 2023. Using the federal reimbursement rate of \$0.655 per mile, the employees would have to travel approximately 379 to 826 miles per month or 12 to 27 miles per day to equal the allowance.</p>
Building Department Procedures	<p>Building Department personnel do not report all dangerous buildings to the Building Board of Appeals as required by city code, which could prevent the impartial handling of some building cases and limits the effectiveness of city code intended to ensure the safety of city buildings.</p>

Internal Audit Function	The city lacks an internal audit function. Such a function could have helped identify and/or resolve many of the accounting and procedural control weaknesses, and policy and compliance issues addressed in this report.
Joplin Sports Authority Oversight	The City Council does not perform adequate oversight of the Joplin Sports Authority (JSA). During fiscal year 2023, the city paid the JSA \$443,000, or 30% of the actual receipts from the 4% lodging tax, for the purpose of sports marketing for the city. One City Council member and two city staff are on the JSA board. JSA personnel provide the JSA Board and Finance Department monthly financial reports and receive an annual audit; however, neither the City Council, JSA Board, nor Finance Department personnel review any supporting documentation.
City Council Closed Meetings	The City Council does not review and approve closed meeting minutes. Meeting minutes, including closed meeting minutes, signed by the preparer and subsequently approved by the Council are necessary to provide an independent attestation that the minutes are a correct record of matters discussed and actions taken during meetings.
Convention and Visitors Bureau Bidding Procedures	The Convention and Visitors Bureau (CVB) did not bid some purchases as required. There were 56 disbursements from the CVB Fund during the fiscal year ended October 31, 2023. During our review of 8 haphazardly selected test items, we noted 3 for which CVB personnel did not follow city bidding policies. CVB personnel should have obtained informal written quotations from at least 3 vendors for 2 disbursements for \$3,748 and \$4,569. In addition, personnel should have obtained informal telephone quotations from at least 3 vendors for 1 disbursement for \$2,400.
Electronic Communication Policy	The city has not developed a records management and retention policy that includes electronic communication in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Joplin

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Emergency Ordinances.....4
	2. Finance Department Controls and Procedures7
	3. Budgeting Procedures.....12
	4. Payroll and Allowance Procedures.....15
	5. Building Department Procedures17
	6. Internal Audit Function18
	7. Joplin Sports Authority Oversight.....20
	8. City Council Closed Minutes21
	9. Convention and Visitors Bureau Bidding Procedures.....22
	10. Electronic Communication Policy.....23

Organization and Statistical Information	25
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SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

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

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Joplin. We have audited certain operations of the city in fulfillment of our duties. The city engaged Allen, Gibbs, & Houlik, L.C., Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended October 31, 2023. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended October 31, 2023. The objectives of our audit were to:

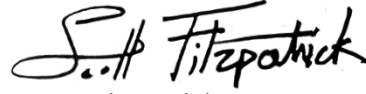
1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and performing sample testing using haphazard and judgmental selection, as appropriate. The results of our sample testing cannot be projected to the entire populations from which the test items were selected. We also obtained an understanding of city operations as they relate to citizen concerns significant to our objectives including open records (Sunshine) law compliance, budgets and financial statements, payroll, receipts, expenditures, and oversight of boards and commissions. We obtained an understanding of internal control that is significant to the audit objectives and planned and performed procedures to assess internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Joplin.

A handwritten signature in black ink that reads "Scott Fitzpatrick". The signature is written in a cursive, flowing style.

Scott Fitzpatrick
State Auditor

City of Joplin

Management Advisory Report

State Auditor's Findings

1. Emergency Ordinances

The City Council limited opportunities for public comment and reduced transparency by presenting 80% of ordinances as emergency ordinances. The city Home Rule Charter over legislative proceedings allows almost any ordinance to be an emergency ordinance. During the fiscal year ended October 31, 2023, 130 of the 162 ordinances discussed in City Council meetings were emergency ordinances.

According to the Home Rule Charter, Section 2.12, the city may classify an ordinance as an emergency for the following 6 reasons:

- For the immediate preservation of the public peace.
- For an election or to submit a proposal to the citizens.
- To make an appropriation for the payment of public debt, current expenses, or payment of damage claims.
- To make a general appropriation.
- To change a tax rate or assessment.
- To make any public improvement.

When an ordinance is classified as an emergency, the amount of time it takes to pass the bill is reduced and the Home Rule Charter does not require allowance for public comment, limiting the transparency of the action. The Home Rule Charter provides "... all bills must be read 3 times before final passage, not more than 2 of which readings shall be in the same legislative session; and at least 1 week shall elapse between the introduction and final passage of the bill ..." with the exception of emergency measures which do not require 1 week to elapse and may be voted on at the same meeting where they are heard. In addition, the Home Rule Charter requires "... prior to the final passage of any bill, other than an emergency bill, all persons interested therein may be heard before the council...."

The City Manager and City Attorney indicated that items are often classified as an "Emergency" when the issue must be expedited for one reason or another. They also stated the Home Rule Charter allows them to pass issues as "Emergencies" as currently defined. While this may be true, not all of the ordinances appeared to require emergency status. For example, on September 18, 2023, the City Council was presented a bill for an emergency ordinance to renew the annual agreement for the Women, Infant, and Children (WIC) program. Since this is an annual agreement, it does not appear to need to be handled as an emergency.

According to the Government Finance Officers Association, "The underlying reason for transparency is to help create trust among citizens, government



City of Joplin
Management Advisory Report - State Auditor's Findings

administrators, and elected officials¹" and when "... citizens believe that decisions are fact based and take all concerns into consideration, they are more likely to support those decisions.²" Passing ordinances in the regular process with all required public input would help ensure citizens the City Council is taking their concerns into consideration, provide additional assurance the City Council is fulfilling its fiduciary responsibilities, and could increase public support for Council decisions.

Recommendation

The City Council should refrain from using emergency ordinances unless necessary.

Auditee's Response

Emergency, or expedited ordinances, which may be a better description of what they are, are authorized by the Joplin City Charter, Section 2.12. The city Home Rule Charter is voted on and approved by the citizens of Joplin, and as such, is the law for the city. The State Auditor's Office has determined in their review of 162 ordinances that the city has fully complied with its charter in passing all of these ordinances. There were no violations of the City Charter or any other ordinance or state statute identified.

The State Auditor's Office has incorrectly concluded that the city does not allow public comment on emergency ordinances, and because of this the city lacks transparency. The fact is, the city has always allowed public comment on all agenda items at its council meetings. This includes public hearings, emergency ordinances, consent agenda items and first, second, and third reading ordinances. Complete transparency is given to the citizens on all ordinances the council considers. Agendas are posted on Thursday prior to the Monday night meeting along with all of the ordinances and supporting documentation, which gives the public ample time to review all agenda items. The public can sign up until the start of the council meeting to speak on any agenda item, including emergency ordinances.

The policy and reasoning behind the use of emergency/expedited ordinances is well established. Many cities across the State of Missouri use emergency ordinances and the State Legislature also has an emergency/expedited process for legislation. Across Missouri, emergency ordinances are used for general purchases, approving contracts and

¹ Government Finance Officers Association, *Transparency: A Means to Improving Citizen Trust in Government*, January 2018, <<https://www.gfoa.org/materials/transparency-a-means-to-improving-citizen-trust>>, accessed April 28, 2025.

² Government Finance Officers Association, *Code of Ethics*, <<https://www.gfoa.org/code-of-ethics>>, accessed April 28, 2025.



City of Joplin
Management Advisory Report - State Auditor's Findings

abating dangerous conditions. The city uses expedited ordinances in such cases as:

- (a) approving contracts with demolition contractors to tear down dangerous buildings in the city that are a danger to the health, safety and welfare of citizens.*
- (b) passing construction contracts on projects that are budgeted, discussed at budget work sessions and public meetings, publicly bid, that have undergone a bid review and scoring process, and then the contracts are taken to council for approval. Many of these contracts have time sensitive bid pricing items and also need to be completed during the prime construction season.*
- (c) Federal Government and State of Missouri grant and funding agreements with specific deadlines where the city is an award recipient.*
- (d) General purchase orders and other appropriations that are budgeted.*

With this said, the city strives for transparency and following the election in April of 2024, the City Council asked city staff to limit the use of emergency/expedited ordinances and since then, the city has substantially reduced the number of emergency/expedited ordinances. As noted during the 2023 audit review period, approximately 80% of ordinances were passed on an expedited basis. Since April of 2024, emergency ordinances have decreased to 40%. Since the city allows citizens to review and address any agenda item, along with the noted reduction in emergency ordinances during 2024 and 2025, the city believes we have implemented the recommendation of the auditor.

Auditor's Comment

The city's response states the report "... concluded that the city does not allow public comment on emergency ordinances...." However, the report only notes that the Home Rule Charter does not require public comment when passing emergency ordinances, not that the city restricts comment. Without the requirement, there is increased opportunity for ordinances to be passed without public input and in a less transparent manner. Additionally, while the city's response identifies some examples of reasonable uses of the emergency ordinance process, the report does not state the use of the process was inappropriate in every instance reviewed, and the examples provided do not justify all 130 instances of its use during the audit period.



2. Finance Department Controls and Procedures

Accounting controls and procedures need improvement. During the fiscal year ended October 31, 2023, the city had annual revenues and expenditures of approximately \$92 million and \$85 million, respectively.

2.1 User access

User activity for users with complete access to the financial and budgeting accounting system is not adequately reviewed. The Finance Director and Assistant Finance Director are system administrators and have complete access to the system. This includes the ability to record receipts and change receipt records in the system; update or close accounts receivable records; create and print checks; and update budgets. The Finance Director indicated the department had adequate controls in place to mitigate risk, such as department head review of department expenditures, Finance Department personnel preparation of monthly bank reconciliations and check processing, and other financial reviews. However, these reviews do not include reviewing voided transactions, so errors or fraudulent activity could still go unnoticed. Not adequately reviewing all activities of employees with full access to the system increases the risks of misappropriation and undetected errors.

The risk of erroneous changes or improper activity within the financial and budgeting systems increases with the excessive user access rights. Correcting financial and budgeting data is necessary to ensure accuracy of the city's financial data. However, review and approval of all changes is necessary to ensure reliability of the data. Additionally, without limiting user access, the city cannot ensure proper segregation of duties is in place over the functions of handling and recording receipts from the duties of accounts receivable, depositing, and disbursing money. Good internal controls require that users be allocated the minimum access rights necessary to perform their assigned job functions, and that access to security functions be explicitly assigned.

2.2 Receipting

Finance Department personnel do not account for all receipt slip numbers issued by the accounting system or reconcile the credit card payments received in person or online to the deposits on the bank statement.

- The city's accounting system uses one numerical receipt slip sequence for multiple cash collection locations. Therefore, receipt slips at each cash collection point are not issued in numerical sequence. Finance Department personnel, who have access to receipt reports for all locations, do not access the reports to account for the numerical sequence of receipt slips and ensure all receipts are properly deposited. Finance Department personnel review batch reports that could identify a missing batch; however this would not identify individual missing receipts.



City of Joplin
Management Advisory Report - State Auditor's Findings

- Parks and Recreation Department personnel do not have a method to ensure all receipts are posted and deposited. Department personnel record receipts in a different accounting system than is used by the other city cash collection locations. This accounting system is web-based, with 1 set of receipt slip numbers shared by all other municipalities using the same system. Therefore, personnel cannot use the sequential order of receipt numbers to ensure all receipts are included in the deposit. Parks and Recreation Department personnel compare total collected by composition on the accounting report to the money collected. However, they do not perform any other review of the receipt slips to account for any missing receipts. As a result there is no assurance all money received is accounted for and properly deposited.
- Finance Department personnel do not reconcile credit card and online payments received in the accounting system to the deposits on the bank statement. The Finance Department Director stated due to timing it is nearly impossible to reconcile the credit card transactions to the bank deposits. However, after we requested the reconciliation the Assistant Finance Director was able to obtain deposit reports from the credit card company and online payment company so we could reconcile the payments in the system to the deposits on the bank statement.

Failure to implement adequate receipting and reconciling procedures increases the risk that errors, loss, theft, or misuse of money will occur and go undetected.

2.3 Accounts receivable

Finance Department personnel do not have adequate procedures to collect outstanding accounts receivable balances. The city bills and collects fees such as building permits, code enforcement, security system false alarm calls, and cemetery fees. Finance Department personnel enter amounts due into the accounting system and mail out monthly billings; however, there are no procedures to resolve outstanding bills. As of October 31, 2023, there were 1,485 customers with outstanding balances due totaling approximately \$2.7 million, of which 710 accounts, totaling \$745,628, were over a year old. The Finance Director indicated department personnel were not following up on outstanding account balances due to understaffing.

Good business practices require adequate billing and collection procedures to ensure accounts are collected timely and bad debts are kept to a minimum.

2.4 Utility reconciliations

Finance Department personnel do not reconcile utility records monthly, including total billings, payments received, and amounts remaining unpaid for utility services. The Finance Director indicated she was unaware of a specific report in the system designed to perform this reconciliation; however, after we requested the reconciliation she worked with the system provider to create one.



City of Joplin
Management Advisory Report - State Auditor's Findings

Monthly reconciliations are necessary to ensure that all accounting records balance, transactions have been properly recorded, and any errors or discrepancies are detected timely.

Recommendations

The City Council:

- 2.1 Restrict user access within the financial and budgeting system and ensure adequate segregation of receipt recording duties from accounts receivable and disbursement duties, or ensure documented supervisory reviews of system entries and changes that lack proper segregation of duties.
- 2.2 Ensure Finance Department personnel account for the numerical sequence of receipt slip numbers for all money received. In addition, ensure credit card and online payments are reconciled to the credit card and online transaction records and deposits.
- 2.3 Ensure adequate procedures to monitor and collect accounts receivable balances timely.
- 2.4 Ensure monthly reconciliations are performed of utility amounts billed to amounts collected and delinquent accounts, and investigate significant differences.

Auditee's Response

- 2.1 *The city has three administrators of the financial system, the Information Technology Director, the Finance Director and the Assistant Finance Director. The organization is required to have system administrators with access to the system in order for the system to work. The auditor found no erroneous changes or improper activity within the financial system. The city has restricted access to the system to the extent possible while still ensuring the ability to use and maintain the system.*

The city also has the proper segregation of duties, oversight approval and internal controls in place. Furthermore, nothing in the financial system can be deleted. A record is created for all system transactions. The Finance Department segregates the following duties as set forth in the best practices of the Government Finance Officers Association:

- *Accounts receivable (billing) function from cash collection function.*
- *Vendor maintenance function from accounts payable function.*
- *Accounts payable function from purchasing function.*
- *Check printing and distribution function from accounts payable function.*
- *Daily deposit function from cash collection function.*



City of Joplin
Management Advisory Report - State Auditor's Findings

- *Payroll processing function from employee payroll maintenance function.*
- *Bank reconciliation function from transactional duties, cash collection duties and wire payment functions.*

In addition to the proper segregation of duties, there are multiple layers of oversight and approval for all transactions and processes. All transactions, including any made by any of the system administrators, are reviewed at multiple steps by multiple positions. Bank reconciliations are reviewed and approved by a separate person than the person reconciling the bank statements. All entries in the system that are modified in any manner, such as voids, adjustments or write-offs, are approved by a separate person other than the person making the change. However, with this said, the Finance Department understands the need for independent oversight of any modified system transactions. As such, the Finance Department has assigned a staff person who does not perform any of these transactional functions to review all modified system transactions on a monthly basis. This best practice has been implemented and is ongoing.

- 2.2 *The city's financial system automatically numbers cash receipts. The city uses nationally recognized government accounting software, Central Square, which is programmed so that no cash receipt numbers can be deleted or altered as if they never existed. They can only be voided, which creates a record. Therefore, if a cash receipt is entered into the system, there is a record of that receipt, even if it is voided. Furthermore, if a cash receipt is entered into the financial system, it must be entered into a batch. The city's central cashier accounts for all cash receipt batches, which means all cash receipts are accounted for and monitored. Prior to computerized cash receipts, organizations used manual receipts. With manual receipts, it was imperative that all receipt numbers be accounted for separately from the cash collection function, because a receipt could be written that could then be altered in some manner without creating a record. However, using computerized cash receipt systems such as Central Square, the focus is on ensuring that all batches are accounted for and that voided cash receipts are reviewed. As a best practice, in addition to the current oversight in place, the city has now assigned an independent review of voided cash receipts and cash receipt batch monitoring to the Financial Analyst, which has been implemented and is ongoing.*

The Parks Department accepts online payments through their registration software, CivicRec, as well as in-person payments at various parks locations across the city. All locations create batches



City of Joplin
Management Advisory Report - State Auditor's Findings

in their software, accept payments and issue receipts. A separate parks employee runs the daily batch summary report and balances the cash, checks and credit cards to this summary report. This employee then prepares the daily deposit for the bank. A separate parks employee verifies the CivicRec batch reconciles to the daily deposit. Like Central Square, CivicRec automatically numbers cash receipts. These cash receipt numbers cannot be deleted nor can these be altered without creating a record. They can only be voided or credited as a refund back to the original customer. Therefore, if a cash receipt is entered into the system, there is a record of that receipt, even if it is voided or credited. In addition to this oversight and segregation of duties, the city has now assigned an independent review of voided and refunded CivicRec cash receipts. Furthermore, the Parks Department is currently reviewing new registration software systems with the financial capability being one important evaluation factor.

The city receives 10,000 to 15,000 online credit card payments per month. Reconciling online credit card payments is a challenge, mainly due to the timing of when payments are posted versus when the cash receipt batch is closed. Online payments can be made 24 hours a day. If the cutoff for payments doesn't occur at the same time as the batch closing, it creates timing issues which are difficult to truly reconcile when dealing with this volume of payments. The Assistant Finance Director was able to reconcile the credit card payments requested by the auditor; however, it took an extended amount of time due to these timing issues. The city is currently working to resolve these timing issues, so that online credit card payments can be properly reconciled. The city will implement the improvements needed to reconcile the payments to the deposits to the extent possible.

- 2.3 *It should be noted that accounts receivable is separate from the utility billing function. The city currently has one staff member dedicated to both the accounts receivable function and the finance purchasing function. The types of receivables for the city are difficult to collect, because in most cases there are little means to enforce the collection side outside of sending monthly invoices and statements, which has been the city's process.*

However, since the audit period, much improvement has been made in the accounts receivable function. In 2024, the Legal Department began a focused enforcement process for some of the largest accounts in the special tax bill area. Additionally, the city has implemented new processes to ensure any outstanding balances are collected prior to issuing business licenses or building permits, as an example. Also,



City of Joplin
Management Advisory Report - State Auditor's Findings

with the implementation of online building permits in 2025, some building permit related accounts receivable will end. A separate finance staff person has been assigned to review outstanding accounts receivable accounts and work with the various departments on the collections of those balances on an ongoing basis. Finally, the city will also be receiving additional accounts receivable training during the upcoming months to help address this recommendation.

2.4 *The city was already reconciling utility billing on a monthly basis. However, our reconciliation process previously required multiple steps and reports rather than one step in a single, simplified report, as recommended by the auditor. During the audit, the city obtained the requested simplified report from Central Square which allows for the reconciliation to occur as one step in a single report. It should be noted that the new, simplified utility billing report did reconcile to the penny. During the audit in 2024, the city added this new, simplified report to our monthly balancing process that was being performed already, and continues to use this report for the monthly reconciliation of utility billing.*

Auditor's Comment

2.2 The city's response indicates personnel account for all cash receipt batches; however, as noted in the finding, this review of batch reports could identify a missing batch, but would not identify individual missing receipts.

2.4 While the city's response indicates personnel previously reconciled utility billings, the city did not provide documentation to demonstrate personnel fully reconciled the utility billings to ensure all transactions were properly recorded.

3. Budgeting Procedures

The City Council did not prepare complete budgets as required by state law or properly amend the budget prior to fiscal year end.

3.1 Budgets

The City Council did not include the amount of encumbrances³ not yet paid at the end of the prior year in the adopted city budget for the fiscal year ended October 31, 2023. On October 17, 2022, the City Council approved the fiscal year ended October 31, 2023, budget without including estimated encumbrances. Instead, the ordinance approving the budget only included a statement authorizing the Finance Director to increase the budget by the amount of outstanding and valid encumbrances without specifying the

³ In budget management, an encumbrance is a reservation of funds for a future expenditure. It essentially acts as a placeholder in the budget, indicating that a portion of the available funds has been committed to a specific purpose but not yet spent.



City of Joplin
Management Advisory Report - State Auditor's Findings

amount. For example, the approved 2023 published budgeted expenditures for the Public Safety Sales Tax Fund were \$9,173,229. However, this did not include \$4,604,498 in planned expenditures from prior year encumbrances. In total, approximately \$12,769,000 in planned expenditures from encumbrances were not included in the approved fiscal year 2023 budget and only added in late November 2022. The City Council did not disclose the additional expenditures to the public.

The Finance Director stated the encumbrance amounts are not included in the initial budget since the actual amounts are not known until late November. However, without the encumbrances included in the budget, the public is not aware of the city's complete financial condition.

Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and sets specific guidelines for the information to be included. Adopting an initial budget without estimated encumbrances is misleading and prevents an accurate estimate of the city's financial condition. A complete, timely, and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in informing the public about city operations and current finances. Realistic projections of the city's revenues and expenditures are essential for the efficient management of finances and for communicating accurate financial data to city residents.

3.2 Budget amendments

The Finance Director did not timely prepare, and the City Council did not timely approve, the final budget amendments for the fiscal year. The Finance Director prepared an amended budget for the year ended October 31, 2023, that was approved by the City Council on February 5, 2024, and prepared an amended budget for the year ended October 31, 2022, that was approved by the City Council on February 6, 2023. The Finance Director indicated budget amendments are typically done after the city's fiscal year end to adjust budgeted amounts to agree to actual disbursements after year end entries. However, we noted most of the February amendments were for depreciation and transfers. The following table includes the February 2024, amendments.

Fund	Department	Budget Amendment February 5, 2024
General	Transfers	\$ 185,100
Public Safety Sales Tax	Fire	445,000
	Transfers	83,000
Solid Waste Management	Special Programs	17,000
	Trash Services	171,000
Parks/Stormwater Sales Tax	Transfers	45,000
Transportation Tax	Transfers	60,000



City of Joplin
 Management Advisory Report - State Auditor's Findings

Capital Improvement	Transfers	50,000
Sales Tax		
Airport	Regional Airport	405,000
Golf Course	Grounds Maintenance	17,000
Sanitary Sewer	Sewer Treatment	145,000
	Sewer Maintenance	240,000
Grand Total		\$ 1,863,100

The city's Home Rule Charter Sections 4.14 and 4.17, require the city keep disbursements within amounts budgeted by department within each fund. In addition, Section 67.040, RSMo, requires political subdivisions keep disbursements within amounts budgeted and allows for budget increases, after the governing body officially adopts a resolution setting forth the facts and reasons. Proper monitoring and amending prior to disbursing funds is necessary for the budget to be an effective management tool and to comply with state law.

Recommendations

The City Council:

- 3.1 Timely adopt complete budgets that reflect realistic estimates for the ensuing year's activities.
- 3.2 Prepare necessary budget amendments timely to ensure actual expenditures do not exceed budgeted amounts.

Auditee's Response

3.1 *At the end of each fiscal year, the city has outstanding obligations through the issuance of valid encumbrances, also known as purchase orders. The city has many large projects underway at any given time that are not completed until the following fiscal year as well as equipment on order. As an example, the current average build time for a new fire truck is 3 years. Under the Home Rule Charter, the city is allowed to roll these obligations to the next fiscal year through the ordinance adopting the next year's budget. When an obligation is carried to the next year, the budget is increased by this amount while a simultaneous obligation is recorded, which results in the same original total budget impact. As an example:*

*Original Police Department Budget \$1,000,000
 Budget increase for carry forward purchase order \$1,000
 Encumbrance obligation (\$1,000)
 Total Budget Impact \$1,000,000*

Outstanding encumbrances are also recorded in the city's annual comprehensive financial report, as required by generally accepted accounting principles. At issue is that as set forth in the Home Rule Charter, the budget for the next fiscal year must be adopted the last



City of Joplin
Management Advisory Report - State Auditor's Findings

Monday preceding the first month of the new fiscal year. Final, valid outstanding encumbrances are unknown while the current fiscal year is still underway. Therefore, the ordinance allowing the budget to be increased and the encumbrance obligation to be recorded doesn't include the amount or details of those encumbrances. In order to address this recommendation, an ordinance including the amounts and details of the encumbrances will be presented to City Council when they are finalized.

- 3.2 *Staff present the City Council with a mid-year and year-end budget amendment prior to the fiscal year end, in addition to budget amendments throughout the year. The city takes seriously and strives to ensure actual expenditures do not exceed budgeted amounts throughout the year. However, due to the timing of some revenue and invoices received following the fiscal year-end, certain accrual entries are required to be made several months after year-end under generally accepted accounting principles. By law, the city is not allowed to have an expenditure budget violation. Therefore, in order to be in compliance, sometimes a budget amendment after the fiscal year has ended is required. As noted by the auditor, typically these amendments are for depreciation expense and some transfers. Depreciation expense and transfers are not a disbursement of funds for ongoing expenditures.*

The city agrees that proper monitoring and amending budgets prior to disbursing funds is necessary for the budget to be an effective management tool. The city also recognizes that amending the budget at year-end by large amounts to avoid an amendment after year-end is not an effective management tool either. The city will continue to present budget amendments throughout the year, at mid-year and at year-end, if required, and try to avoid amendments after year-end, while continuing to prioritize the avoidance of any budget violations.

4. Payroll and Allowance Procedures

4.1 Leave balances

Payroll and allowance procedures need improvement. The City's payroll expenditures totaled approximately \$40 million for the fiscal year ended October 31, 2023.

The City does not have a process to ensure the leave balances of department directors and employees appointed by the City Council are accurate. As exempt employees, they are only required to track leave taken, and not all time worked.

Department directors request leave through the City Manager who records this on his calendar but does not otherwise track the leave. Department directors also record leave taken on their timesheets. However, there is no reconciliation or review by the City Manager to ensure the leave requested



City of Joplin
Management Advisory Report - State Auditor's Findings

and approved, actually taken, and recorded on employee timesheets agrees. City Council employees do not have supervisory oversight of any leave used. The City Manager also stated City Council employees are only required to notify the City Council when they will be on leave and there is no verification of leave taken and approved when preparing payroll.

Without adequate records of leave taken, the city cannot ensure hours worked and leave earned and taken by employees are properly documented. The Fair Labor Standards Act (FLSA) under 29 CFR Section 516.2(a) requires employers to maintain accurate records of actual time worked by employees.

4.2 Vehicle allowances

The city has no documentation supporting vehicle allowance amounts are reasonable or necessary. The city pays vehicle allowances ranging from \$1,800 to \$6,000 annually to 17 employees for using their personal vehicles to conduct city business. In total, the city paid approximately \$74,000 in vehicle allowances for the fiscal year ended October 31, 2023. The City Manager stated he wanted all department heads to receive the same amount, so he increased all department heads' vehicle allowances to the highest amount. Using the federal reimbursement rate of \$0.655 per mile, the employees would have to travel approximately 379 to 826 miles per month or 12 to 27 miles per day to equal the allowance.

A review of vehicle allowances paid to actual expenses incurred by the employees would help the city ensure the amount paid is necessary and reasonable.

A similar condition was noted in our prior audit report.

Recommendations

The City Council:

- 4.1 Ensure controls are in place to maintain accurate leave records and balances.
- 4.2 Review the necessity of vehicle allowances and set the allowances to reasonably reflect the actual expenses incurred by the applicable employees.

Auditee's Response

- 4.1 *Department Directors request their leave time through the City Manager, while council employees notify the City Council of their leave requests. All employees, including Department Directors and City Council employees, maintain a record of their actual time worked through a signed timesheet, which is how all employees are paid and is properly retained. Thus, the city does maintain accurate records of time worked for all city employees. However, the recommendation is to reconcile the leave requests reported for Department Directors and City Council employees to the timesheet.*



City of Joplin
Management Advisory Report - State Auditor's Findings

The city is currently implementing an electronic time and attendance system, which automatically uploads into the electronic payroll system. With the implementation of this new system, all city employees, including Department Directors and council employees, submit their leave requests electronically. All leave requests require approval by a designated supervisor or representative. The city currently has transitioned approximately half of the employees to the new system, with the remaining employees onboarding in the near future. With the upgrade to this system, this recommendation is currently being implemented.

- 4.2 *In November of 2020, the city revised which positions receive a vehicle allowance to only Department Directors and certain council employees, resulting in a reduction in the number of auto allowances granted across the city. At the same time, the city equalized the annual amount of the auto allowance across all Department Directors to ensure all directors are being treated equitably and fairly. The equalization process for Department Directors did not result in an overall compensation increase for those employees, but rather was a re-distribution between base pay and auto allowance.*

The city believes the allowance amount for Department Directors is representative of the average number of miles traveled annually by these employees. Directors make frequent trips in town, as well as traveling out-of-town to conferences, classes and required meetings. Auto allowance save city staff time and additional costs of tracking, calculating and paying actual mileage monthly to these employees. Many cities across Missouri provide auto allowance to upper management to compensate for their travel, instead of tracking, calculating and paying actual mileage.

However, in an effort to address this recommendation, the city will perform an annual evaluation of the average mileage traveled by Department Directors to ensure the auto allowance amount is a reasonable amount reflective of the actual expenses incurred.

5. Building Department Procedures

Building Department personnel do not report all dangerous buildings to the Building Board of Appeals as required. The Building Department Chief Building Official stated it is not the intent of the city code to report all dangerous buildings, but to report dangerous buildings to the Board when citizens are not working with the department. However, this could prevent the impartial handling of some building cases and limits the effectiveness of city code intended to ensure the safety of city buildings.

City Code Section 26-615 (2) states, the building inspector should "...report to the building board all buildings, structures or portions thereof deemed to



City of Joplin
Management Advisory Report - State Auditor's Findings

be an emergency...." and 26-615 (3) states, the building inspector should "Except in emergency cases, report buildings to the building board and notify in writing all parties of any building or structure which, in the opinion of the inspector, is considered to be a dangerous building..." City Code Section 26-616 establishes the duties of the Building Board to ensure dangerous buildings are handled within specific timeframes. Reporting all dangerous buildings to the Building Board, regardless of citizen cooperation, ensures equitable treatment of citizens.

Recommendation

The City Council ensure Building Department personnel report dangerous buildings to the Building Board of Appeals as required by City Code.

Auditee's Response

The Building Department posts all dangerous buildings and notifies all interested parties in writing in compliance with City Code and 67.400, RSMo. Properties that are escalated to the Building Board of Appeals are vacant or include instances where the owner has not shown acceptable improvement of dangerous conditions. In order to keep the agenda items manageable and board meetings to roughly three (3) hours in length, properties that are poised for demolition or that present an imminent danger to the public are prioritized and listed as agenda items before the Building Board of Appeals. In cases of inhabited properties where the property owners are taking the initiative to improve dangerous conditions at the request of the Building Department, the Building Department monitors progress until the property is no longer considered dangerous and these cases have not been taken to the Building Board.

In an effort to address this finding, the city has changed its ordinance to reflect that property owners who are working with the city's Building Official to correct the dangerous conditions of their property will not be reported to the Building Board of Appeals while the property is brought into compliance.

6. Internal Audit Function

The city lacks an internal audit function. Such a function could have helped identify and/or resolve many of the accounting and procedural control weaknesses, and policy and compliance issues addressed in this report.

During the 2023 fiscal year, the city had annual revenues and expenditures of approximately \$90 million each, numerous cash collection points, and various compliance and policy requirements. These all increase the risks of error, loss, theft, or misuse of public funds, but the city does not have an internal audit function or similar arrangements for audits of these various processes. City officials indicated the Financial Analyst is tasked with performing internal audits. However, audit is the tenth listed job function in the job description and this individual reports to the Finance Department so is not independent of the functions audited. Additionally, no audits have been performed since at least October 2022.



City of Joplin
Management Advisory Report - State Auditor's Findings

If used properly, the internal audit function can assist management in performing its duties more efficiently and effectively, and the savings could potentially exceed the cost. In addition, an internal audit function can enhance the city's annual external financial statement audit by providing valuable information to those auditors and ensuring the city has strong internal controls and accounting procedures in place.

A similar condition was noted in our prior audit report.

Recommendation

The City Council consider appointing an internal auditor or contracting with an independent audit firm to conduct audits of specific city operations and activities.

Auditee's Response

While there are always risks of error, loss, theft or misuse of public funds in any governmental operation, it should be noted that the auditor found no instance of fraud, theft, or misappropriation. In the city's response to the previous audit recommendation in 2015, the city indicated that we would consider our ability to implement this recommendation given the financial constraints of the city. We further replied that if the city were unable to implement the recommendation as outlined, we would strive to achieve the same outcome by other means within the current city staffing levels or on a contract basis.

To address the prior audit recommendation within the financial constraints of the city, the city added an internal auditing function to the Financial Analyst position, as noted. Additionally, the city's internal control functions are reviewed annually by the independent auditing firm performing the city's annual comprehensive financial audit as required by auditing standards. The city is also the recipient of millions of dollars of federal and state grants. The city is audited by many different grant agencies, who also perform a review of the city's internal controls. Finally, the city performs outside, independent department assessments to help the city operate as efficiently and effectively as possible. The most recent assessments completed cover police, fire, community planning and public works, with the health department currently under way. These assessments make recommendations to improve policies, procedures and processes.

While the city respects the State Auditor's recommendation as a best practice, there are many demands for the city's scarce resources, such as additional public safety personnel. The auditor has indicated that a part-time internal audit function would be appropriate. The city believes that we are complying with this recommendation through the duties of the Financial Analyst, the independent audits and the comprehensive department assessments. However, we will continue to strive to review internal processes for improvement and accountability. The city supports and strives for continuous improvement.



Auditor's Comment

The city's response indicates they believe this recommendation has already been met through the duties of the Financial Analyst. However, as noted in the finding, this duty has not been performed since October 2022. In addition, this position is within the Finance Department so it is not independent and does not report to the City Council directly.

7. Joplin Sports Authority Oversight

The City Council does not perform adequate oversight of the Joplin Sports Authority (JSA). During fiscal year 2023, the city paid the JSA \$443,000, or 30% of the actual receipts from the 4% lodging tax, for the purpose of sports marketing for the city. One City Council member and two city staff are on the JSA board. JSA personnel provide the JSA Board and Finance Department monthly financial reports and receive an annual audit; however, neither the City Council, JSA Board, nor Finance Department personnel review any supporting documentation. The City Council Board member JSA representative indicated the same documents provided to the city were what the JSA Board received for approval. These documents were summaries of expenditures, not detailed transactions. Without detailed transactions, board members' review of the board activities are limited.

The agreement between the City and the JSA indicates the JSA shall provide monthly financial reports to the city within 30 days, submit biannual reports of its sports development activities to the city, keep appropriate books and records, and make those records available to the city. The Finance Director indicated the City Council is not an oversight board and is not responsible for reviewing detailed information of the JSA. With no detailed review of the JSA's financial reports of sports development activities, use of city funds for purposes other than those intended by the agreement could go undetected.

Recommendation

The City Council monitor and review Joplin Sports Authority reports to ensure it is spending the lodging tax receipts as intended.

Auditee's Response

The Joplin Sports Authority is considered a discretely presented component unit of the government, as defined by the Government Accounting Standards Board (GASB). As such, they are legally separate from the primary government, the City. The Joplin Sports Authority is governed by an eleven-person Board of Trustees. Of the eleven-person Board, the City Council appoints seven members, with four members being permanent appointments set by their position held. One permanent member is the Missouri Southern State University (MSSU) Athletic Director, one is the Joplin R-VIII School District Athletic Director and two are city staff, specifically the Parks Director and the Convention and Visitors Bureau (CVB) Director. Furthermore, a City Council member serves as a liaison to the board.

The Joplin Sports Authority operates in accordance with its articles of incorporation and currently receives a portion of the hotel/motel tax for sports marketing purposes. When the hotel/motel tax was increased by the



City of Joplin
Management Advisory Report - State Auditor's Findings

voters of Joplin in 2000, sports marketing was one of the specific purposes set forth in the ballot language. The Sports Authority maintains its own accounting records and obtains an annual independent audit, which is included in the city's Annual Comprehensive Financial Report and is publicly presented by the Finance Director to the City Council and citizens annually. All expenditures of the Sports Authority are presented to the board for approval every month. All sporting events, marketing efforts and sports development activities are also reviewed at the monthly board meetings. The city has three representatives at the Board meetings, with two staff serving as voting members. Finally, as noted, the Sports Authority sends monthly financial statements to the city, which are reviewed by finance staff.

The City of Joplin is the hub for the entire Southwest Missouri region, specifically where the hotels, restaurants and major retailers are located. It has long been acknowledged that for certain events, facilities outside of Joplin city limits have to be used in conjunction with Joplin facilities in order to host these large events. However, even though some facilities located outside of Joplin are sometimes required to be used, the economic benefit of the events is being captured by the City of Joplin through our hotels, restaurants and major retailers that aren't available outside of Joplin.

The city believes that there is proper oversight over the expenditures and revenues of the Joplin Sports Authority and that Joplin is the beneficiary of the economic impact of their sports marketing efforts.

Auditor's Comment

As noted in the city's response, sports marketing was a specific goal of the lodging tax passed by the voters in 2000. With this, it is imperative that the City Council provide sufficient oversight of the JSA's use of that money including reviewing detailed reports of JSA expenditures.

8. City Council Closed Minutes

The City Council does not review and approve closed meeting minutes. Closed meeting minutes are only signed by the City Attorney, who prepares them. The City Attorney indicated it had always been the city's practice to have only the City Attorney sign the closed minutes. The City Council generally meets twice a month in both regular and work sessions and holds special meetings when necessary. The Council held 20 closed meetings from November 1, 2022, to April 15, 2024.

Meeting minutes, including closed meeting minutes, signed by the preparer and subsequently approved by the Council are necessary to provide an independent attestation that the minutes are a correct record of matters discussed and actions taken during meetings.

Recommendation

The City Council review and approve closed meeting minutes.



Auditee's Response

While there is no legal requirement to approve closed session minutes, and the city's practice in keeping closed session minutes is and has always been in full compliance with the Missouri Sunshine Law and Chapter 610 RSMo, the city does see value in having the City Council approve its closed meeting minutes at subsequent meetings. This best practice was implemented by the City Council in 2024 and remains ongoing.

9. Convention and Visitors Bureau Bidding Procedures

The Convention and Visitors Bureau (CVB) did not bid some purchases as required. There were 56 disbursements from the CVB Fund during the fiscal year ended October 31, 2023. During our review of 8 haphazardly selected test items, we noted 3 for which CVB personnel did not follow city bidding policies. CVB personnel should have obtained informal written quotations from at least 3 vendors for 2 disbursements for \$3,748 and \$4,569. In addition, personnel should have obtained informal telephone quotations from at least 3 vendors for 1 disbursement for \$2,400. The CVB Director indicated informal quotations were obtained for 2 of the purchases, but they did not retain the documentation and the other item was purchased based on quotations obtained for a prior purchase. CVB personnel could not provide any support for the informal quotations.

The purchasing and procurement policy states "... informal written quotation from at least three (3) vendors is required for all purchases with an estimated price of less than \$15,000 but more than \$3,000 ... informal telephone quotation from at least three (3) vendors is required for all purchases with an estimated price of less than \$3,000 but more than \$1,000." Documentation of informal bids, the selection process, and criteria are necessary to demonstrate compliance with city policy and support decisions made.

Recommendation

The City Council ensure the CVB Department follows city bidding policies.

Auditee's Response

Departments are required to follow the city's Purchasing and Procurement Policy, which sets forth the bidding requirements. The CVB Department did obtain bids for the 2023 purchases, but they were unable to produce those records during the audit period.

Since the audit period, the purchasing system has been updated by adding the ability to allow departments to attach scanned bid documents electronically in the system for improved bid retention purposes. During 2024, departments began including the required bidding information in the electronic purchasing system. Purchase requisitions are only processed when the appropriate bid information has been attached electronically. This has improved the city's ability to produce the proof of bids obtained and helped ensure the departments are following city policy. Therefore, the city believes this recommendation has been implemented.



10. Electronic Communication Policy

The city has not developed a records management and retention policy that includes electronic communication in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission. This guidance recommends government entities have a policy on electronic messaging, including text messages and other third party platforms. The only guidance the city maintains is a 2004 resolution regarding electronic communications that is not included in its policies or employee handbook to ensure employees are aware of requirements.

Section 109.270, RSMo, provides that all records made or received by an official in the course of his/her public duties are public property and are not to be disposed of except as provided by law. Section 109.255, RSMo, provides that the Local Records Board issue directives for the destruction of records. The guidelines for managing electronic communications records can be found on the Secretary of State's website.⁴

Development of a written policy to address the use of electronic communications is necessary to ensure all documentation of official business of the city is retained as required by state law. The City Council indicated they thought they had a sufficient policy in place.

Recommendation

The City Council develop a written records management and retention policy to address electronic communications management and retention to comply with Missouri Secretary of State Records Services Division electronic communications guidelines.

Auditee's Response

In addition to the city following the Missouri Secretary of State's record retention policy, the city adopted Resolution 2004-038 in August of 2004. Section 13, Electronic Records, of this resolution reads:

"Upon written request, the custodian shall make available for copying a public record kept in an electronic format if that record is kept on a system capable of allowing the copying of electronic documents into other electronic documents. In all circumstances, the custodian shall supply the disk or tape used for the duplication. Any fees for providing such records shall be in accordance with Section 14.

Any member of a public governmental body who transmits any message relating to public business by electronic means shall also concurrently transmit that message to the custodian of records in the same format. This

⁴ Missouri Secretary of State Records Services Division, *Electronic Communications Records Guidelines for Missouri Government*, May 14, 2019, is available at <<https://www.sos.mo.gov/CMSImages/LocalRecords/CommunicationsGuidelines.pdf>>, accessed June 4, 2025.



City of Joplin
Management Advisory Report - State Auditor's Findings

provision shall only apply to messages sent to two or more members of that body so that, when counting the sender, a majority of the body's members are copied. Any such message received by the custodian of records shall be a public record subject to the exceptions of Section 610.021 and Section 2 hereinabove."

The city receives many open records requests each year. The city has always produced the requested records in compliance with the Sunshine Law and has never received a negative judgment or finding of fault regarding compliance with the Sunshine Law.

*While the city believes that we properly retain electronic records, this resolution is over twenty years old and electronic communications have changed over this time period. Therefore, to address this finding, the city will review the Missouri Secretary of State Records Division's publication, *Electronic Communications Guidelines for Missouri Government*, to determine if the current resolution requires any updates for compliance and adopt any such said revisions, accordingly.*

Auditor's Comment

The city's response indicates they believe this recommendation has already been met through the resolution 2004-038. However, the language from this resolution is not included in the city's policies or employee handbook provided to city employees.

City of Joplin

Organization and Statistical Information

The City of Joplin is located in Jasper and Newton Counties. The city was incorporated in 1873 and is currently a home rule-charter class city. The city employed 548 full-time employees and 81 part-time employees on October 31, 2023. The city's population was 51,762 in 2020, according to the U.S. Census Bureau.

City operations include police and fire protection services, sewer service, low-income health care services, convention and tourism promotional activities, airport services, economic development, street maintenance, and recreational facilities (aquatic centers, golf course, museum, and parks).

Mayor and Councilmembers

The city government consists of a nine-member Council, elected at-large for 4-year terms, with four members required to be residents of specific geographic zones. Every 2 years the Council selects one of its members to serve as mayor and another as mayor pro tem, who assumes mayoral responsibilities in the mayor's absence. Zone I covers North Joplin, Zone II covers West Joplin, Zone III covers the Center and East Joplin, and Zone IV covers South Joplin. The Councilmembers (including the mayor) are paid \$5 for each meeting attended, but not exceeding \$120 a year. The compensation of these officials is established by city charter. The Mayor and Councilmembers as of October 31, 2023, are listed below.

Doug Lawson, Mayor

Gary Shaw, Zone I Councilmember

Charles Copple, Zone II Councilmember

Phil Stinnett, Zone III Councilmember

Mark Farnham, Zone IV

Kate Spencer, General

Christina Williams, General

Josh DeTar, General

Keenan Cortez, General Councilmember and Mayor Pro Tem



City of Joplin
Organization and Statistical Information

Other Principal Officials

Name and Title (1)	Compensation Paid for the Year Ended October 31, 2023
Nicholas Edwards, City Manager	174,645
Tony Robyn, Assistant City Manager	128,495
Peter Edwards, City Attorney	155,518
Holly Nagy, City Clerk	71,825
Department Directors (1)	
Ryan Talken, Community Health	101,196
Patrick Tuttle, Convention and Visitors Bureau	81,088
Leslie Haase, Finance	130,034
Gerald Ezell, Fire Chief	104,909
Michelle Ducre, Human Resources/Risk Manager	111,890
Mark Morris, Information Technology	129,194
Paul Bloomberg, Parks and Recreation	103,534
Troy Bolander, Planning, Development & Neighborhood Services	100,930
Brian Lewis, Interim Police Chief (2)	37,902
Lynn Onstot, Public Information Officer	78,837
Daniel Johnson, Public Works	133,204

(1) Compensation includes, as applicable, longevity pay, vehicle allowances, cell phone allowances, and other stipends.

(2) Sloan Rowland served as Police Chief until he retired on June 1, 2023. His compensation for the year ended October 31, 2023, was \$86,889. Brian Lewis was Assistant Police Chief until June 2, 2023 when he was appointed Interim Police Chief.

Financial Activity

A summary of the city's financial activity obtained from the city's audited financial statements for the year ended October 31, 2023, follows:



City of Joplin
Organization and Statistical Information

Exhibit 4

City of Joplin, Missouri
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended October 31, 2023

	General	Parks/Storm Water Sales Tax	Transportation Sales Tax	Capital Improvement Sales Tax	Public Safety Sales Tax	Police & Fire Pension Sales Tax	ARPA	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:									
Taxes	\$ 26,359,310	\$ 4,707,555	\$ 12,093,090	\$ 7,070,451	\$ 9,424,227	\$ 9,579,134	\$ -	\$ 3,952,129	\$ 73,185,896
Tax increment financing	-	-	-	-	-	-	-	435,077	435,077
Intergovernmental	936,507	-	1,179,999	303,025	-	-	650,077	3,269,678	6,339,286
Licenses and permits	2,158,610	-	-	-	-	-	-	53,817	2,212,427
Charges for services	348,488	-	876,957	-	2,129	-	-	4,015,562	5,243,136
Fines and forfeitures	798,584	-	-	-	-	-	-	-	798,584
Interest	3,548,626	-	-	-	-	-	-	28,750	3,577,376
Other	158,916	-	29,844	-	-	-	-	65,987	254,747
Total revenues	34,309,041	4,707,555	14,179,890	7,373,476	9,426,356	9,579,134	650,077	11,821,000	92,046,529
Expenditures:									
Current:									
General government	7,907,414	-	-	-	-	-	709,107	153,372	8,770,093
Public safety	18,749,737	-	-	-	13,462,157	8,769,613	-	-	40,981,507
Public works	2,719,484	-	-	7,178,208	-	-	-	70,986	9,968,678
Highways and streets	-	1,498,961	8,409,382	-	-	-	-	-	9,908,343
Environmental	-	-	-	-	-	-	-	3,556,890	3,556,890
Health services	-	-	-	-	-	-	-	2,622,498	2,622,498
Culture and recreation	548,754	875,029	-	-	-	-	-	5,348,097	6,771,880
Social services	-	-	-	-	-	-	-	1,970,492	1,970,492
Capital outlay	-	-	-	-	-	-	-	269,679	269,679
Debt service:									
Principal	93,416	-	-	-	56,319	-	-	77,877	227,612
Interest	875	-	-	-	36,885	-	-	-	37,760
Total expenditures	30,019,680	2,373,990	8,409,382	7,178,208	13,555,361	8,769,613	709,107	14,070,091	85,085,432
Excess of revenues over (under) expenditures	4,289,361	2,333,565	5,770,508	195,268	(4,129,005)	809,521	(59,030)	(2,249,091)	6,961,097
Other financing sources (uses):									
Transfers in	5,056,900	-	-	-	-	-	23,000	6,466,500	11,546,400
Transfers out	(3,637,500)	(531,899)	(5,127,625)	(595,243)	(654,269)	-	-	(330,624)	(10,877,160)
Insurance proceeds	46,513	980	99,200	-	-	-	-	49,987	196,680
Sale of capital assets	1,037,162	-	88,609	-	80,100	-	-	173,374	1,379,245
Total other financing sources (uses)	2,503,075	(530,919)	(4,939,816)	(595,243)	(574,169)	-	23,000	6,359,237	2,245,165
Net change in fund balances	6,792,436	1,802,646	830,692	(399,975)	(4,703,174)	809,521	(36,030)	4,110,146	9,206,262
Fund balances - beginning of year	22,725,346	9,585,409	13,908,785	23,836,054	13,028,401	3,689,791	-	20,528,278	107,302,064
Fund balances - end of year	\$ 29,517,782	\$ 11,388,055	\$ 14,739,477	\$ 23,436,079	\$ 8,325,227	\$ 4,499,312	\$ (36,030)	\$ 24,638,424	\$ 116,508,326

See the notes to the basic financial statements



City of Joplin
Organization and Statistical Information

Exhibit 6

City of Joplin, Missouri
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended October 31, 2023

	Airport	Sanitary Sewer	Nonmajor Enterprise Fund - Golf Course	Total	Internal Service Funds
Operating revenues:					
Charges for services	\$ 786,386	\$ 21,309,226	\$ 747,006	\$ 22,842,618	\$ 13,655,987
Total operating revenues	<u>786,386</u>	<u>21,309,226</u>	<u>747,006</u>	<u>22,842,618</u>	<u>13,655,987</u>
Operating expenses:					
Personnel services	681,639	2,728,025	478,607	3,888,271	1,514,790
Supplies	60,885	307,543	139,800	508,228	75,406
Contractual services	554,704	3,594,518	260,436	4,409,658	10,713,848
Depreciation and amortization	2,151,509	6,667,461	145,657	8,964,627	452,068
Total operating expenses	<u>3,448,737</u>	<u>13,297,547</u>	<u>1,024,500</u>	<u>17,770,784</u>	<u>12,756,112</u>
Operating income (loss)	<u>(2,662,351)</u>	<u>8,011,679</u>	<u>(277,494)</u>	<u>5,071,834</u>	<u>899,875</u>
Nonoperating revenues (expenses):					
Insurance reimbursements and settlements	-	-	-	-	573
Interest income (loss)	84,322	12,625	-	96,947	35,636
Interest expense and fiscal charges	-	(278,626)	-	(278,626)	-
Gain (loss) on sale of capital assets	-	52,200	(1,527)	50,673	-
Other income (expense)	4,654	5,976	(569)	10,061	19,761
Total nonoperating revenues (expenses)	<u>88,976</u>	<u>(207,825)</u>	<u>(2,096)</u>	<u>(120,945)</u>	<u>55,970</u>
Income (loss) before contributions and transfers	<u>(2,573,375)</u>	<u>7,803,854</u>	<u>(279,590)</u>	<u>4,950,889</u>	<u>955,845</u>
Capital grants and contributions	1,537,308	894,219	-	2,431,527	-
Transfers in	650,000	-	471,000	1,121,000	-
Transfers out	(157,936)	(1,469,657)	(30,431)	(1,658,024)	(132,216)
Change in net position	<u>(544,003)</u>	<u>7,228,416</u>	<u>160,979</u>	<u>6,845,392</u>	<u>823,629</u>
Net position -beginning of year	<u>50,202,201</u>	<u>100,377,471</u>	<u>577,917</u>	<u>151,157,589</u>	<u>7,727,363</u>
Net position -end of year	<u>\$ 49,658,198</u>	<u>\$ 107,605,887</u>	<u>\$ 738,896</u>	<u>158,002,981</u>	<u>\$ 8,550,992</u>
Change in net position, enterprise funds				6,845,392	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>77,773</u>	
Change in net position				<u>\$ 6,923,165</u>	

See the notes to the basic financial statements