

Joplin Sports Authority, Inc.
A Component Unit of the
City of Joplin

Auditor's Report and Financial Statements
For the years ended October 31, 2020 and 2019

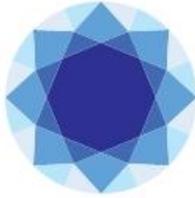


W. BENMILLER, CPALLC

Joplin Sports Authority, Inc.
For the Years Ended October 31, 2020 and 2019

Table of Contents

Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 5
Statements of Net Position	6
Statements of Revenues, Expenses, and Changes in Net Position	7
Statements of Cash Flows	8
Notes to the Financial Statements	9 - 13



W. BENMILLER, CPA LLC

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of
Joplin Sports Authority, Inc.**

We have audited the accompanying financial statements of Joplin Sports Authority (a component unit of the City of Joplin, Missouri), which comprise the statements of net position as of October 31, 2020 and 2019, and the related statements of revenues, expenses and change in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Joplin Sports Authority, Inc. as of October 31, 2020 and 2019, and the changes in its net position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, though not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, and historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



W. Ben Miller, CPA LLC
Webb City, Missouri
December 17, 2020

Joplin Sports Authority, Inc.
Management's Discussion and Analysis

As management of the Joplin Sports Authority, a component unit of the City of Joplin, Missouri, we offer readers this narrative overview and analysis of the financial activities of the Joplin Sports Authority for the fiscal year ended October 31, 2020. The intent of this discussion and analysis is to look at the Joplin Sports Authority's financial performance as a whole. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the basic financial statements including the notes to the financial statements.

Financial Highlights

The basic financial statements report information about the Authority using the economic resources measurement focus and accrual basis of accounting. Key financial highlights for the fiscal year ended October 31, 2020 are as follows:

- The Joplin Sports Authority's total net position decreased by \$62,796.
- The Joplin Sports Authority has no outstanding long-term debt.

Overview of the Financial Statements

This discussion and analysis is provided as an introduction to the basic financial statements. This annual report consists of two parts: management's discussion and analysis (this section), and the basic financial statements.

Government-wide financial statements - The government-wide financial statements are a broad overview of the Joplin Sports Authority's finances, in a manner similar to a private business.

The statement of net position presents all of the Joplin Sports Authority's assets and liabilities with the difference between the two reported as net position. Net position is an important measure of the Joplin Sports Authority's overall financial health. The increases and decreases in net position can be monitored to determine whether the Joplin Sports Authority's financial position is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how the Joplin Sports Authority's net position changed during the fiscal year ended October 31, 2020. All of the current fiscal year's revenues and expenses are accounted for in this statement, regardless of when cash is received or paid.

The statement of cash flows reports cash and cash equivalent activities for the fiscal year ended October 31, 2020 as a result of operating, noncapital financing, capital and investing activities.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Joplin Sports Authority uses fund accounting to ensure compliance with finance-related legal requirements.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Joplin Sports Authority, Inc.
Management's Discussion and Analysis

Government-wide Financial Analysis

As indicated earlier, net position may serve as a useful indicator of the Joplin Sports Authority's financial position. As of October 31, 2020, assets exceeded liabilities by \$138,886. One of the largest portions of the Joplin Sports Authority's net position, \$60,214, reflects cash in the bank held by the Joplin Sports Authority.

The following table reflects the Statement of Net Position as of October 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>	<u>Increase/ (Decrease)</u>
Current Assets			
Cash and cash equivalents	\$ 60,214	\$ 88,413	\$ (28,199)
Accounts receivable	21,391	66,031	(44,640)
Prepaid expenses	2,049	1,449	600
Total current assets	<u>83,654</u>	<u>155,893</u>	<u>(72,239)</u>
Capital Assets			
Furniture and equipment	67,965	67,965	-
Building	33,077	33,077	-
Vehicles	35,647	16,657	18,990
	<u>136,689</u>	<u>117,699</u>	<u>18,990</u>
Accumulated depreciation	(73,568)	(57,807)	(15,761)
Net capital assets	<u>63,121</u>	<u>59,892</u>	<u>3,229</u>
Total Assets	<u>\$ 146,775</u>	<u>\$ 215,785</u>	<u>\$ (69,010)</u>
Current Liabilities			
Accrued expenses	\$ 7,889	\$ 14,103	\$ (6,214)
Total current liabilities	<u>7,889</u>	<u>14,103</u>	<u>(6,214)</u>
Net Position			
Net investment in capital assets	63,121	59,892	3,229
Unrestricted	75,765	141,790	(66,025)
Total net position	<u>\$ 138,886</u>	<u>\$ 201,682</u>	<u>\$ (62,796)</u>

Current and other assets decreased \$72,239, principally from a decrease in cash and accounts receivable. Current and other liabilities decreased by \$6,214, principally from a decrease in accrued expenses.

At the end of the current fiscal year, the Joplin Sports Authority is reporting a decrease in net position of \$62,796, compared to an increase of \$4,113 in fiscal year 2019, as shown in the next table of changes in net position.

**Joplin Sports Authority, Inc.
Management's Discussion and Analysis**

Change in Net Position

The following table reflects the condensed changes in net position from the Joplin Sports Authority's activities for the years ended October 31, 2020 and 2019:

	2020	2019	Increase/ (Decrease)
Operating Revenues			
Charges for services	\$ 175,209	\$ 135,136	\$ 40,073
Grant income	39,900	-	39,900
Total operating revenues	<u>215,109</u>	<u>135,136</u>	<u>79,973</u>
Operating Expenses			
Culture and recreation	<u>550,742</u>	<u>554,587</u>	<u>(3,845)</u>
Total operating expenses	<u>550,742</u>	<u>554,587</u>	<u>(3,845)</u>
Change in net position before subsidy	<u>(335,633)</u>	<u>(419,451)</u>	<u>83,818</u>
Nonoperating revenues			
Subsidy from City of Joplin	<u>272,837</u>	<u>423,564</u>	<u>(150,727)</u>
Total nonoperating revenue	<u>272,837</u>	<u>423,564</u>	<u>(150,727)</u>
Change in net position	(62,796)	4,113	(66,909)
Total net position - beginning of year	<u>201,682</u>	<u>197,569</u>	<u>4,113</u>
Total net position - end of year	<u>\$ 138,886</u>	<u>\$ 201,682</u>	<u>\$ (62,796)</u>

Operating revenues increased \$79,973, principally from an increase in sponsor donations, ticket income, and proceeds from a PPP loan which was subsequently forgiven and recognized as grant revenue. Program expenses decreased \$3,845, principally from a decrease in contractual services.

The subsidy received from the City of Joplin decreased \$150,727 in the current year due to a decrease in collections from hotel taxes.

Requests for Information

This financial report is designed to provide the reader a general overview of the Joplin Sports Authority's finances. Questions or requests for more information concerning any of the information provided in this report should be directed to Craig Hull, Executive Director, 3301 W 1st Street, Joplin, Missouri, 64801.

Joplin Sports Authority, Inc.
Statements of Net Position
October 31, 2020 and 2019

	2020	2019
Current Assets		
Cash and cash equivalents	\$ 60,214	\$ 88,413
Accounts receivable	21,391	66,031
Prepaid expenses	2,049	1,449
Total current assets	83,654	155,893
 Capital Assets		
Furniture and equipment	67,965	67,965
Building	33,077	33,077
Vehicles	35,647	16,657
	136,689	117,699
Accumulated depreciation	(73,568)	(57,807)
Net capital assets	63,121	59,892
 Total Assets	\$ 146,775	\$ 215,785
 Current Liabilities		
Accrued expenses	\$ 7,889	\$ 14,103
Total current liabilities	7,889	14,103
 Net Position		
Net investment in capital assets	63,121	59,892
Unrestricted	75,765	141,790
Total net position	\$ 138,886	\$ 201,682

See independent auditor's report and notes to the financial statements

Joplin Sports Authority, Inc.
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended October 31, 2020 and 2019

	2020	2019
Operating Revenues		
Sponsor donations	\$ 70,164	\$ 51,053
Entry fees	12,240	18,204
Ticket sales	70,012	61,060
Concession income	-	1,186
Merchandise sales	3,504	3,300
Grant income	39,900	-
Miscellaneous	19,289	333
Total operating revenues	215,109	135,136
 Operating Expenses		
Personnel services	229,856	210,258
Contractual services	217,242	243,710
Depreciation	15,761	11,420
Utilities	11,206	11,402
Repairs and maintenance	377	2,818
Promotional materials	700	3,494
Advertising	11,500	500
Travel and seminars	6,499	10,041
Accounting and legal	7,980	7,090
Insurance	27,750	26,367
Postage, printing and copying	2,141	3,062
Rent	5,652	5,136
Dues and memberships	6,483	5,740
Office expenses	2,747	3,734
Other supplies and expenses	4,848	9,815
Total operating expenses	550,742	554,587
Operating loss	(335,633)	(419,451)
 Nonoperating revenues		
Subsidy from City of Joplin	272,837	423,564
Total nonoperating revenue	272,837	423,564
Change in net position	(62,796)	4,113
 Total net position - beginning of year	201,682	197,569
 Total net position - end of year	\$ 138,886	\$ 201,682

See independent auditor's report and notes to the financial statements

Joplin Sports Authority, Inc.
Statements of Cash Flows
For the Years Ended October 31, 2020 and 2019

	2020	2019
Cash Flows From Operating Activities		
Receipts from customers	\$ 117,347	\$ 99,833
Receipts from grants	39,900	-
Payments to suppliers	(227,979)	(329,156)
Payments to employees	(211,314)	(197,602)
	(282,046)	(426,925)
 Cash Flows from Noncapital Financing Activities		
Subsidy from City of Joplin	272,837	423,564
	272,837	423,564
 Cash Flows from Investing Activities		
Purchase of furniture and equipment	(18,990)	(5,095)
	(18,990)	(5,095)
 Net decrease in cash and cash equivalents	(28,199)	(8,456)
 Cash and Cash Equivalents - Beginning of Year	88,413	96,869
 Cash and Cash Equivalents - End of Year	\$ 60,214	\$ 88,413
 Reconciliaton of Operating Loss to Net Cash Used by Operating Activities		
Operating loss	\$ (335,633)	\$ (419,451)
Depreciation	15,761	11,420
Changes in assets and liabilities		
Accounts receivable	44,640	(25,885)
Prepaid expenses	(600)	
Accrued expenses	(6,214)	6,991
	\$ (282,046)	\$ (426,925)

See independent auditor's report and notes to the financial statements

Joplin Sports Authority, Inc.
Notes to the Financial Statements
October 31, 2020 and 2019

Note 1 – Summary of Significant Accounting Policies

The accounting methods and procedures adopted by the Joplin Sports Authority, Inc. conform to generally accepted accounting principles (GAAP) as applied to component units. The more significant accounting policies are described below and are an integral part of the Authority's financial statements.

Reporting Entity - The Joplin Sports Authority, Inc. was created in 1996 and operates under the Joplin Sports Authority, Inc. Board of Directors. Of this thirteen member Board, eight members are appointed by the City Council of the City of Joplin, Missouri. The remaining five members are the holders of the following positions:

- Athletic Director of Missouri Southern State University
- Athletic Director of Joplin R-8 Schools
- Director, Joplin Convention and Visitors Bureau
- Director of Parks and Recreation, City of Joplin
- City of Joplin City Council Member

These financial statements present only the Joplin Sports Authority, Inc.'s activity of the City of Joplin. The Authority's major operations include promoting economic development through recreation and sporting events.

Financial Statement Presentation – As a component unit of the City of Joplin, the Authority reports its activities as a business-type activity. The operations of the Authority are accounted for in an enterprise fund which is a set of self-balancing accounts comprised of assets, liabilities, net position, revenues, and expenses. The fund is used to account for the operations of the Authority. The financial statements include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. All assets and liabilities (whether current or noncurrent) are included in the statement of net position. Reported net position is segregated into two categories: investment in capital assets and unrestricted. The statement of revenues, expenses, and changes in net position presents increases (revenues) and decreases (expenses) in total net position.

Measurement Focus and Basis of Accounting - The Authority's enterprise fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Operating and Nonoperating Revenues and Expenses - Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The Authority has classified its revenues as either operating or non-operating revenues according to the following criteria:

Operating Revenues - Operating revenues include activities that have the characteristics of exchange transactions, such as (1) ticket sales, (2) merchandise and concession sales, (3) entry fees and (4) sponsorships.

See independent auditor's report

Joplin Sports Authority, Inc.
Notes to the Financial Statements
October 31, 2020 and 2019

Note 1 – Summary of Significant Accounting Policies (continued)

Nonoperating Revenues - Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as public donations, and other revenue sources that are defined as nonoperating revenues, such as City subsidies and investment income. Contributions, including unconditional promises to give, are recognized as revenues in the period received.

Cash and Cash Equivalents - For the purpose of reporting cash flows on the Statement of Cash Flows, the Authority considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Property and equipment – The Organization capitalizes property and equipment over \$500. Property and equipment acquired by purchase are stated at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Authority reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Depreciation of property and equipment is provided using the straight-line method for financial reporting purposes at rates based on their estimated useful lives, ranging from 3 to 40 years. Depreciation was \$15,761 and \$11,420 for the years ended October 31, 2020 and 2019, respectively. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Contributed Goods and Services – The Authority receives goods and services in exchange for sponsorships associated with the contributing companies. During the years ended October 31, 2020 and 2019, the Authority received contributed goods and services worth \$57,862 and \$35,303, respectively. The contributed goods and services relate to advertising, lodging, facility usage, food and concessions, and athletic trainers and are reflected in the Statement of Revenues, Expenses, and Changes in Net Position as sponsor donations, offset by appropriate expense categories.

Income Tax Status - The Authority is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

See independent auditor's report

Joplin Sports Authority, Inc.
Notes to the Financial Statements
October 31, 2020 and 2019

Note 1 – Nature of Activities and Significant Accounting Policies (continued)

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk - The Authority maintains its cash balances at two local financial institutions located in Southwest Missouri. Accounts held by the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Authority had no balances over the insured level at October 31, 2020 and 2019.

The City of Joplin accounted for approximately 56% of revenues for fiscal year 2020 and approximately 76% of revenues for fiscal year 2019.

Note 2 – Deposits

The Authority's policies regarding deposits of cash are discussed in Note 1. The table presented below is designed to disclose the level of custody credit risk assumed by the Authority based upon how its deposits were insured or secured with collateral at October 31, 2020 and 2019. The categories of credit risk are defined as follows:

Category 1 — Insured by the FDIC or collateralized with securities held by the Authority or by its agent in its name.

Category 2 — Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.

Category 3 — Uninsured and uncollateralized. (This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Authority's name).

Demand Deposits	Total Bank Balance	Category 1	Category 2	Category 3	Total
October 31, 2020	\$ 75,736	\$ 75,736	\$ -	\$ -	\$ 75,736
October 31, 2019	\$ 111,533	\$ 111,533	\$ -	\$ -	\$ 111,533

See independent auditor's report

Joplin Sports Authority, Inc.
Notes to the Financial Statements
October 31, 2020 and 2019

Note 3 – Accounts Receivable

The accounts receivable as of October 31, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
City of Joplin Subsidy	\$ 16,935	\$ 66,031
Employee receivable	2,056	-
Other receivables	2,400	-
	<u>\$ 21,391</u>	<u>\$ 66,031</u>

All receivable balances are due within one year as of October 31, 2020 and 2019.

Note 4 – Related Party Lease

The Authority entered into a property lease with the City of Joplin for its administrative offices in Joplin, MO on January 1, 2012. The lease provides for monthly rent payments of \$471 commencing on February 1, 2012 and extending through October 31, 2016. The Authority exchanged the improvements to the leased office made during fiscal 2012 for rent abatement for the five (5) year term of this lease agreement. Total rent expense related to the lease for the years ended October 31, 2020 and 2019 was \$5,652 and \$5,136, respectfully. The lease continued on a month to month basis in fiscal year 2017 through December 31, 2017, with cash rent payments of \$471 due each month. On January 1, 2017 the Authority extended the lease with a five year term ending December 31, 2021, with monthly rent payments of \$471.

Required minimum lease payments for following five fiscal years are as follows:

2021	\$ 5,652
2022	<u>942</u>
	<u>\$ 6,594</u>

Note 5 – Retirement Plan

The Authority participates in a 401(k) retirement plan which covers substantially all employees. The Company contributions match 100% of the employees' contribution up to a maximum 3% of the employees' compensation. Matching contributions were \$9,732 and \$7,718, for the years ended October 31, 2020 and 2019, respectively.

See independent auditor's report

Joplin Sports Authority, Inc.
Notes to the Financial Statements
October 31, 2020 and 2019

Note 6 – Risk and Uncertainties

The Authority is exposed to various risks of loss related to torts; theft of; damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The Authority manages these various risks by carrying commercial insurance. There have been no significant reductions in insurance coverage. Settlements have not exceeded insurance coverage for the current or three prior years.

During the early part of 2020, the spread of the coronavirus (COVID-19) in the United States began to impact the Organization's operations and events. Government recommendations and mandates have caused the Organization to cancel events that would include more than an insignificant number of participants, and individuals were strongly urged to avoid public contact to control the spread of COVID-19, reducing revenue from the City of Joplin, which is derived from hotel and lodging taxes. These events will likely have future financial impact on the revenues and expenses of the Organization; an estimate of the financial effects of these events can't be made at this time due to the uncertainties of the duration of these effects, and the uncertainty related to sources of revenue, such as event income and subsidy revenue from the City of Joplin.

Note 7 – Evaluation of Subsequent Events

The Authority has evaluated subsequent events through December 17, 2020, the date which the financial statements were available to be issued.

See independent auditor's report