

# City of West Plains, Missouri

## BASIC FINANCIAL STATEMENTS Year Ended March 31, 2020

**KPM**  
CPAS & ADVISORS

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## Independent Auditors' Report

Honorable Mayor and City Council  
City of West Plains  
West Plains, Missouri

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the City of West Plains, Missouri, as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### 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.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 auditors' 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 City'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 City'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 opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the City of West Plains, Missouri, as of March 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Prior-Year Comparative Information*

We have previously audited the City's 2019 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund information in our report dated September 5, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information and pension information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West Plains, Missouri's basic financial statements. The Other Financial Information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Other Financial Information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2020, on our consideration of the City of West Plains, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of West Plains, Missouri's internal control over financial reporting and compliance.

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
August 27, 2020

## **Management's Discussion and Analysis**

# City of West Plains

## Management's Discussion and Analysis

March 31, 2020

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The management's discussion and analysis of the City of West Plains' financial performance provides an overview of the City's financial activities for the fiscal year ended March 31, 2020. Please read it in conjunction with the City's financial statements, which begin on page 14.

### Financial Highlights

- The City made some major financial accomplishments during this fiscal year. The voters passed an increased hotel/motel transient guest tax in April 2019. These funds will provide grant funds to help bring tourism and events to West Plains.
- The City also improved its financial stability. City governmental activities went from 18 days cash on hand at April 1, 2019 to 100+ days cash on hand at March 31, 2020. City utility activities maintained its 260-270 days cash through the fiscal year. This was all done while making improvements to the employee benefit package offered to City employees, moving forward the promised independent employee compensation study, and providing necessary services to the citizens.
- In this fiscal year, the City also received some significant grant awards and made some major investments in equipment for our employees. We were awarded grant funding to build four stormwater detention basins around the City and remove homes in the flood plain to move forward a brand-new dog park. We replaced a fire engine and ten police vehicles that were all at the end of the useful lives. We purchased new body cameras, tasers, and radio equipment for our police officers. We also moved forward with capital improvements at Butler Children's Park, People's Park, the City Pool, and the Civic Center.
- There were also some major utility accomplishments during the fiscal year. City crews continued to roll out its advanced metering infrastructure project. Crews also cleared the former landfill site to move forward with the largest municipal-owned solar farm in the State of Missouri. Electric and water lines were rerouted, and multiple utility upgrades were made to prepare for the \$70 million Ozarks Medical Center expansion. City crews have also been working with Leonardo DRS regarding their new \$4 million administration building. New electric lines were run on Garner Road and many streetlights were changed over to LED lighting.

### Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

### Government-Wide Financial Statements

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net position and changes in it. The City's net position – the difference between assets and liabilities – is one way to measure the City's financial health, or financial position. Over time,

# City of West Plains

## Management's Discussion and Analysis

March 31, 2020

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increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

*Governmental Activities:* Most of the City's basic services are reported here. Taxes are the primary source of financing for these activities.

*Business-Type Activities:* The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's utility services are provided here.

### **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds and not the City as a whole. However, the City Council establishes many other funds to help it control and manage money for a particular purpose or to show that it is meeting legal responsibilities for using certain taxes and grants.

*Governmental Funds:* Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds are shown in a reconciliation following the fund financial statement.

*Proprietary Funds:* When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

### **Notes to the Basic Financial Statements**

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

# City of West Plains

## Management's Discussion and Analysis

March 31, 2020

### Government-Wide Financial Analysis

#### Net Position

The following table presents the condensed Statement of Net Position for the City as of March 31, 2020 and 2019:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total March 31, 2020</u>	<u>Total March 31, 2019</u>
<b>Assets</b>				
Current and other assets	\$ 14,897,559	\$ 23,937,270	\$ 38,834,829	\$ 37,739,088
Capital assets	39,439,968	44,219,531	83,659,499	83,786,467
<b>Total Assets</b>	<b>54,337,527</b>	<b>68,156,801</b>	<b>122,494,328</b>	<b>121,525,555</b>
<b>Deferred Outflow of Resources</b>				
Deferred pension outflows	790,249	501,795	1,292,044	1,070,699
Deferred charge on debt refunding	-	122,179	122,179	162,790
<b>Total Deferred Outflow of Resources</b>	<b>790,249</b>	<b>623,974</b>	<b>1,414,223</b>	<b>1,233,489</b>
<b>Liabilities</b>				
Other liabilities	2,789,640	1,439,217	4,228,857	4,612,536
Long-term liabilities	3,667,103	4,811,889	8,478,992	9,918,787
<b>Total Liabilities</b>	<b>6,456,743</b>	<b>6,251,106</b>	<b>12,707,849</b>	<b>14,531,323</b>
<b>Deferred Inflow of Resources</b>				
Deferred pension inflows	754,976	391,282	1,146,258	1,298,137
<b>Net position</b>				
Net investment in capital assets	35,275,744	39,112,948	74,388,692	72,722,912
Restricted	6,344,237	1,930,754	8,274,991	7,593,234
Unrestricted	6,296,076	21,094,685	27,390,761	26,613,438
<b>Total Net Position</b>	<b>\$ 47,916,057</b>	<b>\$ 62,138,387</b>	<b>\$ 110,054,444</b>	<b>\$ 106,929,584</b>

Total net position of the City increased by \$3,124,860 for the year due to current year activity. Total liabilities for the City decreased by \$1,823,474. Restricted net position of the City totaled \$8.3 million as of March 31, 2020. This amount represents monies that are restricted for debt service as well as for various projects within the City.

# City of West Plains

## Management's Discussion and Analysis

March 31, 2020

### Changes in Net Position

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total March 31, 2020</u>	<u>Total March 31, 2019</u>
<b>Revenues</b>				
Program Revenues				
Charges for services	\$ 1,466,690	\$ 22,323,191	\$ 23,789,881	\$ 24,338,282
Operating grants and contributions	677,195	-	677,195	922,494
Capital grants and contributions	301,698	-	301,698	1,060,589
General Revenues				
Sales taxes	6,480,887	-	6,480,887	6,920,824
Ad valorem taxes	843,404	-	843,404	820,429
Motor vehicle and gas taxes	488,393	-	488,393	482,760
Other taxes	730,410	-	730,410	439,298
Franchise taxes	2,636,479	-	2,636,479	2,369,100
Interest	211,327	449,357	660,684	622,874
Other revenue	92,313	-	92,313	256,691
<b>Total Revenues</b>	<b>13,928,796</b>	<b>22,772,548</b>	<b>36,701,344</b>	<b>38,233,341</b>
<b>Expenses</b>				
Administrative	1,029,968	-	1,029,968	946,014
Safety	15,084	-	15,084	18,882
Information technology	79,457	-	79,457	41,878
Engineering	74,801	-	74,801	252,152
Building official	108,484	-	108,484	109,837
City attorney	87,796	-	87,796	102,258
Court	126,952	-	126,952	111,875
Police	2,153,375	-	2,153,375	1,948,680
Animal control	67,142	-	67,142	65,537
Emergency management	59,407	-	59,407	92,721
Fire	1,165,712	-	1,165,712	1,065,882
Airport	428,643	-	428,643	457,727
Street	2,607,149	-	2,607,149	3,184,713
Cemetery	113,232	-	113,232	77,081
Construction	377,156	-	377,156	159,529
Shop	95,384	-	95,384	101,029
Health	31,194	-	31,194	19,806
City hall complex	223,744	-	223,744	222,708
City beautification	2,205	-	2,205	4,098
Economic development	142,079	-	142,079	141,819

# City of West Plains

## Management's Discussion and Analysis

March 31, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total March 31, 2020</u>	<u>Total March 31, 2019</u>
Tourist development	114,247	-	114,247	154,367
Parks and recreation	699,089	-	699,089	883,906
Golf	378,607	-	378,607	366,004
Transit	217,103	-	217,103	210,135
Library	659,554	-	659,554	611,201
Civic center	868,162	-	868,162	484,251
Galloway park department	15,774	-	15,774	9,759
Senior citizens	21,714	-	21,714	19,251
GOCAT project	68,565	-	68,565	-
Other	358,278	-	358,278	339,776
Debt service	26,561	-	26,561	7,018
Water	-	1,813,656	1,813,656	1,650,790
Sewer	-	1,423,172	1,423,172	1,530,854
Electric	-	15,059,594	15,059,594	15,253,639
Refuse	-	2,718,547	2,718,547	2,589,979
Storm water engineering	-	60,943	60,943	58,248
Fiber	-	83,954	83,954	96,031
<b>Total Expenses</b>	<u>12,416,618</u>	<u>21,159,866</u>	<u>33,576,484</u>	<u>33,389,435</u>
<b>Increase in Net Position</b>	<u>\$ 1,512,178</u>	<u>\$ 1,612,682</u>	<u>\$ 3,124,860</u>	<u>\$ 4,843,906</u>

### Governmental Activities

Governmental activities increased the net position of the City by \$1,512,178. Tax revenues for the City were \$11,179,573, which represents 80% of the funding of these activities. Program revenues for the functions totaled \$2,445,583 or 18% of the funding. The following table shows the cost of the City's nine largest programs as well as each programs' net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the taxpayers by each of these functions.

#### Net Cost of the City of West Plains' Ten Largest Governmental Activities

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Administration	\$ 1,029,968	\$ 927,963
Police	2,153,375	1,406,104
Fire	1,165,712	1,138,305
Airport	428,643	247,957
Street	2,607,149	2,566,112
Golf	378,607	110,733
Parks and recreation	699,089	556,391
Library	659,554	609,988
Civic center	868,162	608,420
Other governmental activities	2,426,359	1,799,062
	<u>\$ 12,416,618</u>	<u>\$ 9,971,035</u>

# City of West Plains

## Management's Discussion and Analysis

March 31, 2020

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### **Business-Type Activities**

Business-type activities increased the City's net position by \$1,612,682. This is up from the increase received in the prior year from the City's business-type activities. The increase in the prior year was \$2,412,602.

### **Financial Analysis of the City's Funds**

The combined fund balances of the City's governmental funds as of March 31, 2020, were \$11,184,496. The General Fund increased by \$618,817. The Tax Increment Financing #1 Fund increased \$63, Tax Increment Financing #2 Fund did not change, and Tax Increment Financing #3 Fund increased by \$111,026.

### **General Fund Budgetary Highlights**

Differences between the original and the final amended budget can be summarized as follows:

The original budget is prepared and approved prior to the beginning of the fiscal year. The budget is reviewed and amended each year at the mid-year mark and as necessary. Department heads recommend changes to budgeted expenditures as administration evaluates the revenue sources for necessary amendments. This information is reviewed by the City Administrator as to the effect the changes will have on expected cash flow. The amended budget is prepared and presented to Council for approval by ordinance in September at a public meeting.

The original General Fund revenue budget of \$13,639,558 was increased by \$487,647 during the year.

The original General Fund expense budget of \$13,306,490 was increased by \$514,868 during the year.

### **Capital Asset and Debt Administration**

#### **Capital Assets**

Capital assets of the governmental activities were \$39.4 million (net of accumulated depreciation) as of March 31, 2020. This represents a \$32,969 net increase from the prior year due primarily to current year additions being greater than current year depreciation and disposals. Capital assets for business-type activities were \$44.2 million as of March 31, 2020. This represents a \$159,937 decrease from the prior year due primarily to current year depreciation and disposals being more than current year additions.

#### **Debt Administration**

Total debt of the governmental activities as of March 31, 2020, was \$4.5 million, which is down \$876,685 from the prior year. The net decrease is due to the annual debt service payments.

Total debt of the business-type activities as of March 31, 2020, was \$5.4 million, a decrease of \$955,416 from the prior year. This is primarily due to principal payments on the City's revenue bonds and certificates of participation.

### **Economic Factors and Next Year's Budget**

The largest consideration for the governmental-type activities budget is given to anticipated sales tax revenue. FY2021 sales tax revenue was originally budgeted to be flat with the prior year actual results. During spring 2020, a strain a coronavirus was identified as a global pandemic and began affecting the health of large portions of the global population. The detrimental impact of this virus is not yet determinable but will likely be significant.

There are some positive economic factors affecting the City in the next fiscal year. The largest employer in the area, Ozarks Medical Center, is progressing with their \$70+ million expansion to their main campus. Another major employer

# City of West Plains

## Management's Discussion and Analysis

March 31, 2020

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in the area, Leonardo DRS, is moving forward with building a new multimillion-dollar administration building as part of their campus. These additions will bring jobs and tax revenues to our local economy. Furthermore, there are also some major grant projects in which the City is moving forward. The work of the four stormwater retention basins is beginning. West Plains was selected as one of five participant zip codes able to use funds from a \$58 million grant aimed at meeting affordable housing needs left after the April 2017 flood. The City is working through how to use that flood mitigation funding for a betterment of all in the City. The City is continuing to work to find available funding for a new railroad overpass at Independence Ave. With everything going on, FY2021 will require close monitoring to ensure funds are spread efficiently and equitably to the City departments.

Voters passed an increase to the Hotel/Motel tax at the beginning of FY2020. The City was able to move forward with issuing grants to help bring tourism and events to West Plains.

For business-type activities, the City Utilities is continuing to move forward on a multi-year plan to upgrade our metering system to create efficiencies in our Utility administration. City Utilities is moving forward with Evergy on creating the largest municipal-owned solar farm in the State of Missouri. They are also moving forward with building a new electrical substation in the Southern Hills area and are in the initial planning phases of identifying future water treatment and wastewater treatment needs and determining the best approach going forward to meet these future needs. The City will continue to review our needs and the service capacities of all facilities to provide the needed utility services our citizens have come to depend on.

### **Contacting the City's Financial Management**

For additional information or questions, please contact any of the following officers at:

City of West Plains  
1910 Holiday Lane, PO Box 710  
West Plains, Missouri 65775

(417) 256-7176

Tom Stehn, City Administrator  
tom.stehn@westplains.gov

Todd Harman, Finance Director  
todd.harman@westplains.gov

# City of West Plains

## Statement of Net Position

March 31, 2020

	Primary Government			Component Units				
	Governmental Activities	Business-Type Activities	Total	West Plains Public Library Foundation	South 160 Community Improvement District	63 ByPass Community Improvement District	Ozark Hills Community Improvement District	Ramseur Farm Community Improvement District
<b>Assets</b>								
Current								
Cash and cash equivalents - unrestricted	\$ 3,708,000	\$ 17,856,139	\$ 21,564,139	\$ 68,540	\$ 266,343	\$ 185,997	\$ 9,271	\$ 23,513
Investments - unrestricted	-	-	-	365,663	-	-	-	-
Taxes receivable	666,343	-	666,343	-	-	-	-	-
Utilities receivable, net	-	2,110,882	2,110,882	-	-	-	-	-
Other accounts receivable	173,611	45,652	219,263	-	64,881	-	-	-
Court fines receivable, net	50,219	-	50,219	-	-	-	-	-
Intergovernmental receivable	289,526	-	289,526	-	-	-	-	-
Internal balances	1,305,096	(1,305,096)	-	-	-	-	-	-
Inventory	90,589	2,211,524	2,302,113	-	-	-	-	-
Prepaid expenses	134,579	72,016	206,595	-	-	-	-	-
Noncurrent								
Restricted cash and cash equivalents	6,224,962	2,016,851	8,241,813	-	-	-	-	-
Restricted investments	495,500	588,957	1,084,457	-	-	-	-	-
MODAG receivable	25,338	-	25,338	-	-	-	-	-
Net pension asset	1,733,796	340,345	2,074,141	-	-	-	-	-
Capital assets								
Non-depreciable	6,430,461	1,471,519	7,901,980	-	-	-	-	-
Depreciable, net	33,009,507	42,748,012	75,757,519	-	2,721,948	199,106	39,000	-
<b>Total Assets</b>	<b>54,337,527</b>	<b>68,156,801</b>	<b>122,494,328</b>	<b>434,203</b>	<b>3,053,172</b>	<b>385,103</b>	<b>48,271</b>	<b>23,513</b>
<b>Deferred Outflow of Resources</b>								
Deferred pension outflows	790,249	501,795	1,292,044	-	-	-	-	-
Deferred charge on debt refunding	-	122,179	122,179	-	-	-	-	-
<b>Total Deferred Outflow of Resources</b>	<b>790,249</b>	<b>623,974</b>	<b>1,414,223</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

See accompanying notes to the financial statements.

# City of West Plains

## Statement of Net Position

March 31, 2020

	Primary Government			Component Units				
	Governmental Activities	Business-Type Activities	Total	West Plains Public Library Foundation	South 160 Community Improvement District	63 ByPass Community Improvement District	Ozark Hills Community Improvement District	Ramseur Farm Community Improvement District
<b>Liabilities</b>								
Current								
Accounts payable	1,732,365	45,114	1,777,479	-	8,006	9,835	11,754	32,824
Accrued expenses	110,910	97,405	208,315	-	-	-	-	-
Accrued interest payable	20,792	31,644	52,436	-	-	-	-	-
Court bonds payable	2,269	-	2,269	-	-	-	-	-
Deposits payable	9,052	675,054	684,106	-	-	-	-	-
Other payables	74,252	-	74,252	-	-	-	-	-
Current maturities of long-term debt	840,000	590,000	1,430,000	-	-	-	-	-
	2,789,640	1,439,217	4,228,857	-	8,006	9,835	11,754	32,824
Noncurrent								
Compensated absences payable	275,528	173,127	448,655	-	-	-	-	-
Certificates of participation payable	3,324,224	2,097,284	5,421,508	-	-	-	-	-
Lease purchases payable	67,351	-	67,351	-	-	-	-	-
Revenue bonds payable	-	2,541,478	2,541,478	-	-	-	-	-
Bond anticipation notes payable	-	-	-	-	1,451,140	-	-	-
	3,667,103	4,811,889	8,478,992	-	1,451,140	-	-	-
<b>Total Liabilities</b>	6,456,743	6,251,106	12,707,849	-	1,459,146	9,835	11,754	32,824
<b>Deferred Inflows of Resources</b>								
Deferred pension inflows	754,976	391,282	1,146,258	-	-	-	-	-
<b>Net Position</b>								
Net investment in capital assets	35,275,744	39,112,948	74,388,692	-	1,270,808	199,106	39,000	-
Restricted	6,344,237	1,930,754	8,274,991	-	-	-	-	-
Unrestricted	6,296,076	21,094,685	27,390,761	434,203	323,218	176,162	(2,483)	(9,311)
<b>Total Net Position</b>	\$ 47,916,057	\$ 62,138,387	\$ 110,054,444	\$ 434,203	\$ 1,594,026	\$ 375,268	\$ 36,517	\$ (9,311)

See accompanying notes to the financial statements.

# City of West Plains

## Statement of Activities

Year Ended March 31, 2020

Functions/Programs	Net (Expenses), Revenues and Changes in Net Position											
	Program Revenues				Primary Government			Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	West Plains Public Library Foundation	South 160 Community Improvement District	63 ByPass Community Improvement District	Ozark Hills Community Improvement District	Ramseur Farm Community Improvement District
Primary Government												
Governmental activities												
Administrative	\$ (1,029,968)	\$ 102,005	\$ -	\$ -	\$ (927,963)	\$ -	\$ (927,963)	\$ -	\$ -	\$ -	\$ -	\$ -
Safety	(15,084)	-	202,947	-	187,863	-	187,863	-	-	-	-	-
Information technology	(79,457)	-	-	-	(79,457)	-	(79,457)	-	-	-	-	-
Engineering	(74,801)	-	-	-	(74,801)	-	(74,801)	-	-	-	-	-
Building official	(108,484)	140,210	-	-	31,726	-	31,726	-	-	-	-	-
City attorney	(87,796)	-	-	-	(87,796)	-	(87,796)	-	-	-	-	-
Court	(126,952)	-	-	-	(126,952)	-	(126,952)	-	-	-	-	-
Police	(2,153,375)	315,771	431,500	-	(1,406,104)	-	(1,406,104)	-	-	-	-	-
Animal control	(67,142)	1,320	4,272	-	(61,550)	-	(61,550)	-	-	-	-	-
Emergency management	(59,407)	-	3,146	-	(56,261)	-	(56,261)	-	-	-	-	-
Fire	(1,165,712)	-	27,407	-	(1,138,305)	-	(1,138,305)	-	-	-	-	-
Airport	(428,643)	180,686	-	-	(247,957)	-	(247,957)	-	-	-	-	-
Street	(2,607,149)	1,830	-	39,207	(2,566,112)	-	(2,566,112)	-	-	-	-	-
Cemetery	(113,232)	19,847	140	-	(93,245)	-	(93,245)	-	-	-	-	-
Construction	(377,156)	-	-	-	(377,156)	-	(377,156)	-	-	-	-	-
Shop	(95,384)	-	-	-	(95,384)	-	(95,384)	-	-	-	-	-
Health	(31,194)	30	-	-	(31,164)	-	(31,164)	-	-	-	-	-
City hall complex	(223,744)	-	-	-	(223,744)	-	(223,744)	-	-	-	-	-
City beautification	(2,205)	-	-	-	(2,205)	-	(2,205)	-	-	-	-	-
Economic development	(142,079)	-	-	137,553	(4,526)	-	(4,526)	-	-	-	-	-
Tourist development	(114,247)	2,960	464	-	(110,823)	-	(110,823)	-	-	-	-	-
Parks and recreation	(699,089)	110,593	150	31,955	(556,391)	-	(556,391)	-	-	-	-	-
Golf	(378,607)	267,874	-	-	(110,733)	-	(110,733)	-	-	-	-	-
Transit	(217,103)	26,557	-	86,488	(104,058)	-	(104,058)	-	-	-	-	-
Library	(659,554)	36,652	6,419	6,495	(609,988)	-	(609,988)	-	-	-	-	-
Civic center	(868,162)	259,742	-	-	(608,420)	-	(608,420)	-	-	-	-	-
Galloway park department	(15,774)	613	750	-	(14,411)	-	(14,411)	-	-	-	-	-
Senior citizens	(21,714)	-	-	-	(21,714)	-	(21,714)	-	-	-	-	-
GOCAT project	(68,565)	-	-	-	(68,565)	-	(68,565)	-	-	-	-	-
Other	(358,278)	-	-	-	(358,278)	-	(358,278)	-	-	-	-	-
Debt service	(26,561)	-	-	-	(26,561)	-	(26,561)	-	-	-	-	-
<b>Total Governmental Activities</b>	(12,416,618)	1,466,690	677,195	301,698	(9,971,035)	-	(9,971,035)	-	-	-	-	-

See accompanying notes to the financial statements.

# City of West Plains

## Statement of Activities

Year Ended March 31, 2020

Functions/Programs	Net (Expenses), Revenues and Changes in Net Position											
	Program Revenues				Primary Government			Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	West Plains Public Library Foundation	South 160 Community Improvement District	63 ByPass Community Improvement District	Ozark Hills Community Improvement District	Ramseur Farm Community Improvement District
Primary Government												
Business-Type Activities												
Water	(1,813,656)	2,109,276	-	-	-	295,620	295,620	-	-	-	-	-
Sewer	(1,423,172)	1,623,013	-	-	-	199,841	199,841	-	-	-	-	-
Electric	(15,059,594)	15,766,335	-	-	-	706,741	706,741	-	-	-	-	-
Refuse	(2,718,547)	2,788,202	-	-	-	69,655	69,655	-	-	-	-	-
Storm water engineering	(60,943)	-	-	-	-	(60,943)	(60,943)	-	-	-	-	-
Fiber	(83,954)	36,365	-	-	-	(47,589)	(47,589)	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>(21,159,866)</b>	<b>22,323,191</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,163,325</b>	<b>1,163,325</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>(33,576,484)</b>	<b>23,789,881</b>	<b>677,195</b>	<b>301,698</b>	<b>(9,971,035)</b>	<b>1,163,325</b>	<b>(8,807,710)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Component Units												
West Plains Public Library Foundation	\$ (55,885)	\$ -	\$ 1,350	\$ -	-	-	-	(54,535)	-	-	-	-
South 160 Community Improvement District	(170,302)	-	-	-	-	-	-	-	(170,302)	-	-	-
63 ByPass Community Improvement District	(6,527)	-	-	-	-	-	-	-	-	(6,527)	-	-
Ozark Hills Community Improvement District	(2,078)	-	-	-	-	-	-	-	-	-	(2,078)	-
Ramseur Farm Community Improvement District	(1,726)	-	-	-	-	-	-	-	-	-	-	(1,726)
<b>Total Component Unit</b>	<b>\$ (236,518)</b>	<b>\$ -</b>	<b>\$ 1,350</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(54,535)</b>	<b>(170,302)</b>	<b>(6,527)</b>	<b>(2,078)</b>	<b>(1,726)</b>
General Revenues												
Sales taxes					6,480,887	-	6,480,887	-	395,155	29,312	13,662	23,513
Ad valorem taxes					843,404	-	843,404	-	-	-	-	-
Motor vehicle and gas taxes					488,393	-	488,393	-	-	-	-	-
Other taxes					730,410	-	730,410	-	-	-	-	-
Franchise taxes					2,636,479	-	2,636,479	-	-	-	-	-
Interest					211,327	449,357	660,684	43,692	277	116	30	-
Other revenue					92,313	-	92,313	22	-	-	-	-
Unrealized (loss) on investments					-	-	-	(69,499)	-	-	-	-
<b>Total General Revenues</b>					<b>11,483,213</b>	<b>449,357</b>	<b>11,932,570</b>	<b>(25,785)</b>	<b>395,432</b>	<b>29,428</b>	<b>13,692</b>	<b>23,513</b>
Changes in Net Position					1,512,178	1,612,682	3,124,860	(80,320)	225,130	22,901	11,614	21,787
Net Position, Beginning of year					46,403,879	60,525,705	106,929,584	514,523	1,368,896	352,367	24,903	(31,098)
<b>Net Position, End of year</b>					<b>\$ 47,916,057</b>	<b>\$ 62,138,387</b>	<b>\$ 110,054,444</b>	<b>\$ 434,203</b>	<b>\$ 1,594,026</b>	<b>\$ 375,268</b>	<b>\$ 36,517</b>	<b>\$ (9,311)</b>

See accompanying notes to the financial statements.

# City of West Plains

## Balance Sheet – Governmental Funds

March 31, 2020

	General Fund	Tax Increment Financing #1 Fund	Tax Increment Financing #2 Fund	Tax Increment Financing #3 Fund	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 3,708,000	\$ -	\$ -	\$ -	\$ 3,708,000
Taxes receivable	666,343	-	-	-	666,343
Other accounts receivable	173,611	-	-	-	173,611
Court fines receivable, net	50,219	-	-	-	50,219
Intergovernmental receivable	289,526	-	-	-	289,526
Due from other funds	1,303,562	1,772	-	-	1,305,334
Inventory	90,589	-	-	-	90,589
Prepaid expenses	134,579	-	-	-	134,579
MODAG receivable	25,338	-	-	-	25,338
Restricted cash and cash equivalents	5,451,600	2,022	-	771,340	6,224,962
Restricted investments	495,500	-	-	-	495,500
<b>Total Assets</b>	<b>\$ 12,388,867</b>	<b>\$ 3,794</b>	<b>\$ -</b>	<b>\$ 771,340</b>	<b>\$ 13,164,001</b>
<b>Liabilities, Deferred Inflow of Resources, and Fund Balances</b>					
Liabilities					
Accounts payable	\$ 1,732,365	\$ -	\$ -	\$ -	\$ 1,732,365
Accrued expenses	110,910	-	-	-	110,910
Court bonds payable	2,269	-	-	-	2,269
Due to other funds	-	-	-	238	238
Deposits payable	9,052	-	-	-	9,052
Other payables	74,252	-	-	-	74,252
<b>Total Liabilities</b>	<b>1,928,848</b>	<b>-</b>	<b>-</b>	<b>238</b>	<b>1,929,086</b>
<b>Deferred Inflow of Resources</b>					
Deferred revenue	50,419	-	-	-	50,419
<b>Fund Balances</b>					
Nonspendable-not in spendable form					
Inventory	90,589	-	-	-	90,589
Prepaid Items	134,579	-	-	-	134,579
Restricted for					
Economic development	83,294	-	-	-	83,294
Parks and recreation	819	-	-	-	819
Fire	1,184	-	-	-	1,184
Streets	1,920,407	-	-	-	1,920,407
Cemetery perpetual care	126,785	-	-	-	126,785
Library	4,541	-	-	-	4,541
Capital improvements	2,931,207	-	-	-	2,931,207
Debt service	501,104	3,794	-	771,102	1,276,000
Assigned for:					
Capital improvements	500,000	-	-	-	500,000
Unassigned	4,115,091	-	-	-	4,115,091
<b>Total Fund Balances</b>	<b>10,409,600</b>	<b>3,794</b>	<b>-</b>	<b>771,102</b>	<b>11,184,496</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<b>\$ 12,388,867</b>	<b>\$ 3,794</b>	<b>\$ -</b>	<b>\$ 771,340</b>	<b>\$ 13,164,001</b>

See accompanying notes to the financial statements.

## City of West Plains

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

March 31, 2020

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Fund balance - total governmental funds	\$ 11,184,496
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Governmental capital assets	118,418,539
Less accumulated depreciation	<u>(78,978,571)</u>
	39,439,968
The net pension liability and related deferred inflows and outflows are not available to pay for current period expenditures and, therefore, are not reported in the funds:	
Net pension liability	1,733,796
Deferred outflows due to pensions	790,249
Deferred inflows due to pensions	<u>(754,976)</u>
	1,769,069
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(20,792)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(4,507,103)
Adjustment of unavailable revenue	50,419
<b>Net position of governmental activities</b>	<u><u>\$ 47,916,057</u></u>

See accompanying notes to the financial statements.

## City of West Plains

### Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended March 31, 2020

	<u>General Fund</u>	<u>Tax Increment Financing #1 Fund</u>	<u>Tax Increment Financing #2 Fund</u>	<u>Tax Increment Financing #3 Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
Taxes	\$10,710,269	\$ 35,518	\$ 322,392	\$ 111,394	\$11,179,573
Licenses and permits	193,714	-	-	-	193,714
Intergovernmental revenues	928,301	-	-	-	928,301
Charges for services	1,297,083	-	-	-	1,297,083
Miscellaneous	354,169	63	-	-	354,232
<b>Total Revenues</b>	<u>13,483,536</u>	<u>35,581</u>	<u>322,392</u>	<u>111,394</u>	<u>13,952,903</u>
<b>Expenditures</b>					
Current					
Administrative	1,007,003	-	-	-	1,007,003
Safety	19,952	-	-	-	19,952
Information technology	78,237	-	-	-	78,237
Engineering	68,454	-	-	-	68,454
Building official	107,086	-	-	-	107,086
City attorney	87,939	-	-	-	87,939
Court	126,466	-	-	-	126,466
Police	2,375,044	-	-	-	2,375,044
Animal control	55,314	-	-	-	55,314
Emergency management	10,370	-	-	-	10,370
Fire	1,094,387	-	-	-	1,094,387
Airport	289,680	-	-	-	289,680
Street	2,543,799	-	-	-	2,543,799
Cemetery	106,601	-	-	-	106,601
Construction	374,798	-	-	-	374,798
Shop	83,297	-	-	-	83,297
Health	31,194	-	-	-	31,194
City hall complex	127,158	-	-	-	127,158
City beautification	2,205	-	-	-	2,205
Economic development	142,079	-	-	-	142,079
Tourist development	122,104	-	-	-	122,104
Parks and recreation	1,131,206	-	-	-	1,131,206
Golf	376,699	-	-	-	376,699
Transit	178,097	-	-	-	178,097
Library	605,372	-	-	-	605,372
Civic center	678,622	-	-	-	678,622
Galloway park department	15,774	-	-	-	15,774
Senior citizens	27,039	-	-	-	27,039
GOCAT project	68,565	-	-	-	68,565
Other	-	35,518	322,392	368	358,278
Debt Service					
Principal and interest	930,178	-	-	-	930,178
<b>Total Expenditures</b>	<u>12,864,719</u>	<u>35,518</u>	<u>322,392</u>	<u>368</u>	<u>13,222,997</u>

See accompanying notes to the financial statements.

## City of West Plains

### Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended March 31, 2020

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	<b>General Fund</b>	<b>Tax Increment Financing #1 Fund</b>	<b>Tax Increment Financing #2 Fund</b>	<b>Tax Increment Financing #3 Fund</b>	<b>Total Governmental Funds</b>
<i>Excess of Revenues Over Expenditures</i>	618,817	63	-	111,026	729,906
Fund Balance, April 1	<u>9,790,783</u>	<u>3,731</u>	-	<u>660,076</u>	<u>10,454,590</u>
<b>Fund Balance, March 31</b>	<u><u>\$10,409,600</u></u>	<u><u>\$ 3,794</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 771,102</u></u>	<u><u>\$11,184,496</u></u>

See accompanying notes to the financial statements.

## City of West Plains

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended March 31, 2020

Net change in fund balances - total governmental funds	\$	729,906
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives on a straight line basis and reported as depreciation expense. The following is the detail of the amount of the change:

Capital outlay		2,541,679
Depreciation		(2,508,710)
		32,969

Some revenues reported in the governmental funds represent current financial resources and are recognized in the Statement of Activities when earned.

(24,107)

The issuance of long-term debt provides current financial resources to governmental funds. The repayment of the principal of long-term debt is a use of current financial resources of governmental funds. In the Statement of Activities, interest is accrued on outstanding debt whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences:

Repayment of principal on COPs and leases		899,151
Accrued interest payable		4,466
		903,617

Some expenditures reported in the governmental funds represent the use of current financial resources and are recognized in the Statement of Activities when incurred.

Change in compensated absences		(22,466)
Change in pension related costs		(107,741)
		(130,207)

<b>Change in net position of governmental activities</b>		<b>\$ 1,512,178</b>
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See accompanying notes to the financial statements.

# City of West Plains

## Statement of Net Position – Enterprise Fund

March 31, 2020

Assets	Utility Fund	
	March 31,	
	2020	2019
Current Assets		
Cash and cash equivalents	\$ 17,856,139	\$ 17,698,994
Utilities receivable, net	2,110,882	2,244,357
Other accounts receivable	45,652	69,973
Inventory	2,211,524	1,828,508
Prepaid expenses	72,016	78,868
<b>Total Current Assets</b>	22,296,213	21,920,700
Restricted Assets		
Cash and cash equivalents	2,016,851	1,555,023
Investments	588,957	588,416
Property, Plant and Equipment	84,243,657	82,251,248
Less accumulated depreciation	(40,024,126)	(37,871,780)
<b>Total Property, Plant, and Equipment</b>	44,219,531	44,379,468
Net Pension Asset	340,345	453,145
<b>Total Assets</b>	69,461,897	68,896,752
<b>Deferred Outflows of Resources</b>		
Deferred pension outflows	501,795	476,743
Deferred charge on debt refunding	122,179	162,790
<b>Total Deferred Outflows of Resources</b>	623,974	639,533
<b>Liabilities</b>		
Current Liabilities		
Accounts payable	45,114	1,426,256
Accrued expenses	97,405	86,506
Accrued interest payable	31,644	35,478
Due to other funds	1,305,096	36,741
Meter deposits payable	675,054	626,806
Current maturities of long-term debt	590,000	925,000
<b>Total Current Liabilities</b>	2,744,313	3,136,787
Long-Term Liabilities		
Revenue bonds payable	2,541,478	2,997,957
Certificates of participation payable	2,097,284	2,240,013
Compensated absences payable	173,127	194,335
<b>Total Long-Term Liabilities</b>	4,811,889	5,432,305
<b>Total Liabilities</b>	7,556,202	8,569,092
<b>Deferred Inflows of Resources</b>		
Deferred pension inflows	391,282	441,488
<b>Net Position</b>		
Net investment in capital assets	39,112,948	38,379,288
Restricted	1,930,754	1,516,633
Unrestricted	21,094,685	20,629,784
<b>Total Net Position</b>	\$ 62,138,387	\$ 60,525,705

See accompanying notes to the financial statements.

## City of West Plains

### Statement of Revenues, Expenses, and Changes in Net Position – Enterprise Fund

Year Ended March 31, 2020

	Utility Fund	
	Year Ended March 31,	
	2020	2019
<b>Operating Revenues</b>		
Charges for services		
Electric	\$ 15,766,335	\$ 16,328,380
Water	2,109,276	2,149,298
Sewer	1,623,013	1,623,383
Refuse	2,788,202	2,730,068
Stormwater	-	1,194
Fiber	36,365	25,175
<b>Total Operating Revenues</b>	<b>22,323,191</b>	<b>22,857,498</b>
<b>Operating Expenses</b>		
Electric		
Wages and benefits	658,304	704,211
Franchise fees	2,156,653	1,844,036
Engineering	5,300	60
Purchased power	9,038,631	9,864,017
Utilities	11,496	9,442
Other operating expenses	1,128,924	863,230
Depreciation	1,003,939	963,431
Water		
Wages and benefits	300,195	370,091
Engineering	107,628	225
Utilities	147,201	157,062
Other operating expenses	312,579	244,505
Depreciation	501,299	492,288
Sewer		
Wages and benefits	363,863	420,167
Utilities	106,009	105,116
Other operating expenses	144,303	214,521
Depreciation	402,710	404,431
Refuse		
Wages and benefits	1,089,061	987,933
Landfill service	866,640	811,786
Utilities	10,710	10,626
Other operating expenses	381,394	428,732
Depreciation	269,170	254,247
Engineering		
Wages and benefits	189,144	161,095
Other operating expenses	22,486	-
Shop		
Wages and benefits	72,658	80,702
Other operating expenses	6,027	-

See accompanying notes to the financial statements.

## City of West Plains

### Statement of Revenues, Expenses, and Changes in Net Position – Enterprise Fund

Year Ended March 31, 2020

	Utility Fund	
	Year Ended March 31,	
	2020	2019
Storm Water Engineering		
Depreciation	-	255
Fiber		
Wages and benefits	375	1,337
Utilities	29,433	31,887
Other operating expenses	5,583	14,244
Depreciation	48,563	48,563
Information Technology		
Wages and benefits	82,265	97,842
Administration and Warehouse		
Wages and benefits	741,180	706,602
Insurance	278,956	227,630
Utilities	76,834	69,504
Other operating expenses	320,552	265,502
Depreciation	1,259	2,509
<b>Total Operating Expenses</b>	<b>20,881,324</b>	<b>20,857,829</b>
<i>Operating Income</i>	1,441,867	1,999,669
<b>Nonoperating Revenues (Expenses)</b>		
Interest income	449,357	450,147
Other revenue	-	284,498
Other expenses	(38,467)	-
Interest expense	(229,117)	(263,556)
(Loss) on inventory	(10,958)	(58,156)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>170,815</b>	<b>412,933</b>
<i>Net Income</i>	1,612,682	2,412,602
Net Position, April 1	60,525,705	58,113,103
<b>Net Position, March 31</b>	<b>\$ 62,138,387</b>	<b>\$ 60,525,705</b>

See accompanying notes to the financial statements.

# City of West Plains

## Statement of Cash Flows – Enterprise Fund

Year Ended March 31, 2020

	<b>Utility Fund</b>	
	<b>Year Ended March 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 22,529,235	\$ 22,927,838
Cash paid to suppliers	(16,925,978)	(15,355,923)
Cash paid to employees	(3,469,437)	(3,584,944)
<b>Net Cash Provided by Operating Activities</b>	<b>2,133,820</b>	<b>3,986,971</b>
<b>Cash Flows from Noncapital Financing Activities</b>		
Repayment of loans (to) from other funds	1,268,355	(3,498)
Proceeds from operating grants	(38,467)	284,498
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>1,229,888</b>	<b>281,000</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchase of capital assets	(2,067,003)	(2,258,419)
Payment of principal on long-term debt	(925,000)	(910,000)
Payment of interest expense	(201,548)	(235,638)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<b>(3,193,551)</b>	<b>(3,404,057)</b>
<b>Cash Flows from Investing Activities</b>		
Interest received on investments	449,357	450,147
Maturity (purchase) of investments	(541)	-
<b>Net Cash Provided by Investing Activities</b>	<b>448,816</b>	<b>450,147</b>
<i>Net Increase in Cash and Cash Equivalents</i>	618,973	1,314,061
Cash and Cash Equivalents, Beginning of year	19,254,017	17,939,956
<b>Cash and Cash Equivalents, End of year</b>	<b>19,872,990</b>	<b>19,254,017</b>
Less Restricted Cash and Cash Equivalents	2,016,851	1,555,023
<b>Unrestricted Cash and Cash Equivalents</b>	<b>\$ 17,856,139</b>	<b>\$ 17,698,994</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>		
Operating income	\$ 1,441,867	\$ 1,999,669
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,226,940	2,165,723
(Increase) decrease in		
Receivables	157,796	12,607
Inventory	(393,974)	(281,096)
Prepaid expenses	6,852	(2,014)
Net pension asset	112,800	(708,862)
Deferred pension outflows	(25,052)	379,024
Increase (decrease) in		
Accounts payable	(1,381,142)	90,650
Compensated absences payable	(21,208)	(7,502)
Accrued expenses	10,899	11,624
Meter deposits payable	48,248	57,733
Deferred pension inflows	(50,206)	269,415
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 2,133,820</b>	<b>\$ 3,986,971</b>

See accompanying notes to the financial statements.

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

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### 1. Summary of Significant Accounting Policies

The City operates under a Council/City Administrator form of government. The City provides the following services as authorized by its charter: public safety (police and fire), streets, culture-recreation, public improvements, planning, and general administrative services. Other services include water, sewer, electric, fiber, and sanitation operations.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments. In accordance with GASB Section 1600.131 (Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting), the proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements, Accounting Principles Board (APB) opinions and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989, except those pronouncements that conflict with or contradict GASB pronouncements, in which case, GASB prevails. The following is a summary of the more significant policies.

#### Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is accountable for the component unit and the primary government is able to impose its will or the component unit may provide financial benefits or impose a financial burden on the primary government. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City is a primary government, which is governed by an elected board. As required by accounting principles generally accepted in the United States of America, the City has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

#### Component Units

##### *West Plains Public Library Foundation*

The West Plains Public Library Foundation, which is governed by an appointed Board of Directors, provides support for the West Plains Public Library. The West Plains Public Library Foundation is included in the financial statements of the City as a component unit due to its financial relationship with the City.

##### *South 160 Community Improvement District*

Approved in 2005, the South 160 Community Improvement District, which is governed by a Board of Directors, provides support for financing improvements in the South 160 District. The formation of the District allows for the authorization of an additional 1% sales tax to make public improvements that will benefit the District and the City as a whole. This 1%

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

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sales tax was approved by the voters within the District and became effective October 2006. This District is an overlay for a Tax Increment Financing area.

### *63 By-Pass Community Improvement District*

Approved in 2006, the 63 By-Pass Community Improvement District, which is governed by a Board of Directors, provides support for financing improvements in the 63 By-Pass District. The formation of the District allows for the authorization of an additional 1% sales tax to make public improvements that will benefit the District and the City as a whole. This 1% sales tax was approved by the voters within the District and became effective July 2007. This District is an overlay for a Tax Increment Financing area.

### *Ozark Hills Community Improvement District*

Approved March 14, 2014, the Ozark Hills Community Improvement District, which is governed by a Board of Directors, provides support for financing improvements in the Ozark Hills District. The formation of the District allows for the authorization of an additional sales tax of up to 1% to make public improvements that will benefit the District and the City as a whole. This 1% sales tax was approved by the voters within the District and became effective in October 2014.

### *Ramseur Farm Community Improvement District*

Approved September 19, 2016, the Ramseur Farm Community Improvement District, which is governed by a Board of Directors, provides support for financing improvements in the Ramseur Farms District. The formation of the District allows for the authorization of an additional sales tax of up to 1% to make public improvements that will benefit the District and the City as a whole.

## **Government-Wide and Fund Financial Statements**

The basic financial statements include both the government-wide (the Statement of Net Position and the Statement of Activities) and fund financial statements.

### *Government-Wide Financial Statements*

The government-wide statements display information about the government as a whole. Interfund activity has been eliminated from these statements to minimize the duplication of internal activities. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for services for support.

In the government-wide Statement of Net Position, both the governmental and business-type activities are consolidated and presented on the full accrual, economic resources basis of accounting. The consolidated presentation incorporates long-term assets and receivables as well as long-term debt and obligations, and it provides information to improve analysis and comparability.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a program or a function. Program revenues include charges for goods or services offered by the programs and grants and contributions that are restricted to meet operating and capital expenses of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

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### *Fund Financial Statements*

Separate fund financial statements report information on the City's governmental and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Consequently, the emphasis on near-term inflows and outflows of resources do not present the long-term impact of transactions. Conversely, the proprietary fund statements incorporate the accrual basis of accounting and focus on the change in total economic resources. This presentation records long-term assets and liabilities, and recognizes revenues and expenses when transactions occur, regardless of their impact on the flow of cash. Since the accounting differs significantly between the governmental funds and the proprietary funds, it is necessary to convert the governmental fund data to arrive at the government-wide financial statements. Therefore, reconciliations have been provided following the Governmental Funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance identifying categories that required conversion from the fund statements.

The City reports the following major governmental funds:

*General Fund:* The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

*Tax Increment Financing #1 Fund:* The Tax Increment Financing #1 Fund is used to account for resources restricted for debt service.

*Tax Increment Financing #2 Fund:* The Tax Increment Financing #2 Fund is used to account for resources restricted for debt service.

*Tax Increment Financing #3 Fund:* The Tax Increment Financing #3 Fund is used to account for resources restricted for debt service.

The City reports the following major proprietary fund:

*Utility Fund:* The Utility Fund accounts for the activities and capital improvements of the City's water, sewer, electric, sanitation and fiber operations.

### **Capital Assets**

Capital assets include land, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items) and are included in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, excluding land, are defined by the City as assets with a cost of \$5,000 or greater and an estimated useful life of at least five years. All land purchases are capitalized regardless of cost. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

In conformity with GASB 34, infrastructure, such as streets and storm sewers, has been capitalized. Additionally, the City elected to depreciate its infrastructure assets. Depreciation is provided in amounts sufficient to relate the cost of the

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

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depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

Electric plant	20-40 years
Water and sewer systems	20-100 years
Structures and improvements	15-35 years
Machinery and equipment	5-15 years
Infrastructure	5-50 years
Vehicles	5-7 years

Expenditures for maintenance and repairs are charged to expense; renewals and betterments are capitalized.

### **Pooled Cash and Cash Equivalents**

The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash account is available to meet current operating requirements.

### **Fair Value**

The fair value measurement and disclosure framework provides for a fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. There have been no significant changes from the prior year in the methodologies used to measure fair value. The levels of the fair value hierarchy are described below:

Level 1: Inputs using quoted prices in active markets for identical assets or liabilities

Level 2: Inputs using significant other observable inputs including quoted prices for similar assets or liabilities

Level 3: Inputs are significant unobservable inputs

### **Inventories**

Inventories are stated at the lower of cost or market. Cost is determined using the average cost method. Inventory usage is recognized on the consumption method.

### **Revenue Recognition – Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable at that time. All unpaid taxes levied November 1 become delinquent after December 31 of that year.

### **Compensated Absences**

Employees earn vacation time based on the number of years' service to the City. Outstanding vacation leave is payable upon termination of employment. Compensated absences are recorded as a liability in the Statement of Net Position.

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

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### Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Net Position

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

*Net Investment in Capital Assets:* This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted:* This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

*Unrestricted:* This consists of net position that does not meet the definition of restricted or net investment in capital assets.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City first applies restricted net position.

### Fund Balance Classification

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

*Nonspendable fund balance:* This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

*Restricted fund balance:* This classification reflects the constraints imposed on resources either a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance:* These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the City Council – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Council removes the specified use by taking the same type of action imposing the commitment.

*Assigned fund balance:* This classification reflects the amounts constrained by the City’s “intent” to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

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*Unassigned fund balance:* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

### **Program Revenues**

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. These include 1) charges for city court fines, licenses and permits, planning and zoning services, parks and recreation services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental revenues are reported as general. All taxes are classified as general revenues, even if restricted for a specific purpose.

### **Operating Revenues and Expenses**

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and services. All other revenues and expenses are considered nonoperating.

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Currently, the City has two items that qualify for reporting in this category, deferred amounts relating to employer contributions to the retirement plan and deferred charge on debt refunding.

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the City has one item that qualifies for reporting in this category, deferred pension inflows relating to the retirement plan on the Statement of Net Position. These amounts are recognized as an inflow of resources in the period that the amounts become available.

### **Pensions**

For purposes of measuring the net pension asset/liability, deferred outflow of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

### Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended March 31, 2019, from which such partial information was derived.

## 2. Cash & Cash Equivalents

State statutes require that the City's deposits be collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of March 31, 2020, \$37,123 of the South 160 Community Improvement District's deposits were uninsured and uncollateralized.

The City of West Plains maintains a cash pool that is available for use by all government funds.

## 3. Investments

### Primary Government

The City categorizes its investments within the fair value hierarchy as discussed in Note 1. As of March 31, 2020, the City had the following recurring fair value measurements:

<u>Investment Type</u>	<u>Maturity Dates</u>	<u>Not Subject to Fair Value</u>	<u>Fair Value Level 1</u>	<u>Total</u>
Certificates of Deposit	9/18/2020	\$ 588,472	\$ -	\$ 588,472
Certificates of Deposit	6/20/2021	-	495,500	495,500
U.S. Treasury Notes (SLGS)	7/1/2020	-	485	485
		<u>\$ 588,472</u>	<u>\$ 495,985</u>	<u>\$ 1,084,457</u>

### Certificates of Deposit

Certificates of deposit with financial institutions are classified as investments but are considered deposits for custodial risk determination and are not subject to fair value measurement. State statutes require that the City's deposits be collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of March 31, 2020, all certificates of deposit are entirely insured or collateralized with securities.

### West Plains Public Library Foundation

The West Plains Public Library Foundation has \$365,663 invested with the Community Foundation of the Ozarks' pooled investment fund. Fair market value approximates cost as the Foundation has a pro-rata share of the fund.

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

### 4. Restricted Assets

Cash and investments and net position/fund balance have been restricted in the following funds and activities as follows:

	<b>Restricted Cash and Investments</b>	<b>Restricted Fund Balance</b>
<b>General Fund</b>		
Cemetery perpetual care	\$ 126,785	\$ 126,785
Transportation tax	1,773,557	1,920,407
Capital improvement tax	2,652,617	2,652,617
Capital projects	500,000	-
Economic development	57,956	83,294
Galloway park donations	819	819
Fire alarms	1,184	1,184
Library	4,541	4,541
Police seized funds	38,626	-
Court bonds	2,269	-
Deposits held	9,052	-
2012 COP reserves	501,104	501,104
2015 COP proceeds	278,590	278,590
	\$ 5,947,100	\$ 5,569,341
<b>Special Revenue Funds</b>		
Reserved/restricted for debt service	\$ 773,362	\$ 774,896
<b>Enterprise Fund</b>		
2011 bond reserves	\$ 1,225,585	\$ 1,225,585
1996 bond reserves	485	485
2014 bond reserves	461,241	461,241
2010 COP reserves	213,396	213,396
Service deposits	675,054	-
Landfill closure	30,047	30,047
	\$ 2,605,808	\$ 1,930,754

### 5. Accounts Receivable

Utilities receivable is presented net of an allowance for doubtful accounts as follows:

	<b>Gross Receivable</b>	<b>Allowance</b>	<b>Net Receivable</b>
<b>Utilities Receivable</b>			
Enterprise Fund	\$ 3,645,502	\$ 1,534,620	\$ 2,110,882

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

Court fines receivable is presented net of an allowance for doubtful accounts as follows:

	<b>Gross Receivable</b>	<b>Allowance</b>	<b>Net Receivable</b>
<b>Court Fines Receivable</b>			
General Fund	\$ 108,971	\$ 58,752	\$ 50,219

### 6. Assessed Valuation, Tax Levy, & Legal Debt Margin

The assessed valuation of the tangible property and the tax levy per \$100 assessed valuation of that property were as follows:

	<b>2019</b>
<b>Assessed Valuation</b>	
Real estate	\$ 119,700,304
Personal property	37,768,065
<b>Total</b>	\$ 157,468,369
	<b>2019</b>
<b>Tax Rate Per \$100 of Assessed Valuation</b>	
General	\$ .3180
Library	.2000
	\$ .5180

The legal debt margin at March 31, 2020, was computed as follows:

	<b>General Obligation Bonds</b>		
	<b>Ordinary (1)</b>	<b>Additional (2)</b>	<b>Total</b>
Constitutional Debt Limit	\$ 15,746,837	\$ 15,746,837	\$ 31,493,674
General Obligation Bonds Payable	-	-	-
<b>Legal Debt Margin</b>	\$ 15,746,837	\$ 15,746,837	\$ 31,493,674

(1) Under Article VI, Section 26(b) and (c), Missouri Constitution, the City, by a vote of its qualified electors voting therein, may incur an indebtedness for any purposes authorized in the charter of the City or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the City.

(2) Under Article VI, Section 26(d) and (e), Missouri Constitution, the City, by a vote of its qualified electors voting therein, may become indebted not exceeding in the aggregate an additional ten percent for the purpose of acquiring rights-of-way, construction, extending, and improving streets and avenues, and/or sanitary or storm sewer systems; and purchasing or constructing waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed twenty percent of the value of the taxable tangible property in the City.

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

### 7. MODAG Receivable

Receivables due from MODAG awarded to the City in prior years consisted of:

	Interest Rate	Annual Payment	Total Due
West Plains Industrial Development Corporation	3%	\$ 7,500	\$ 25,338

### 8. Long-Term Liabilities – Business-Type Activities

Long-term liabilities in the Enterprise Fund consists of the Series 2011 Sewerage System Refunding Revenue Bonds, 2010 Certificates of Participation, and compensated absences.

#### Series 2011 Sewerage System Refunding Revenue Bonds

On September 6, 2011, the City issued \$6,260,000 in Sewerage System Refunding Revenue Bonds, Series 2011. The bonds bear interest at 2.50% to 3.65%. Interest payments are due semi-annually on July 1 and January 1 of each year with annual principal payments due July 1 of each year. Bonds are callable on July 1, 2020, and at any time thereafter, under various provisions of the bond terms. In the event of default, after 60 days the owners of at least 25% of the bonds may declare all of the remaining principal immediately due and payable and owners of at least 10% of the bonds outstanding may take legal action.

The annual debt service requirements to amortize the principal on the 2011 revenue bonds outstanding at March 31, 2020, are as follows:

Year Ending March 31,	Principal	Interest	Total
2021	\$ 450,000	\$ 95,242	\$ 545,242
2022	465,000	81,053	546,053
2023	480,000	65,452	545,452
2024	495,000	48,630	543,630
2025	1,095,000	19,984	1,114,984
	\$ 2,985,000	\$ 310,361	\$ 3,295,361

On March 1, 2010, the City issued \$2,210,000 in Certificates of Participation. The Certificates of Participation bear interest from 5.30% to 6.65%. Interest payments are due semi-annually on March 1 and September 15 of each year. The City will receive an interest subsidy from the US Treasury semi-annually to offset the cost of interest. The City is required to file specific forms with the IRS no later than 45 days before each interest payment is due in order to receive the interest subsidy. In the event of default, the lessor may take possession of any property covered under the lease and take any action at law or in equity that is deemed necessary or desirable to enforce its rights with respect to the leased property.

## City of West Plains

### Notes to the Financial Statements

March 31, 2020

The Certificates of Participation outstanding at March 31, 2020, are due as follows:

<u>Year Ending March 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Subsidy</u>	<u>Total</u>
2021	\$ 140,000	\$ 134,085	\$ (60,339)	\$ 213,746
2022	200,000	126,665	(56,999)	269,666
2023	205,000	115,765	(52,094)	268,671
2024	215,000	104,285	(46,928)	272,357
2025	220,000	91,922	(41,365)	270,557
2026	230,000	78,942	(35,524)	273,418
2027	235,000	64,682	(29,107)	270,575
2028	245,000	49,878	(22,445)	272,433
2029	255,000	34,198	(15,389)	273,809
2030	265,000	17,623	(7,930)	274,693
	<u>\$ 2,210,000</u>	<u>\$ 818,045</u>	<u>\$ (368,120)</u>	<u>\$ 2,659,925</u>

A summary of the changes in long-term liabilities – business-type activities for the year ended March 31, 2020, is as follows:

	<u>Balance March 31, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance March 31, 2020</u>	<u>Amount due within one year</u>
Revenue Bonds					
Series 2011	\$ 3,420,000	\$ -	\$ 435,000	\$ 2,985,000	\$ 450,000
Series 2014	490,000	-	490,000	-	-
Premium	12,957	-	6,479	6,478	-
	<u>3,922,957</u>	<u>-</u>	<u>931,479</u>	<u>2,991,478</u>	<u>450,000</u>
Certificates of Participation					
Series 2010	2,210,000	-	-	2,210,000	140,000
Premium	30,013	-	2,729	27,284	-
	<u>2,240,013</u>	<u>-</u>	<u>2,729</u>	<u>2,237,284</u>	<u>140,000</u>
Compensated Absences	194,335	-	21,208	173,127	-
<b>Total</b>	<u>\$ 6,357,305</u>	<u>\$ -</u>	<u>\$ 955,416</u>	<u>\$ 5,401,889</u>	<u>\$ 590,000</u>

## 9. Long-Term Liabilities – Governmental Activities

Long-term liabilities for governmental activities at March 31, 2020, consists of the Series 2012 and 2015 Certificates of Participation, one capital lease, and compensated absences.

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

### Series 2012 Certificates of Participation

On August 18, 2012, the City issued \$4,955,000 in Series 2012 Certificates of Participation to refund the Series 2006 Certificates of Participation and to finance various projects within the City. The certificates bear interest at various rates ranging from 1.75% to 2.90% with principal payments due July 15 and interest payments due January 15 and July 15 each year. In the event of default, the lessor may take possession of any property covered under the lease and take any action at law or in equity that is deemed necessary or desirable to enforce its rights with respect to the leased property.

The annual debt service requirements to amortize principal on the 2012 Certificates of Participation outstanding at March 31, 2020, are listed in the following table:

<u>Year Ending March 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 375,000	\$ 46,935	\$ 421,935
2022	390,000	38,130	428,130
2023	395,000	28,315	423,315
2024	400,000	17,680	417,680
2025	420,000	6,090	426,090
	<u>\$ 1,980,000</u>	<u>\$ 137,150</u>	<u>\$ 2,117,150</u>

### Series 2015 Certificates of Participation

On March 1, 2015, the City issued \$3,920,000 in Series 2015 Certificates of Participation to finance various projects within the City. The certificates bear interest at various rates ranging from 2.00% to 2.55% with principal payments due July 15 and interest payments due January and July 15 each year. In the event of default, the lessor may take possession of any property covered under the lease and take any action at law or in equity that is deemed necessary or desirable to enforce its rights with respect to the leased property.

The annual debt service requirements to amortize principal on the Series 2015 Certificates of Participation outstanding at March 31, 2020, are listed in the following table:

<u>Year Ending March 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 465,000	\$ 43,018	\$ 508,018
2022	465,000	33,718	498,718
2023	480,000	23,788	503,788
2024	500,000	12,633	512,633
2025	265,000	3,379	268,379
	<u>\$ 2,175,000</u>	<u>\$ 116,536</u>	<u>\$ 2,291,536</u>

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

### Capital Lease Agreement – Equipment

On February 12, 2018, the City entered into a lease purchase agreement to finance the purchase of golf carts. The agreement requires monthly payments of \$1,036 and final payment of \$28,800, which includes interest at 4.80%. In the event of default, the Lessor may declare all rental payments immediately due and payable and/or take possession of the equipment at the expense of the Lessee.

The City's lease purchase agreements provide for the cancellation of the lease at the City's option on the renewal dates each year per State statute, however the City does not foresee exercising its option to cancel. Therefore, these leases are accounted for as noncancellable capital leases in accordance with FASB Accounting Standards Codification Topic ASC-840-30-30 – *Accounting for Capital Leases*.

The following is a schedule of future lease payments under the lease (assuming noncancellation):

Year Ending March 31,	Direct Borrowing	
	Golf Carts	
2021	\$	12,435
2022		12,435
2023		12,435
2024		39,163
		76,468
		(9,117)
		\$ 67,351

A summary of the changes in long-term liabilities – governmental activities for the year ended March 31, 2020, is as follows:

	Balance March 31, 2019	Additions	Retirements	Balance March 31, 2020	Amount due within one year
<b>Certificates of Participation</b>					
Series 2012	\$ 2,350,000	\$ -	\$ 370,000	\$ 1,980,000	\$ 375,000
Series 2015	2,625,000	-	450,000	2,175,000	465,000
Premium on Series 2015	11,069	-	1,845	9,224	-
	4,986,069	-	821,845	4,164,224	840,000
<b>Direct Borrowing</b>					
Capital Lease Obligations					
Kubota tractor	7,259	-	7,259	-	-
Ford trucks	11,930	-	11,930	-	-
Case backhoe	12,549	-	12,549	-	-
Golf equipment	10,971	-	10,971	-	-
Three police vehicles	25,623	-	25,623	-	-
Golf carts	76,325	-	8,974	67,351	-
	144,657	-	77,306	67,351	-
Compensated absences payable	253,062	22,466	-	275,528	-
<b>Total</b>	\$ 5,383,788	\$ 22,466	\$ 899,151	\$ 4,507,103	\$ 840,000

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

### 10. Capital Assets

Capital asset activity for the year ended March 31, 2020, was as follows:

#### Primary Government

	<b>Balance March 31, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance March 31, 2020</b>
<b>Governmental Activities</b>				
Non-Depreciable Capital Assets				
Construction in progress	\$ 2,389,419	\$ 1,101,981	\$ 5,474	\$ 3,485,926
Land	2,922,434	22,101	-	2,944,535
<b>Total Non-depreciable Capital Assets</b>	<b>\$ 5,311,853</b>	<b>\$ 1,124,082</b>	<b>\$ 5,474</b>	<b>\$ 6,430,461</b>
Depreciable Capital Assets				
Building and improvements	\$ 22,514,637	\$ 60,814	\$ -	\$ 22,575,451
Machinery and equipment	5,181,898	103,803	-	5,285,701
Vehicles	4,110,215	140,000	150,793	4,099,422
Infrastructure	77,788,288	1,081,403	-	78,869,691
Land improvements	969,969	187,844	-	1,157,813
<b>Total Depreciable Capital Assets</b>	<b>110,565,007</b>	<b>\$ 1,573,864</b>	<b>\$ 150,793</b>	<b>111,988,078</b>
Less Accumulated Depreciation	76,469,861	\$ 2,650,170	\$ 141,460	78,978,571
<b>Total Depreciable Capital Assets, net</b>	<b>\$ 34,095,146</b>			<b>\$ 33,009,507</b>

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

Depreciation expense for governmental activities was charged to functions as follows:

Administration	\$	9,436
Information technology		2,828
Engineering		4,262
Police		43,943
Animal control		11,495
Emergency management		49,015
Fire		248,756
Airport		177,452
Street		1,475,576
Cemetery		5,775
Shop		11,184
City hall complex		108,167
Tourist development		7,465
Parks and recreation		144,526
Golf		16,408
Transit		42,601
Library		48,520
Civic center		242,761
		\$ 2,650,170

	<b>Balance March 31, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance March 31, 2020</b>
<b>Business-Type Activities</b>				
Water				
Non-Depreciable Capital Assets				
Land	\$ 166,752	\$ -	\$ -	\$ 166,752
<b>Total Non-Depreciable Capital Assets</b>	166,752	\$ -	\$ -	166,752
Depreciable Capital Assets				
Buildings and improvements	102,044	\$ -	\$ -	102,044
Plant	20,157,184	152,168	-	20,309,352
Equipment	1,215,286	52,193	-	1,267,479
Transportation equipment	332,638	-	-	332,638
<b>Total Depreciable Capital Assets</b>	21,807,152	\$ 204,361	\$ -	22,011,513
Less Accumulated Depreciation	9,906,333	\$ 502,558	\$ -	10,408,891
<b>Depreciable Capital Assets, net</b>	11,900,819			11,602,622

## City of West Plains

### Notes to the Financial Statements

March 31, 2020

	<b>Balance March 31, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance March 31, 2020</b>
<b>Electric</b>				
Non-Depreciable Capital Assets				
Land	76,662	\$ 240,441	\$ -	317,103
Construction in progress	3,600	35,781	1,000	38,381
<b>Total Non-Depreciable Capital Assets</b>	<b>80,262</b>	<b>\$ 276,222</b>	<b>\$ 1,000</b>	<b>355,484</b>
Depreciable Capital Assets				
Buildings and improvements	250,440	\$ 4,547	\$ -	254,987
Plant	26,078,643	827,970	-	26,906,613
Equipment	3,586,175	91,749	-	3,677,924
Transportation equipment	2,210,769	-	23,920	2,186,849
<b>Total Depreciable Capital Assets</b>	<b>32,126,027</b>	<b>\$ 924,266</b>	<b>\$ 23,920</b>	<b>33,026,373</b>
Less Accumulated Depreciation	16,923,493	\$ 1,003,939	\$ 23,920	17,903,512
<b>Depreciable Capital Assets, net</b>	<b>15,202,534</b>			<b>15,122,861</b>
<b>Sewer</b>				
Depreciable Capital Assets				
Buildings and improvements	82,633	\$ -	\$ -	82,633
Plant	21,888,589	31,812	-	21,920,401
Equipment	1,073,355	-	-	1,073,355
Transportation equipment	361,687	-	-	361,687
<b>Total Depreciable Capital Assets</b>	<b>23,406,264</b>	<b>\$ 31,812</b>	<b>\$ -</b>	<b>23,438,076</b>
Less Accumulated Depreciation	8,625,209	\$ 402,710	\$ -	9,027,919
<b>Depreciable Capital Assets, net</b>	<b>14,781,055</b>			<b>14,410,157</b>
<b>Administration</b>				
Depreciable Capital Assets				
Equipment	17,565	\$ -	\$ 13,974	3,591
<b>Total Depreciable Capital Assets</b>	<b>17,565</b>	<b>\$ -</b>	<b>\$ 13,974</b>	<b>3,591</b>
Less Accumulated Depreciation	17,565	\$ -	\$ 13,974	3,591
<b>Depreciable Capital Assets, net</b>	<b>-</b>			<b>-</b>

## City of West Plains

### Notes to the Financial Statements

March 31, 2020

	Balance March 31, 2019	Additions	Deletions	Balance March 31, 2020
<b>Refuse</b>				
Non-Depreciable Capital Assets				
Land	15,000	\$ -	\$ -	15,000
<b>Total Non-Depreciable Capital Assets</b>	15,000	\$ -	\$ -	15,000
Depreciable Capital Assets				
Buildings and improvements	262,045	\$ -	\$ -	262,045
Transfer station	540,911	-	-	540,911
Equipment	969,931	49,840	-	1,019,771
Transportation equipment	1,708,833	315,113	36,700	1,987,246
<b>Total Depreciable Capital Assets</b>	3,481,720	\$ 364,953	\$ 36,700	3,809,973
Less Accumulated Depreciation	2,329,260	\$ 269,170	\$ 36,700	2,561,730
<b>Depreciable Capital Assets, net</b>	1,152,460			1,248,243
<b>Fiber</b>				
Non-Depreciable Capital Assets				
Construction in progress	667,894	\$ 266,389	\$ -	934,283
<b>Total Non-Depreciable Capital Assets</b>	667,894	\$ 266,389	\$ -	934,283
Depreciable Capital Assets				
Infrastructure	219,497	\$ -	\$ -	219,497
Equipment	263,115	-	-	263,115
<b>Total Depreciable Capital Assets</b>	482,612	\$ -	\$ -	482,612
Less Accumulated Depreciation	69,920	\$ 48,563	\$ -	118,483
<b>Depreciable Capital Assets, net</b>	412,692			364,129
<b>Total Capital Assets, net</b>	\$ 44,379,468			\$ 44,219,531

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

### Component Units

	<b>Balance March 31, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance March 31, 2020</b>
<b>South 160 Community</b>				
<b>Improvement District</b>				
Depreciable Capital Assets				
Infrastructure	\$ 3,629,291	\$ 27,285	\$ -	\$ 3,656,576
<b>Total Depreciable Capital Assets</b>	3,629,291	\$ 27,285	\$ -	3,656,576
Less Accumulated Depreciation	862,042	\$ 72,586	\$ -	934,628
<b>Depreciable Capital Assets, net</b>	\$ 2,767,249	\$ -	\$ -	\$ 2,721,948
<b>63 ByPass Community</b>				
<b>Improvement District</b>				
Depreciable Capital Assets				
Infrastructure	\$ 249,571	\$ -	\$ -	\$ 249,571
<b>Total Depreciable Capital Assets</b>	249,571	\$ -	\$ -	249,571
Less Accumulated Depreciation	45,473	\$ 4,992	\$ -	50,465
<b>Depreciable Capital Assets, net</b>	\$ 204,098	\$ -	\$ -	\$ 199,106
<b>Ozark Hills Community</b>				
<b>Improvement District</b>				
Depreciable Capital Assets				
Infrastructure	\$ 30,000	\$ 10,000	\$ -	\$ 40,000
<b>Total Depreciable Capital Assets</b>	30,000	\$ 10,000	\$ -	40,000
Less Accumulated Depreciation	400	\$ 600	\$ -	1,000
<b>Depreciable Capital Assets, net</b>	\$ 29,600	\$ -	\$ -	\$ 39,000

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

### 11. Employee Pension Plan

#### General Information about the Pension Plan

*Plan Description.* The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at [www.molagers.org](http://www.molagers.org).

*Benefits Provided.* LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

	<u>2019 Valuation</u>
Benefit multiplier	1.60% for life, plus 0.40% to age 65
Final average salary	3 years
Member contributions	0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

*Employees Covered by Benefit Terms.* At June 30, 2019, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Retirees and beneficiaries	99	26	24	149
Inactive, nonretired members	45	19	16	80
Active members	143	26	16	185
	<u>287</u>	<u>71</u>	<u>56</u>	<u>414</u>

*Contributions.* The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year. With an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 14.1% (General), 12.0% (Police), and 2.4% (Fire) of annual covered payroll.

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

*Net Pension Liability/Asset.* The employer’s net pension liability/asset was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability/asset was determined by an actuarial valuation as of February 28, 2019.

*Actuarial Assumptions.* The total pension liability in the February 28, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation		3.25% wage inflation, 2.50% price inflation
Salary Increase	3.25% to 6.55% including wage inflation for general and police	
		3.25% to 7.15% wage inflation for fire
Investment rate of return		7.25%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2019, valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash	10.00%	0.00%
Leverage	-35.00%	-51.00%

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

*Discount Rate.* The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

### Changes in the Net Pension (Asset) Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/Liability (a) - (b)
<b>General Division</b>			
Balances at beginning of year	\$ 23,849,747	\$ 24,673,647	\$ (823,900)
Changes for the year			
Service cost	518,478	-	518,478
Interest	1,707,642	-	1,707,642
Difference between expected and actual experiences	163,218	-	163,218
Contributions - employer	-	691,762	(691,762)
Net investment income	-	1,624,554	(1,624,554)
Benefits paid, including refunds	(1,121,150)	(1,121,150)	-
Administrative expenses	-	(32,723)	32,723
Other changes	-	(99,347)	99,347
<i>Net changes</i>	<u>1,268,188</u>	<u>1,063,096</u>	<u>205,092</u>
<b>Balances at end of year</b>	<u>25,117,935</u>	<u>25,736,743</u>	<u>(618,808)</u>

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset)/Liability
	(a)	(b)	(a) - (b)
<b>Police Division</b>			
Balances at beginning of year	5,658,886	6,379,047	(720,161)
Changes for the year			
Service cost	108,194	-	108,194
Interest	398,418	-	398,418
Difference between expected and actual experiences	310,046	-	310,046
Contributions - employer	-	105,913	(105,913)
Net investment income	-	388,989	(388,989)
Benefits paid, including refunds	(440,941)	(440,941)	-
Administrative expenses	-	(7,606)	7,606
Other changes	-	(22,355)	22,355
<i>Net changes</i>	375,717	24,000	351,717
<b>Balances at end of year</b>	6,034,603	6,403,047	(368,444)
<b>Fire Division</b>			
Balances at beginning of year	3,165,673	4,214,260	(1,048,587)
Changes for the year			
Service cost	74,392	-	74,392
Interest	227,255	-	227,255
Difference between expected and actual experiences	(40,936)	-	(40,936)
Contributions - employer	-	15,598	(15,598)
Net investment income	-	268,686	(268,686)
Benefits paid, including refunds	(137,748)	(137,748)	-
Administrative expenses	-	(5,551)	5,551
Other changes	-	20,280	(20,280)
<i>Net changes</i>	122,963	161,265	(38,302)
<b>Balances at end of year</b>	3,288,636	4,375,525	(1,086,889)
<b>Total Plan Balances at end of year</b>	<u>\$ 34,441,174</u>	<u>\$ 36,515,315</u>	<u>\$ (2,074,141)</u>

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

The Net Pension (Asset) Liability is allocated as follows:

	<b>Net Pension (Asset) Liability</b>
Governmental Activities	\$ (1,733,796)
Business-Type Activities	(340,345)
	<b>\$ (2,074,141)</b>

*Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate.* The following present the Net Pension (Asset) Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension (Asset) Liability would be using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	<b>1% Decrease 6.25%</b>	<b>Current Single Discount Rate Assumption 7.25%</b>	<b>1% Increase 8.25%</b>
<b>General Division</b>			
Total pension liability	\$ 28,684,037	\$ 25,117,935	\$ 22,183,248
Fiduciary net position	25,736,743	25,736,743	25,736,743
<b>Net Pension (Asset) Liability</b>	2,947,294	(618,808)	(3,553,495)
<b>Police Division</b>			
Total pension liability	6,926,336	6,034,603	5,309,785
Fiduciary net position	6,403,047	6,403,047	6,403,047
<b>Net Pension (Asset) Liability</b>	523,289	(368,444)	(1,093,262)
<b>Fire Division</b>			
Total pension liability	3,755,360	3,288,636	2,905,642
Fiduciary net position	4,375,525	4,375,525	4,375,525
<b>Net Pension (Asset) Liability</b>	(620,165)	(1,086,889)	(1,469,883)
<b>Total Net Pension (Asset) Liability</b>	<b>\$ 2,850,418</b>	<b>\$ (2,074,141)</b>	<b>\$ (6,116,640)</b>

### Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended March 31, 2020, the employer recognized pension expense of \$807,451 in the general division, \$223,361 in the police division, and a gain of \$16,944 in the fire division. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

## City of West Plains

### Notes to the Financial Statements

March 31, 2020

	<b>Deferred Outflows of Resources</b>	<b>Deferred (Inflows) of Resources</b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
<b>General Division</b>			
Differences in experiences	\$ 150,593	\$ (120,058)	\$ 30,535
Assumption changes	172,692	-	172,692
Differences in earnings	-	(591,364)	(591,364)
Contributions subsequent to the measurement date*	589,069	-	589,069
	<u>912,354</u>	<u>(711,422)</u>	<u>200,932</u>
<b>Police Division</b>			
Differences in experiences	262,628	(4,473)	258,155
Assumption changes	12,186	-	12,186
Differences in earnings	-	(247,755)	(247,755)
Contributions subsequent to the measurement date*	90,168	-	90,168
	<u>364,982</u>	<u>(252,228)</u>	<u>112,754</u>
<b>Fire Division</b>			
Differences in experiences	1,411	(75,405)	(73,994)
Differences in earnings	-	(107,203)	(107,203)
Contributions subsequent to the measurement date*	13,297	-	13,297
	<u>14,708</u>	<u>(182,608)</u>	<u>(167,900)</u>
	<u>\$ 1,292,044</u>	<u>\$ (1,146,258)</u>	<u>\$ 145,786</u>

The deferred (inflow) and outflow of resources are allocated as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred (Inflows) of Resources</b>	<b>Net Deferred Outflows/(Inflows) of Resources</b>
Governmental Activities	\$ 790,249	\$ (754,976)	\$ 35,273
Business-Type Activities	501,795	(391,282)	110,513
	<u>\$ 1,292,044</u>	<u>\$ (1,146,258)</u>	<u>\$ 145,786</u>

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition/reduction to the net pension asset/liability for the year ending March 31, 2020.

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending March 31,	Net Deferred Outflows/(Inflows) of Resources			
	General	Police	Fire	Total
2020	\$ 18,306	\$ 46,285	\$ (40,454)	\$ 24,137
2021	(322,434)	(56,829)	(95,737)	(475,000)
2022	(155,042)	8,827	(50,944)	(197,159)
2023	62,110	24,303	5,938	92,351
2024	8,923	-	-	8,923
<b>Total</b>	<u>\$ (388,137)</u>	<u>\$ 22,586</u>	<u>\$ (181,197)</u>	<u>\$ (546,748)</u>

### Payable to the Pension Plan

The City had \$77,030 of outstanding amounts of contributions to the pension plan required for the year ended March 31, 2020.

### Change in Pension Plan

In December 2019 the City changed from the LT-10 benefit program to the L-6 program. The effect of this change will be reflected in the February 28, 2020 actuarial valuation and will be reported in the fiscal year ending March 31, 2021.

## 12. Risk Management

The City is exposed to various risks of losses related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has transferred its risk by obtaining coverage from a public self-insured insurance pool. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

## 13. Internal Balances

Internal balances as of March 31, 2020, consisted of the following:

	General Fund	Tax Increment Financing #1 Funds	Tax Increment Financing #3 Funds	Utility Fund
Internal balances	<u>\$ 1,303,562</u>	<u>\$ 1,772</u>	<u>\$ (238)</u>	<u>\$ (1,305,096)</u>

During the course of its operations, the City has numerous transactions between funds to finance operation, provide services, construct assets and service debt. To the extent that certain transactions between funds had not been paid or received as of March 31, 2020, balances of interfund amounts receivable or payable have been recorded within the fund financial statements.

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

### 14. Conduit Debt

On December 1, 2013, the City authorized the issuance of \$7,500,000 aggregate maximum principal amount of Taxable Industrial Development Revenue Bonds (Hoover Brothers Farms, Inc. Project), Series 2013. The issuance is Chapter 100 debt in order to provide economic financial assistance to a third-party private entity and the City has no obligation beyond the rents, revenues, and receipts derived by the City from the Project; therefore, the issue does not constitute a debt of the City and, accordingly, are not included in the City's statement of net position. The bonds are issued as the Project proceeds. At March 31, 2020, the amount issued and outstanding was \$2,012,127.

### 15. Claims & Adjustments

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government. As of March 31, 2020, expenditures have not been audited by grantor governments, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the City.

### 16. Debt Refunding Loss

On January 6, 2014, the City issued \$3,230,000 in Series 2014 Waterworks System Refunding Revenue Bonds with interest rates ranging from 2.0% to 2.20%. The City issued the bonds to refund \$3,710,000 of outstanding Series 2006 Waterworks System Refunding Revenue Bonds with interest rates ranging from 4.0% to 4.45%.

The Series 2014 refunding assumed the deferred charge on the Series 2006 advance refunding of the Series 2000 Waterworks System Revenue Bonds. The previous refunding resulted in the recognition of a deferred charge on refunding in the Utility Fund of \$332,146. The amount of deferred charge assumed with the Series 2014 refunding on January 6, 2014, was \$160,538. The deferred charge is being amortized as an adjustment to interest expense over a period of six years.

On September 6, 2011, the City issued \$6,260,000 in Series 2011 Sewerage System Refunding Revenue Bonds with interest rates ranging from 2.50% to 3.65%. The City issued the bonds to refund \$5,955,000 of outstanding Series 2004 Sewerage System Revenue Bonds with interest rates ranging from 3.45% to 5.125%.

The advanced refunding resulted in the recognition of a deferred charge on refunding in the Utility Fund of \$258,556. The deferred charge is being amortized as an adjustment to interest expense over a period of 14 years.

A summary of the deferred charge on debt refunding is listed below:

	<b>Balance March 31, 2019</b>	<b>Additions</b>	<b>Amortization</b>	<b>Balance March 31, 2020</b>
Utility Fund	<u>\$ 162,790</u>	<u>\$ -</u>	<u>\$ 40,611</u>	<u>\$ 122,179</u>

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

### 17. Long-Term Debt – South 160 Community Improvement District

#### South 160 Community Improvement District

On December 12, 2009, the South 160 Community Improvement District issued a bond anticipation note in the amount of \$3,007,507 in order to accelerate the start of the District's improvement projects. The note will be repaid from the proceeds of bonds the District will receive. The bond anticipation note was renewed for an additional five years, which will mature on December 25, 2023. Principal and interest payments are due monthly, with interest at 4.50% per annum.

Activity for the year ended March 31, 2020, is summarized below:

	Balance March 31, 2019	Additions	Retirements	Balance March 31, 2020
Promissory Note	\$ 1,894,804	\$ -	\$ 443,664	\$ 1,451,140

### 18. Pledged Revenues

The City has pledged future water and sewer customer revenues to repay the Series 2011 and 2014 revenue bonds issued to improve and expand the water and sewer system. The bonds are payable solely from customer net revenues and are payable through 2025. Net revenues are revenues of the system less expenses of the system with the exception of depreciation. The total principal, interest and fees remaining to be paid on the bonds is \$3,295,361. Principal and interest paid for the current year and total customer net revenues were \$1,043,645 and \$3,668,807, respectively.

The City has pledged future sales tax revenues to repay the Series 2012 and 2015 Certificates of Participation issued for the purpose of refunding the Series 2006 COP and to finance various projects in the City. The lease purchase is payable solely from tax revenues of the City and is payable through 2025. The total principal and interest remaining to be paid on the lease is \$4,408,686.

### 19. Deferred Revenue

Revenue has not been realized for receivables not expected to be collected within sixty days of year-end but are expected to be collectible. Deferred revenue as of March 31, 2020, consists of the following:

Court fines	\$ 50,219
Other	200
	<u>\$ 50,419</u>

### 20. Tax Increment Financing Districts & Community Improvement Districts

TIF #1 is committed to repay the developer for public infrastructure improvements in the TIF #1 District. There is no debt on the City's part. However, the City is obligated to repay \$500,000 of public infrastructure improvements to the extent that taxes are collected within this District. The City is only obligated if taxes are collected, and through May 2026. As of March 31, 2020, the City has paid the developer \$387,429, leaving a remaining balance of \$112,571.

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

TIF #2 and CID #1 overlay one another. TIF #2 taxes are collected along with sales taxes of CID #1 and are pledged to repay the Bond anticipation note, which was used for public improvements. The City is only obligated if taxes are collected, and through October 2028.

### 21. Tax Abatements

The amount of foregone tax revenues for the year ending March 31, 2020, consisted of the following:

<u>Tax Abatement Program</u>	<u>Type of Tax Abated</u>	<u>Amount of Taxes Abated</u>
Tax Increment Financing Districts	Sales tax	\$ 399,787
Tax Increment Financing Districts	Property tax	69,519
Urban Redevelopment (Chapter 353)	Property tax	20,765
Chapter 100	Property tax	9,451
Enhanced Enterprise Zone	Property tax	3,435
		<u>\$ 502,957</u>

- The City has entered into three Tax Incremental Financing (TIF) Districts which are economic development tools which redirects local tax revenues towards the redevelopment of eligible properties that are otherwise economically unfeasible. Sections 99.800-99.865, RSMo, the Real Property Tax Increment Allocation Redevelopment Act, enables cities to finance certain redevelopment costs with the incremental tax revenue generated by the net increase in assessed valuation resulting from the redevelopment. The purpose of the three TIF Districts is to remove blight, improve roads and traffic flow, and attract new retail development and restaurants.
- The City has entered into one agreement under the Urban Redevelopment Corporation Law, or Chapter 353, which is an economic development tool to encourage redevelopment of blighted areas. Under Sections 353.010-353.190, RSMo, the Urban Redevelopment Corporation has a tax abatement available for 25 years. During the first 10 years, the property is not subject to real property taxes except in the amount of real property taxes assessed on the land during the calendar year during with the Urban Redevelopment Corporation acquired title to the real property. For the remaining 15 years, the property may be assessed up to 50% of its true value. The purpose of the abatement is to tear down a blighted hotel and build a new hotel.
- The City and Howell County have entered into one agreement under the Enhanced Enterprise Zones Program which is designed to attract new or expanding businesses to the area. Under Sections 135.950-135.970, RSMo., in order for a manufacturer, distributor, or certain service industries to qualify for the 50% tax abatement for 10 years, the business must meet certain minimum criteria depending on the type of business facility. New or expanded business facilities must have two new employees and \$100,000 in new investment. Replacement business facilities must have two new employees and \$1,000,000 in new investment. Both types of business facilities must also offer health insurance to full time employees in Missouri, of which at least 50% is paid by the employer. The purpose of the abatement is to encourage job creation in blighted areas within the City.

# City of West Plains

## Notes to the Financial Statements

March 31, 2020

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- The City has entered into one agreement under the Chapter 100 Industrial Development Act which allows cities or counties to purchase or construct certain types of projects with bond proceeds and lease the project to a company under Sections 100.010-100.200, RSMo. Eligible projects include the purchase, construction, extension and improvement of warehouses, distributions facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, and industrial plants. Since the city or county owns the property and leases it to the company, an amount of the property taxes can be abated for a term agreed on by the city or county issuer and the company. The purpose of the abatement is to encourage job creation and maintain at least 250 employees on-site for 15 years.

## **22. Commitments**

At March 31, 2020, the City was committed to John Adams Construction Co., Inc. in the amount of \$165,491 for construction on the Greater Ozarks Center for Advanced Technology (GOCAT).

## **23. Risks & Uncertainties**

During 2020, a strain of coronavirus (COVID-19) was identified as a global pandemic and began affecting the health of large portions of the global population. The detrimental impact of this virus is not yet determinable, but will likely be significant for both the local and global economy. The effects of COVID-19 on the City are also not yet determinable, however COVID-19 has been identified as a significant risk and uncertainty that could impact future operations and result in changes in estimates and assumptions made in the financial statements.

## Required Supplementary Information

## City of West Plains

### Schedule of Changes in Net Pension Asset and Related Ratios

Year Ended March 31, 2020

<b>Missouri Local Government Employees Retirement System (LAGERS)</b>					
	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
<b>Total Pension Liability</b>					
Service Cost	\$ 701,064	\$ 692,815	\$ 663,466	\$ 613,175	\$ 609,092
Interest on the total pension liability	2,333,315	2,238,128	2,136,011	1,974,093	1,896,741
Difference between expected and actual experience	432,328	(26,372)	(90,032)	(152,545)	(254,854)
Changes of assumptions	-	-	-	921,055	-
Benefit payments including refunds	(1,699,839)	(1,495,141)	(1,141,753)	(1,152,319)	(1,218,617)
<i>Net Change in Total Pension Liability</i>	1,766,868	1,409,430	1,567,692	2,203,459	1,032,362
Total Pension Liability, Beginning	32,674,306	31,264,876	29,697,184	27,493,725	26,461,363
<b>Total Pension Liability, Ending</b>	<u>34,441,174</u>	<u>32,674,306</u>	<u>31,264,876</u>	<u>29,697,184</u>	<u>27,493,725</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	813,273	829,814	802,330	762,050	805,190
Contributions - employee	-	33,560	-	-	-
Pension plan net investment income	2,282,229	3,959,035	3,498,043	(81,000)	569,364
Benefit payments, including refunds	(1,699,839)	(1,495,141)	(1,141,753)	(1,152,319)	(1,218,617)
Pension plan administrative expense	(45,880)	(33,293)	(31,353)	(30,620)	(33,181)
Other	(101,422)	163,973	(70,304)	(24,709)	(390,217)
<i>Net Change in Plan Fiduciary Net Position</i>	1,248,361	3,457,948	3,056,963	(526,598)	(267,461)
Plan Fiduciary Net Position , Beginning	35,266,954	31,809,006	28,752,043	29,278,641	29,546,102
<b>Plan Fiduciary Net Position , Ending</b>	<u>36,515,315</u>	<u>35,266,954</u>	<u>31,809,006</u>	<u>28,752,043</u>	<u>29,278,641</u>
<b>Employer Net Pension (Asset) Liability</b>	<u>\$ (2,074,141)</u>	<u>\$ (2,592,648)</u>	<u>\$ (544,130)</u>	<u>\$ 945,141</u>	<u>\$ (1,784,916)</u>
Plan fiduciary net position as a percentage of the total pension liability	106.02%	107.93%	101.74%	96.82%	106.49%
Covered employee payroll	\$ 6,378,809	\$ 6,378,809	\$ 6,420,240	\$ 5,965,732	\$ 5,504,066
Employer's net pension (asset) liability as a percentage of covered employee payroll	-32.52%	-40.64%	-8.48%	15.84%	-32.43%

# City of West Plains

## Schedule of Contributions

Year Ended March 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 867,544	\$ 844,686	\$ 824,495	\$ 790,499	\$ 781,831	\$ 837,386	\$ 853,049	\$ 884,583	\$ 853,244	\$ 855,379
Contributions in relation to the actuarially determined contribution	<u>867,544</u>	<u>835,802</u>	<u>816,501</u>	<u>790,501</u>	<u>781,831</u>	<u>837,386</u>	<u>853,050</u>	<u>811,750</u>	<u>757,941</u>	<u>696,716</u>
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ 8,884</u>	<u>\$ 7,994</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 72,833</u>	<u>\$ 95,303</u>	<u>\$ 158,663</u>
Covered-employee payroll	\$ 6,325,693	\$ 6,612,172	\$ 6,449,818	\$ 6,302,408	\$ 6,170,009	\$ 5,708,368	\$ 5,736,923	\$ 5,576,949	\$ 5,525,375	\$ 5,420,202
Contributions as a percentage of covered-employee payroll	13.71%	12.64%	12.66%	12.54%	12.67%	14.67%	14.87%	14.56%	13.72%	12.85%

# City of West Plains

## Notes to the Schedule of Contributions

Year Ended March 31, 2020

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**Valuation Date:** February 28, 2019

**Notes:** The roll-forward of total pension liability from February 28, 2019 to June 30, 2019, reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

### **Methods and Assumptions Used to Determine Contribution Rates**

*Actuarial Cost Method:* Entry Age Normal and Modified Terminal Funding

*Amortization Method:* A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit charges) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.

*Remaining Amortization Period:* Multiple bases from 10 to 15 years for general division 15 years for the police and fire divisions

*Asset Valuation Method:* 5-Year smoothed market; 20% corridor

*Inflation:* 3.25% wage inflation; 2.50% price inflation

*Salary Increases:* 3.25% to 6.55% including wage inflation for the general and police divisions

3.25% to 7.15% including wage inflation for the fire division

*Investment Rate of Return:* 7.25%, net of investment expenses

*Retirement Age:* Experience-based table of rates that are specific to the type of eligibility condition

*Mortality:* The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

*Other Information:* None

# City of West Plains

## Budgetary Comparison Schedule – General Fund

Year Ended March 31, 2020

	Year Ended March 31,				2019 Actual
	2020			Variance With Final Budget	
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Taxes					
Ad valorem taxes, penalties and interest	\$ 814,000	\$ 814,000	\$ 843,404	\$ 29,404	\$ 820,429
Surtax	77,500	77,500	88,017	10,517	76,554
Motor vehicle sales tax	147,000	147,000	163,350	16,350	161,051
Sales tax	3,208,367	3,263,367	3,015,970	(247,397)	3,245,072
Capital improvement sales tax	1,616,000	1,649,000	1,525,747	(123,253)	1,640,102
Transportation sales tax	1,500,000	1,650,000	1,469,866	(180,134)	1,573,370
State motor fuel tax	300,000	300,000	325,043	25,043	321,709
Franchise taxes	2,900,000	2,900,000	2,636,479	(263,521)	2,369,100
Hotel/motel taxes	236,355	236,355	255,235	18,880	99,518
Other taxes	464,100	464,100	387,158	(76,942)	263,227
	<u>11,263,322</u>	<u>11,501,322</u>	<u>10,710,269</u>	<u>(791,053)</u>	<u>10,570,132</u>
Licenses and Permits					
Liquor	17,000	19,000	18,608	(392)	17,082
Building permits	67,500	110,000	111,111	1,111	24,503
Business licenses	32,000	33,000	34,270	1,270	35,970
Other	24,400	26,800	29,725	2,925	20,350
	<u>140,900</u>	<u>188,800</u>	<u>193,714</u>	<u>4,914</u>	<u>97,905</u>
Intergovernmental Revenues					
Federal	771,600	773,817	746,813	(27,004)	1,430,796
State	4,666	5,666	5,644	(22)	321,222
Other	2,500	2,500	175,844	173,344	161
	<u>778,766</u>	<u>781,983</u>	<u>928,301</u>	<u>146,318</u>	<u>1,752,179</u>
Charges for Services					
Parks and recreation	77,250	77,250	83,535	6,285	100,762
Cemetery	12,050	12,050	19,825	7,775	12,650
Transit	31,900	28,900	26,557	(2,343)	27,845
Rental income	187,350	189,350	196,584	7,234	205,696
Concessions	144,850	144,850	88,446	(56,404)	138,432
Fuel sales	155,000	155,000	144,608	(10,392)	158,146
Golf	273,800	273,800	247,682	(26,118)	243,528
Fines and forfeitures	181,950	181,950	144,465	(37,485)	182,595
Civic Center	131,500	131,500	120,267	(11,233)	158,336
Other	131,070	166,370	225,114	58,744	175,625
	<u>1,326,720</u>	<u>1,361,020</u>	<u>1,297,083</u>	<u>(63,937)</u>	<u>1,403,615</u>
Miscellaneous					
Reimbursements	950	5,900	16,655	10,755	12,843
Interest	119,500	214,190	211,264	(2,926)	172,635
Donations and other contributions	6,100	46,230	50,592	4,362	11,220
Sale of property	500	20,388	33,399	13,011	25,587
Other	2,800	7,372	42,259	34,887	153,447
	<u>129,850</u>	<u>294,080</u>	<u>354,169</u>	<u>60,089</u>	<u>375,732</u>
<b>Total Revenues</b>	<b>13,639,558</b>	<b>14,127,205</b>	<b>13,483,536</b>	<b>(643,669)</b>	<b>14,199,563</b>

# City of West Plains

## Budgetary Comparison Schedule – General Fund

Year Ended March 31, 2020

	Year Ended March 31,				2019 Actual
	2020			Variance With Final Budget	
	Original Budget	Final Budget	Actual		
<b>Expenditures</b>					
Current					
Administrative	1,003,784	1,142,145	1,007,003	135,142	947,988
Safety	18,419	17,215	19,952	(2,737)	18,013
Information technology	93,826	92,458	78,237	14,221	42,091
Engineering	61,432	88,440	68,454	19,986	260,411
Building official	112,514	109,103	107,086	2,017	113,156
City attorney	74,798	72,370	87,939	(15,569)	103,047
Court	526,235	527,934	126,466	401,468	112,969
Police	2,224,427	2,182,618	2,375,044	(192,426)	1,855,382
Animal control	58,711	58,423	55,314	3,109	55,192
Emergency management	27,171	20,899	10,370	10,529	44,819
Fire	986,463	963,599	1,094,387	(130,788)	1,222,429
Airport	267,208	289,229	289,680	(451)	562,346
Street	3,358,652	3,460,150	2,543,799	916,351	4,808,313
Cemetery	66,879	112,522	106,601	5,921	73,009
Construction	199,965	207,381	374,798	(167,417)	163,867
Shop	92,931	84,711	83,297	1,414	92,843
Health	24,025	28,825	31,194	(2,369)	19,806
City hall complex	107,079	122,439	127,158	(4,719)	115,821
City beautification	5,350	2,000	2,205	(205)	4,098
Economic development	144,900	150,500	142,079	8,421	141,819
Tourist development	240,855	240,855	122,104	118,751	150,844
Parks and recreation	543,673	783,030	1,131,206	(348,176)	762,379
Golf	376,923	411,045	376,699	34,346	442,322
Transit	162,197	184,670	178,097	6,573	229,642
Library	601,322	601,133	605,372	(4,239)	570,346
Civic center	710,524	663,337	678,622	(15,285)	724,242
Galloway park department	25,300	13,400	15,774	(2,374)	9,759
GOCAT project	240,100	240,100	68,565	171,535	-
Senior citizens	20,900	20,900	27,039	(6,139)	19,251
Debt Service					
Principal and interest	929,927	929,927	930,178	(251)	931,596
<b>Total Expenditures</b>	<u>13,306,490</u>	<u>13,821,358</u>	<u>12,864,719</u>	<u>956,639</u>	<u>14,597,800</u>
<i>Excess (Deficit) of Revenues Over Expenditures</i>	333,068	305,847	618,817	312,970	(398,237)
<b>Other Financing Sources</b>					
Lease purchase proceeds	-	-	-	-	85,575
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,575</u>
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures</i>	333,068	305,847	618,817	312,970	(312,662)
Fund Balance, April 1	9,790,783	9,790,783	9,790,783	-	10,103,445
<b>Fund Balance, March 31</b>	<u>\$ 10,123,851</u>	<u>\$ 10,096,630</u>	<u>\$ 10,409,600</u>	<u>\$ 312,970</u>	<u>\$ 9,790,783</u>

## City of West Plains

### Budgetary Comparison Schedule – Tax Increment Financing #1 Fund

Year Ended March 31, 2020

	Year Ended March 31,				2019 Actual
	2020			Variance With Final Budget	
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Taxes					
Sales taxes	\$ -	\$ -	\$ 35,518	\$ 35,518	\$ 35,151
Miscellaneous					
Interest	-	-	63	63	93
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>35,581</u>	<u>35,581</u>	<u>35,244</u>
<b>Expenditures</b>					
Current					
Capital outlay	-	-	35,518	(35,518)	35,151
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>35,518</u>	<u>(35,518)</u>	<u>35,151</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	63	63	93
Fund Balance, April 1	3,731	3,731	3,731	-	3,638
<b>Fund Balance, March 31</b>	<u>\$ 3,731</u>	<u>\$ 3,731</u>	<u>\$ 3,794</u>	<u>\$ 63</u>	<u>\$ 3,731</u>

## City of West Plains

### Budgetary Comparison Schedule – Tax Increment Financing #2 Fund

Year Ended March 31, 2020

	Year Ended March 31,				2019
	2020				
	Original Budget	Final Budget	Actual	Variance With Final Budget	
<b>Revenues</b>					
Taxes					
Sales taxes	\$ -	\$ -	\$ 322,392	\$ 322,392	\$ 303,913
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>322,392</u>	<u>322,392</u>	<u>303,913</u>
<b>Expenditures</b>					
Current					
Capital outlay	-	-	322,392	(322,392)	303,913
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>322,392</u>	<u>(322,392)</u>	<u>303,913</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	-	-	-
Fund Balance, April 1	-	-	-	-	-
<b>Fund Balance, March 31</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

## City of West Plains

### Budgetary Comparison Schedule – Tax Increment Financing #3 Fund

Year Ended March 31, 2020

	Year Ended March 31,				2019 Actual
	2020			Variance With Final Budget	
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Taxes					
Sales taxes	\$ -	\$ -	\$ 111,394	\$ 111,394	\$ 123,214
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>111,394</u>	<u>111,394</u>	<u>123,214</u>
<b>Expenditures</b>					
Current					
Miscellaneous	-	-	368	(368)	712
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>368</u>	<u>(368)</u>	<u>712</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	111,026	111,026	122,502
Fund Balance, April 1	660,076	660,076	660,076	-	537,574
<b>Fund Balance, March 31</b>	<u>\$ 660,076</u>	<u>\$ 660,076</u>	<u>\$ 771,102</u>	<u>\$ 111,026</u>	<u>\$ 660,076</u>

# City of West Plains

## Note to the Budgetary Comparison Schedules

Year Ended March 31, 2020

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### **Budgets and Budgetary Accounting**

The City uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to April, Administration submits to the City Council a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditure plans for all fund types and the proposed means of financing them.
2. One public hearing is conducted by the City Council in late February or early March to obtain taxpayers' comments on the proposed budget and tax levy.
3. Prior to April 1, ordinances are passed by Council which provide for legally adopted budgets for all funds of the City.
4. The City operates on a program performance budget system, with legally adopted budgets prepared by fund, program and department. The level of budgetary control is at the department level. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of City Council.
5. Formal budgetary integration is employed as a management control device for all funds of the City.
6. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with GAAP. Budgeted amounts may be amended during the year by City Council on approved budget adjustment forms.

## Other Financial Information

# City of West Plains

## Departmental Statement of Net Position – Enterprise Fund

March 31, 2020

	Utility Fund					Total
	Electric	Water	Sewer	Refuse	Fiber	
<b>Assets</b>						
Current Assets						
Cash and cash equivalents	\$ 11,988,072	\$ 2,339,537	\$ 2,553,760	\$ 974,140	\$ 630	\$ 17,856,139
Utilities receivable, net	1,490,865	199,453	153,472	263,653	3,439	2,110,882
Other accounts receivable	32,243	4,314	3,319	5,702	74	45,652
Inventory	1,689,147	522,377	-	-	-	2,211,524
Prepaid expenses	21,605	12,963	12,963	24,485	-	72,016
<b>Total Current Assets</b>	<b>15,221,932</b>	<b>3,078,644</b>	<b>2,723,514</b>	<b>1,267,980</b>	<b>4,143</b>	<b>22,296,213</b>
Restricted Assets						
Cash and cash equivalents	-	1,012,649	974,155	30,047	-	2,016,851
Investments	-	-	588,957	-	-	588,957
<b>Total Restricted Assets</b>	<b>-</b>	<b>1,012,649</b>	<b>1,563,112</b>	<b>30,047</b>	<b>-</b>	<b>2,605,808</b>
Property, Plant, and Equipment	33,385,448	22,178,265	23,438,076	3,824,973	1,416,895	84,243,657
Less accumulated depreciation	(17,907,103)	(10,408,891)	(9,027,919)	(2,561,730)	(118,483)	(40,024,126)
<b>Total Property, Plant, and Equipment</b>	<b>15,478,345</b>	<b>11,769,374</b>	<b>14,410,157</b>	<b>1,263,243</b>	<b>1,298,412</b>	<b>44,219,531</b>
Net Pension Asset	166,769	44,245	44,245	81,683	3,403	340,345
<b>Total Assets</b>	<b>30,867,046</b>	<b>15,904,912</b>	<b>18,741,028</b>	<b>2,642,953</b>	<b>1,305,958</b>	<b>69,461,897</b>
<b>Deferred Outflows of Resources</b>						
Deferred pension outflow	250,897	50,180	55,197	140,503	5,018	501,795
Deferred charge on debt refunding	-	122,179	-	-	-	122,179
<b>Total Deferred Outflows of Resources</b>	<b>250,897</b>	<b>172,359</b>	<b>55,197</b>	<b>140,503</b>	<b>5,018</b>	<b>623,974</b>
<b>Liabilities and Net Assets</b>						
Current Liabilities						
Accounts payable	37,896	2,256	1,353	3,158	451	45,114
Accrued expenses	40,207	10,529	11,745	34,478	446	97,405
Accrued interest payable	-	6,146	25,498	-	-	31,644
Internal balances	1,305,096	-	-	-	-	1,305,096
Meter deposits payable	-	337,527	337,527	-	-	675,054
Current maturities of long-term debt	-	140,000	450,000	-	-	590,000
<b>Total Current Liabilities</b>	<b>1,383,199</b>	<b>496,458</b>	<b>826,123</b>	<b>37,636</b>	<b>897</b>	<b>2,744,313</b>
Long-Term Liabilities						
Revenue bonds payable	-	6,478	2,535,000	-	-	2,541,478
Certificates of Participation payable	-	2,097,284	-	-	-	2,097,284
Compensated absences payable	57,775	19,375	25,521	70,456	-	173,127
<b>Total Long-Term Liabilities</b>	<b>57,775</b>	<b>2,123,137</b>	<b>2,560,521</b>	<b>70,456</b>	<b>-</b>	<b>4,811,889</b>
<b>Total Liabilities</b>	<b>1,440,974</b>	<b>2,619,595</b>	<b>3,386,644</b>	<b>108,092</b>	<b>897</b>	<b>7,556,202</b>
<b>Deferred Inflows of Resources</b>						
Deferred pension inflows	195,641	39,128	43,041	109,559	3,913	391,282
<b>Net Assets</b>						
Net investment in capital assets	15,478,345	9,647,791	11,425,157	1,263,243	1,298,412	39,112,948
Restricted	-	675,122	1,225,585	30,047	-	1,930,754
Unrestricted	14,002,983	3,095,635	2,715,798	1,272,515	7,754	21,094,685
<b>Total Net Position</b>	<b>\$ 29,481,328</b>	<b>\$13,418,548</b>	<b>\$ 15,366,540</b>	<b>\$ 2,565,805</b>	<b>\$ 1,306,166</b>	<b>\$ 62,138,387</b>

## City of West Plains

### Departmental Statement of Revenues, Expenses, and Changes in Net Position – Enterprise Fund

Year Ended March 31, 2020

	Utility Fund					Total
	Electric	Water	Sewer	Refuse	Fiber	
<b>Operating Revenues</b>						
Charges for services						
Electric	\$ 15,766,335	\$ -	\$ -	\$ -	\$ -	\$ 15,766,335
Water	-	2,109,276	-	-	-	2,109,276
Sewer	-	-	1,623,013	-	-	1,623,013
Refuse	-	-	-	2,788,202	-	2,788,202
Fiber	-	-	-	-	36,365	36,365
<b>Total Operating Revenues</b>	<b>15,766,335</b>	<b>2,109,276</b>	<b>1,623,013</b>	<b>2,788,202</b>	<b>36,365</b>	<b>22,323,191</b>
<b>Operating Expenses</b>						
Wages and benefits	1,443,525	378,016	421,671	1,237,834	16,000	3,497,046
Franchise fees	2,156,653	-	-	-	-	2,156,653
Engineering	5,300	107,628	-	-	-	112,928
Purchased power	9,038,631	-	-	-	-	9,038,631
Landfill service	-	-	-	866,640	-	866,640
Utilities	67,088	152,711	110,102	21,243	30,539	381,683
Insurance	201,836	20,003	14,859	38,241	4,016	278,955
Other operating expenses	1,381,487	337,609	162,897	429,246	10,609	2,321,848
Depreciation	1,004,850	501,389	402,777	269,343	48,581	2,226,940
<b>Total Operating Expenses</b>	<b>15,299,370</b>	<b>1,497,356</b>	<b>1,112,306</b>	<b>2,862,547</b>	<b>109,745</b>	<b>20,881,324</b>
<i>Operating Income (Loss)</i>	466,965	611,920	510,707	(74,345)	(73,380)	1,441,867
<b>Nonoperating Revenues (Expenses)</b>						
Interest income	130,597	71,361	112,449	134,950	-	449,357
Other expenses	(27,833)	(2,758)	(2,049)	(5,273)	(554)	(38,467)
Interest expense	-	(104,644)	(124,473)	-	-	(229,117)
Loss on inventory	(11,233)	768	(493)	-	-	(10,958)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>91,531</b>	<b>(35,273)</b>	<b>(14,566)</b>	<b>129,677</b>	<b>(554)</b>	<b>170,815</b>
<i>Net Income (Loss)</i>	558,496	576,647	496,141	55,332	(73,934)	1,612,682
Net Position, April 1	29,229,241	12,841,901	14,870,399	2,510,473	1,073,691	60,525,705
Equity Reclassification	(306,409)	-	-	-	306,409	-
<b>Net Position, March 31</b>	<b>\$ 29,481,328</b>	<b>\$ 13,418,548</b>	<b>\$ 15,366,540</b>	<b>\$ 2,565,805</b>	<b>\$ 1,306,166</b>	<b>\$ 62,138,387</b>

## **Other Reporting Requirements**



**Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Honorable Mayor and City Council  
City of West Plains  
West Plains, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the discretely presented component units, and each major fund of the City of West Plains, Missouri, as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the City of West Plains, Missouri's basic financial statements, and have issued our report thereon, dated August 27, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of West Plains, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of West Plains, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of West Plains, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of West Plains, Missouri's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of West Plains, Missouri's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
August 27, 2020