

**ANNUAL REPORT OF
CITY OF BOONVILLE, MISSOURI
YEAR ENDED MARCH 31, 2019**

CITY OF BOONVILLE, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-12
Government-Wide Statement of Net Position	13
Government-Wide Statement of Activities	14-15
Balance Sheet - Governmental Funds	16
Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	20
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Gaming Tax Fund	21
Parks/Storm Water Sales Tax Fund	22
Statement of Net Position - Proprietary Funds	23-24
Statement of Revenues, Expenses and Changes in Fund Position – Proprietary Funds	25
Statement of Cash Flows - Proprietary Funds	26-27
Notes to Basic Financial Statements	28-65

CITY OF BOONVILLE, MISSOURI

TABLE OF CONTENTS (Cont'd)

	<u>Page</u>
<u>REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)</u>	
Schedule of Contributions – Missouri Local Government Employees Retirement System	66
Notes to Schedule of Contributions – Missouri Local Government Employees Retirement System	67
Schedule of Changes in Net Pension Liability & Related Ratios – Missouri Local Government Employees Retirement System	68-69
<u>OTHER SUPPLEMENTARY INFORMATION</u>	
Combining Balance Sheet - Non-Major Governmental Funds	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Governmental Funds	71
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Capital Improvement Sales Tax Fund	72
Tourism Tax Fund	73
Capital Project Fund	74
General Fund (Detailed)	75-79
Gaming Tax Fund (Detailed)	80
Parks/Storm Water Sales Tax Fund (Detailed)	81
<u>STATISTICAL DATA</u>	
Statistical Data (Unaudited)	82
<u>COMPLIANCE AND INTERNAL CONTROL</u>	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	83-84
Schedule of Findings and Responses	85-86

INDEPENDENT AUDITOR'S REPORT

723 Main St.
Boonville, MO 65233
(660) 882-7000
Fax: (660) 882-7765
www.gkccpas.com

Honorable Mayor and Members
of the City Council
City of Boonville, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boonville, Missouri (the "City") as of and for the year ended March 31, 2019, 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.

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

PARTNERS

Fred W. Korte, Jr.
Joseph E. Chitwood
Travis W. Hundley
Jeffrey A. Chitwood
Amy L. Watson
Heidi N. Ross

PARTNER EMERITUS

Robert A. Gerding

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, each major fund, and the aggregate remaining fund information of the City as of March 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General, Gaming Tax and Parks/Storm Water Sales Tax Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of contributions, notes to schedule of contributions, and schedule of changes in net pension liability and related ratios on pages 4 through 12 and 66 through 69 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 an opinion on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, detailed major fund budgetary schedules, and statistical data are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and detailed major fund budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 combining and individual nonmajor fund financial statements and detailed major fund budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical data has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2019, on our consideration of the City's internal control over financial reporting and on 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 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's internal control over financial reporting and compliance.



July 31, 2019

Gerding, Korte & Chitwood, P.C.
Certified Public Accountants
Boonville, Missouri

**CITY OF BOONVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED MARCH 31, 2019
(UNAUDITED)**

As management of the City of Boonville, Missouri, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended March 31, 2019.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$69,841,203 (net position). Of this amount, \$14,065,327 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$3,190,048.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$10,434,782.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,285,040 or 81% of the total general fund expenditures.
- The City's revenue bond payable decreased by \$810,000 due to scheduled payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with the broad overview of the City's finances, in a manner similar to private-sector business.

The Statement of Net Position presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator to whether the financial position of the City is improving or deteriorating.

**CITY OF BOONVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED MARCH 31, 2019
(UNAUDITED)**

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, public safety, transportation, and parks and recreation. The business-type activities of the City include Water, Sewer and Sanitation operations. The government-wide financial statements can be found on page 13-15 of this report.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories - governmental funds and proprietary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statements of revenues, expenditures, and changes in fund balances provides a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 6 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Gaming Tax and Parks/Storm Water Sales Tax Funds, all of which are considered to be major funds. Data from the other 3 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 16-22.

**CITY OF BOONVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED MARCH 31, 2019
(UNAUDITED)**

Proprietary Funds - The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer and sanitation operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer and Sanitation funds since they are considered to be major funds of the City. The basic proprietary fund financial statements can be found on pages 23-27 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-65.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 66-69 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information on pensions. Combining and individual statements and schedules can be found on pages 70-81 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the City of Boonville, net position was \$69,841,203 as of March 31, 2019.

The largest portion of the City's net position (70%) reflects its net investment in capital assets (e.g., land, building, equipment, improvements and construction in progress). The City uses these capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF BOONVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED MARCH 31, 2019
(UNAUDITED)**

The following provides a summary of net position at March 31, 2019 and 2018:

2019 NET POSITION

	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 9,293,352	\$ 7,715,895	\$ 17,009,247
Restricted assets	1,520,068	1,875,630	3,395,698
Capital assets	40,061,577	26,135,183	66,196,760
Net pension asset	1,611,430	240,016	1,851,446
Total Assets	<u>52,486,427</u>	<u>35,966,724</u>	<u>88,453,151</u>
Deferred outflows	<u>339,650</u>	<u>139,075</u>	<u>478,725</u>
Current liabilities	1,273,238	948,627	2,221,865
Noncurrent liabilities	12,952,636	3,059,400	16,012,036
Total Liabilities	<u>14,225,874</u>	<u>4,008,027</u>	<u>18,233,901</u>
Deferred inflows	<u>722,473</u>	<u>134,299</u>	<u>856,772</u>
Net Position:			
Net investment in capital assets	26,364,162	22,525,583	48,889,745
Restricted	5,010,501	1,875,630	6,886,131
Unrestricted	6,503,067	7,562,260	14,065,327
Total Net Position	<u>\$ 37,877,730</u>	<u>\$ 31,963,473</u>	<u>\$ 69,841,203</u>

2018 NET POSITION

	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 9,189,363	\$ 7,247,437	\$ 16,436,800
Restricted assets	2,791,653	1,982,359	4,774,012
Capital assets	36,890,685	25,004,445	61,895,130
Net pension asset	917,804	51,960	969,764
Total Assets	<u>49,789,505</u>	<u>34,286,201</u>	<u>84,075,706</u>
Deferred outflows	<u>773,638</u>	<u>263,567</u>	<u>1,037,205</u>
Current liabilities	1,123,268	1,685,364	2,808,632
Noncurrent liabilities	11,546,846	3,609,600	15,156,446
Total Liabilities	<u>12,670,114</u>	<u>5,294,964</u>	<u>17,965,078</u>
Deferred inflows	<u>451,514</u>	<u>45,164</u>	<u>496,678</u>
Net Position:			
Net investment in capital assets	24,739,964	20,473,145	45,213,109
Restricted	6,128,536	1,982,359	8,110,895
Unrestricted	6,573,015	6,754,136	13,327,151
Total Net Position	<u>\$ 37,441,515</u>	<u>\$ 29,209,640</u>	<u>\$ 66,651,155</u>

As of March 31, 2019, the City is able to report positive balances in all three categories of net position for the City as a whole.

**CITY OF BOONVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED MARCH 31, 2019
(UNAUDITED)**

Analysis of the City's Operations - Overall the City had an increase in net position of \$3,190,048.

Governmental Activities: Governmental activities increased the net position by \$436,215 or 1% from \$37,441,515 to \$37,877,730. This increase was primarily due to the unrestricted net position increase from an excess of operating revenues over operating expenses.

Business-type Activities: Net Position from business-type activities increased by \$2,753,833 or 9% from \$29,209,640 to \$31,963,473. This increase was primarily due to interfund capital contribution.

The following tables provide a summary of the City's operations for the years ended March 31, 2019 and 2018:

2019 CHANGES IN NET POSITION

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program Revenues:			
Fees, fines and charges for services	\$ 707,451	\$ 5,750,789	\$ 6,458,240
Operating grants and contributions	6,141	-	6,141
Capital grants and contributions	137,034	-	137,034
General Revenues:			
Property taxes	753,867	-	753,867
Gaming taxes	3,191,490	-	3,191,490
Sales taxes	3,138,848	-	3,138,848
Franchise taxes	780,376	-	780,376
Motor vehicle and fuel taxes	333,388	-	333,388
Other taxes	345,233	-	345,233
Interest and investment earnings	270,780	149,907	420,687
Interfund transfers	(1,339,399)	1,339,399	-
Other	213,628	-	213,628
Total Revenues	<u>8,538,837</u>	<u>7,240,095</u>	<u>15,778,932</u>
Expenses:			
General government	1,406,309	-	1,406,309
Public safety	2,607,758	-	2,607,758
Transportation	2,376,537	-	2,376,537
Parks and recreation	1,013,916	-	1,013,916
Tourism	203,710	-	203,710
Water	-	2,093,891	2,093,891
Sewer	-	1,719,347	1,719,347
Sanitation	-	673,024	673,024
Debt service	494,392	-	494,392
Total Expenses	<u>8,102,622</u>	<u>4,486,262</u>	<u>12,588,884</u>
Increase (decrease) in net position	436,215	2,753,833	3,190,048
Net Position - Beginning of year	<u>37,441,515</u>	<u>29,209,640</u>	<u>66,651,155</u>
Net Position - End of year	<u>\$ 37,877,730</u>	<u>\$ 31,963,473</u>	<u>\$ 69,841,203</u>

**CITY OF BOONVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED MARCH 31, 2019
(UNAUDITED)**

2018 CHANGES IN NET POSITION

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program Revenues:			
Fees, fines and charges for services	\$ 630,827	\$ 5,590,569	\$ 6,221,396
Operating grants and contributions	5,204	-	5,204
Capital grants and contributions	118,325	-	118,325
General Revenues:			
Property taxes	726,226	-	726,226
Gaming taxes	3,384,548	-	3,384,548
Sales taxes	3,045,164	-	3,045,164
Franchise taxes	771,637	-	771,637
Motor vehicle and fuel taxes	336,307	-	336,307
Other taxes	344,207	-	344,207
Interest and investment earnings	214,462	-	214,462
Interfund transfers	-	128,135	128,135
Other	19,015	79,395	98,410
Total Revenues	9,595,922	5,798,099	15,394,021
Expenses:			
General government	4,027,953	-	4,027,953
Public safety	3,072,031	-	3,072,031
Transportation	2,354,721	-	2,354,721
Parks and recreation	1,174,519	-	1,174,519
Tourism	263,699	-	263,699
Water	-	2,237,180	2,237,180
Sewer	-	1,803,285	1,803,285
Sanitation	-	683,924	683,924
Debt service	492,358	-	492,358
Total Expenses	11,385,281	4,724,389	16,109,670
Increase (decrease) in net position	(1,789,359)	1,073,710	(715,649)
Net Position - Beginning of year	39,230,874	28,135,930	67,366,804
Net Position - End of year	<u>\$ 37,441,515</u>	<u>\$ 29,209,640</u>	<u>\$ 66,651,155</u>

General Fund Budgetary Highlights

The City's general fund revenues exceeded budgeted amounts by \$478,119. This result can be attributed to several tax and fee revenue sources which were conservatively budgeted and certain nonrecurring sources.

**CITY OF BOONVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED MARCH 31, 2019
(UNAUDITED)**

Financial Analysis of the Government's Funds

Governmental funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirement. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$10,434,782. Approximately 51% of this total amount or \$5,285,040 constitutes unassigned fund balance.

The City's General Fund balance increased due to a general level of higher revenues and lower expenditures.

Proprietary funds - The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the respective proprietary funds are Water - \$3,150,528; Sewer - \$4,123,541; Sanitation - \$288,191. The funds had changes in net position as follows: Water - increase of \$481,873, Sewer - increase of \$2,206,168; and Sanitation - increase of \$65,792.

General Fund Budgetary Highlights - The City made one revision to the original appropriations.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of March 31, 2019 amounts to \$66,196,760 (net of accumulated depreciation). This investment in capital assets includes land, building, equipment, improvements and construction in progress.

2019 CAPITAL ASSETS AT YEAR-END
NET OF ACCUMULATED DEPRECIATION

	Governmental Activities	Business-Type Activities	Total
Property, plant and equipment:			
Land and land improvements	\$ 5,324,681	\$ 50,628	\$ 5,375,309
Construction in progress	5,135,126	2,395,202	7,530,328
Buildings and improvements	16,916,579	6,430,864	23,347,443
Equipment	2,368,629	158,838	2,527,467
Water distribution system	-	5,694,598	5,694,598
Sewer collection system	-	11,405,053	11,405,053
Infrastructure	10,316,562	-	10,316,562
Net Capital Assets	<u>\$ 40,061,577</u>	<u>\$ 26,135,183</u>	<u>\$ 66,196,760</u>

**CITY OF BOONVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED MARCH 31, 2019
(UNAUDITED)**

**2018 CAPITAL ASSETS AT YEAR-END
NET OF ACCUMULATED DEPRECIATION**

	Governmental Activities	Business-Type Activities	Total
Property, plant and equipment:			
Land and land improvements	\$ 5,454,274	\$ 50,628	\$ 5,504,902
Construction in progress	1,686,936	624,005	2,310,941
Buildings and improvements	17,248,262	6,592,496	23,840,758
Equipment	1,651,176	82,810	1,733,986
Water distribution system	-	5,925,397	5,925,397
Sewer collection system	-	11,729,109	11,729,109
Infrastructure	10,850,037	-	10,850,037
Net Capital Assets	<u>\$ 36,890,685</u>	<u>\$ 25,004,445</u>	<u>\$ 61,895,130</u>

Additional information on the City's capital assets can be found in Note III-E and III-F on pages 44-46 of this report.

Debt Administration

At the end of the current fiscal year, the City had a total debt of \$17,307,015, which is debt secured by water, sewer, and general fund revenues. Out of the \$17,307,015, \$13,697,415 is attributed to governmental funds and \$3,609,600 is attributed to water and sewer funds.

2019 Outstanding Debt at Year End

	Governmental Activities	Business-Type Activities	Total
Revenue Bonds	\$ -	\$ 1,950,000	\$ 1,950,000
Capital Lease	4,817,015	-	4,817,015
Certificates of Participation	8,880,400	1,659,600	10,540,000
Total	<u>\$ 13,697,415</u>	<u>\$ 3,609,600</u>	<u>\$ 17,307,015</u>

2018 Outstanding Debt at Year End

	Governmental Activities	Business-Type Activities	Total
Revenue Bonds	\$ -	\$ 2,760,000	\$ 2,760,000
Capital Lease	4,875,120	-	4,875,120
Certificates of Participation	9,593,800	1,771,200	11,365,000
Total	<u>\$ 14,468,920</u>	<u>\$ 4,531,200</u>	<u>\$ 19,000,120</u>

**CITY OF BOONVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED MARCH 31, 2019
(UNAUDITED)**

During the fiscal year, the City's total debt decreased by \$1,693,105 or 9%.

Additional information on the City's long term-debt can be found in footnote III-H and III-J on pages 47-55 of this report.

Economic Factors, Growth and Next Year's Budget

Building off some revenue growth in 2018-2019 it is anticipated that some advances in the City's revenue base will continue through 2019-2020. The City has been active in capital projects for several years and these projects should be completed in 2019-2020, including the rebuild of the City's airport runway. No new debt is anticipated while existing debt continues to be amortized. The Water and Wastewater funds will continue to address regulatory requirements with progress evident. Tourism enhancements continue for Boonville while traditional industrial development remains challenging. Gaming revenues are experiencing a modest decline but are still crucial to municipal operations.

Request for Information

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the City of Boonville, Missouri, Attention: City Hall, at 401 Main Street, Boonville, Missouri 65233 or call (660) 882-2332.

CITY OF BOONVILLE, MISSOURI
GOVERNMENT-WIDE STATEMENT OF NET POSITION
MARCH 31, 2019

ASSETS	Governmental Activities	Business-type Activities	Total
Current Assets:			
Cash and cash equivalents	\$ 7,885,889	\$ 2,027,915	\$ 9,913,804
Investments	-	4,917,580	4,917,580
Accounts receivable (net)	10,935	658,936	669,871
Taxes receivable - net of allowance for uncollectible - \$6,668	1,233,348	-	1,233,348
Due from other governmental agencies	23,939	-	23,939
Inventory	17,432	56,255	73,687
Prepaid expenses	121,809	55,209	177,018
Total Current Assets	9,293,352	7,715,895	17,009,247
Noncurrent Assets:			
Restricted assets:			
Cash and cash equivalents	1,050,275	1,188,970	2,239,245
Investments	469,793	686,660	1,156,453
Total Restricted Assets	1,520,068	1,875,630	3,395,698
Capital Assets:			
Land	3,188,293	50,628	3,238,921
Land improvements	3,303,565	-	3,303,565
Buildings	28,101,796	10,073,521	38,175,317
Improvements	-	21,629	21,629
Equipment	5,472,713	895,855	6,368,568
Water distributions system	-	10,608,285	10,608,285
Sewer collection system	-	18,406,428	18,406,428
Infrastructure	18,367,657	-	18,367,657
Construction in progress	5,135,126	2,395,202	7,530,328
Accumulated depreciation	(23,507,573)	(16,316,365)	(39,823,938)
Total Capital Assets, net of accumulated depreciation	40,061,577	26,135,183	66,196,760
Net pension asset	1,611,430	240,016	1,851,446
Total Noncurrent Assets	43,193,075	28,250,829	71,443,904
Total Assets	52,486,427	35,966,724	88,453,151
DEFERRED OUTFLOWS			
Deferred outflows related to pension	339,650	139,075	478,725
Total Deferred Outflows	339,650	139,075	478,725
LIABILITIES			
Current Liabilities:			
Accounts payable	179,084	190,264	369,348
Accrued expenses	130,520	80,603	211,123
Payable from segregated funds:			
Accrued bond interest	42,280	28,647	70,927
Bonded debt due within one year	739,800	550,200	1,290,000
Capital lease due within one year	181,554	-	181,554
Customer's deposits	-	98,913	98,913
Total Current Liabilities	1,273,238	948,627	2,221,865
Noncurrent Liabilities:			
Accrued expenses	176,575	-	176,575
Bonded debt due after one year	8,140,600	3,059,400	11,200,000
Capital lease due after one year	4,635,461	-	4,635,461
Total Noncurrent Liabilities	12,952,636	3,059,400	16,012,036
Total Liabilities	14,225,874	4,008,027	18,233,901
DEFERRED INFLOWS			
Deferred inflows related to pension	722,473	134,299	856,772
Total Deferred Inflows	722,473	134,299	856,772
NET POSITION			
Net investment in capital assets	26,364,162	22,525,583	48,889,745
Restricted but expendable for:			
Debt service	1,234,814	1,582,568	2,817,382
Other purposes	3,775,687	293,062	4,068,749
Unrestricted	6,503,067	7,562,260	14,065,327
Total Net Position	\$ 37,877,730	\$ 31,963,473	\$ 69,841,203

See Notes to Financial Statements

CITY OF BOONVILLE, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating	Capital	Primary Government		
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government:							
General and administration	\$ 1,406,309	\$ 211,804	\$ -	\$ 137,034	\$ (1,057,471)	\$ -	\$ (1,057,471)
City/school joint venture	-	-	-	-	-	-	-
Total General Government	1,406,309	211,804	-	137,034	(1,057,471)	-	(1,057,471)
Public Safety:							
Police	1,828,759	150,213	6,141	-	(1,672,405)	-	(1,672,405)
Fire	621,247	-	-	-	(621,247)	-	(621,247)
Animal Control	97,251	-	-	-	(97,251)	-	(97,251)
Cemetery	14,865	-	-	-	(14,865)	-	(14,865)
Municipal Court	45,636	-	-	-	(45,636)	-	(45,636)
Total Public Safety	2,607,758	150,213	6,141	-	(2,451,404)	-	(2,451,404)
Transportation:							
Airport	449,221	243,238	-	-	(205,983)	-	(205,983)
Streets	1,162,536	-	-	-	(1,162,536)	-	(1,162,536)
Infrastructure	764,780	-	-	-	(764,780)	-	(764,780)
Total Transportation	2,376,537	243,238	-	-	(2,133,299)	-	(2,133,299)
Park and Recreation:							
Park	1,013,916	102,196	-	-	(911,720)	-	(911,720)
Total Park and Recreation	1,013,916	102,196	-	-	(911,720)	-	(911,720)
Tourism:							
Tourism	203,710	-	-	-	(203,710)	-	(203,710)
Total Tourism	203,710	-	-	-	(203,710)	-	(203,710)
Debt Service:							
Interest and fees	494,392	-	-	-	(494,392)	-	(494,392)
Total Debt Service	494,392	-	-	-	(494,392)	-	(494,392)
Total Governmental Activities	8,102,622	707,451	6,141	137,034	(7,251,996)	-	(7,251,996)
Business-Type Activities:							
Water	2,093,891	2,467,476	-	-	-	373,585	373,585
Sewer	1,719,347	2,583,676	-	-	-	864,329	864,329
Sanitation	673,024	699,637	-	-	-	26,613	26,613
Total Business-Type Activities	4,486,262	5,750,789	-	-	-	1,264,527	1,264,527
Total	\$ 12,588,884	\$ 6,458,240	\$ 6,141	\$ 137,034	\$ (7,251,996)	\$ 1,264,527	\$ (5,987,469)

See Notes to Financial Statements

CITY OF BOONVILLE, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (Cont'd)
YEAR ENDED MARCH 31, 2019

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property taxes, levied for general purposes	753,867	-	753,867
Gaming taxes	3,191,490	-	3,191,490
Franchise taxes	780,376	-	780,376
Railroad and utility taxes	25,217	-	25,217
Sales and use taxes	3,138,848	-	3,138,848
Motor vehicle and fuel taxes	333,388	-	333,388
Special road taxes	78,919	-	78,919
Tourism taxes	227,880	-	227,880
Meter taxes	11,331	-	11,331
Financial institution taxes	1,886	-	1,886
Unrestricted investment earnings	270,780	149,907	420,687
Loss on asset disposition	(28,303)	-	(28,303)
Miscellaneous	241,931	-	241,931
Total general revenues	<u>9,027,610</u>	<u>149,907</u>	<u>9,177,517</u>
Change in net position before eliminating interfund transfers	1,775,614	1,414,434	3,190,048
Eliminate interfund transfers	<u>(1,339,399)</u>	<u>1,339,399</u>	<u>-</u>
Change in net position	436,215	2,753,833	3,190,048
Net position - beginning	<u>37,441,515</u>	<u>29,209,640</u>	<u>66,651,155</u>
Net position - ending	<u>\$ 37,877,730</u>	<u>\$ 31,963,473</u>	<u>\$ 69,841,203</u>

See Notes to Financial Statements

CITY OF BOONVILLE, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2019

	General Fund	Gaming Tax Fund	Parks/Storm Water Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,573,550	\$ 836,943	\$ 158,283	\$ 1,317,113	\$ 7,885,889
Taxes receivable - net of allowance for uncollectible - \$6,668	495,754	317,270	248,592	171,732	1,233,348
Accounts receivable	10,935	-	-	-	10,935
Due from other governmental agencies	-	-	-	23,939	23,939
Prepaid expenses	102,177	19,632	-	-	121,809
Inventory	16,630	-	-	802	17,432
Cash and cash equivalents - restricted	765,021	-	285,254	-	1,050,275
Investments - restricted	469,793	-	-	-	469,793
Total Assets	<u>\$ 7,433,860</u>	<u>\$ 1,173,845</u>	<u>\$ 692,129</u>	<u>\$ 1,513,586</u>	<u>\$ 10,813,420</u>
LIABILITIES					
Accounts payable	\$ 115,255	\$ 27,692	\$ 13,151	\$ 22,986	\$ 179,084
Accrued expense	103,444	-	20,591	6,485	130,520
Accrued interest	42,280	-	-	-	42,280
Total Liabilities	<u>260,979</u>	<u>27,692</u>	<u>33,742</u>	<u>29,471</u>	<u>351,884</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned revenue - property taxes	26,754	-	-	-	26,754
Total Deferred Inflows of Resources	<u>26,754</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,754</u>
FUND EQUITY					
Nonspendable					
Inventory	16,630	-	-	802	17,432
Prepaid expenses	102,177	19,632	-	-	121,809
Restricted for debt service	1,234,814	-	-	-	1,234,814
Restricted for construction	-	-	285,254	-	285,254
Assigned for health insurance reserve	382,814	-	-	-	382,814
Assigned for cemetery perpetual care reserve	31,282	-	-	-	31,282
Assigned for riverfront development	13,370	-	-	-	13,370
Assigned for street improvement	30,000	-	-	-	30,000
Assigned for Highway B improvements	50,000	-	-	-	50,000
Assigned for special revenue purposes	-	1,126,521	373,133	1,034,526	2,534,180
Assigned for capital project purposes	-	-	-	448,787	448,787
Unassigned	5,285,040	-	-	-	5,285,040
Total Fund Equity	<u>7,146,127</u>	<u>1,146,153</u>	<u>658,387</u>	<u>1,484,115</u>	<u>10,434,782</u>
Total Liabilities, Deferred Inflows of Resources and Fund Equity	<u>\$ 7,433,860</u>	<u>\$ 1,173,845</u>	<u>\$ 692,129</u>	<u>\$ 1,513,586</u>	<u>\$ 10,813,420</u>

See Notes to Financial Statements

CITY OF BOONVILLE, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
MARCH 31, 2019

Total fund balance - total governmental funds	\$	10,434,782
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$23,507,573		40,061,577
The net pension asset and deferred outflows related to pension are not available resources and, therefore, are not reported in the funds.		1,951,080
The deferred inflows related to pension are not payable from available resources and, therefore, are not reported in the funds.		(722,473)
Unavailable revenue accounts are used by management to report revenues collected within 60 days of the fiscal year-end as deferred inflows of the revenues are considered revenues of the government-wide statements when		26,754
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued compensated absences		(176,575)
Debt due in less than one year		(921,354)
Debt due in more than one year		(12,776,061)
		(12,776,061)
Net position of governmental activities	\$	37,877,730

See Notes to Financial Statements

CITY OF BOONVILLE, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2019

	General Fund	Gaming Tax Fund	Parks/Storm Water Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 3,432,450	\$ 3,191,490	\$ 988,637	\$ 932,299	\$ 8,544,876
Licenses and permits	110,473	-	-	-	110,473
Intergovernmental	6,141	-	-	137,034	143,175
Charges for services	446,765	-	-	-	446,765
Fines and penalties	150,213	-	-	-	150,213
Miscellaneous	402,002	15,573	36,147	58,989	512,711
Total Revenues	4,548,044	3,207,063	1,024,784	1,128,322	9,908,213
EXPENDITURES					
General government	704,629	139,593	10,985	239,514	1,094,721
Public safety	2,356,443	-	-	-	2,356,443
Transportation	811,880	-	-	-	811,880
Parks and recreation	597,032	-	-	-	597,032
Tourism	-	-	-	202,255	202,255
Capital outlay	1,069,613	859,684	3,287,190	508,341	5,724,828
Debt service	958,732	-	307,165	-	1,265,897
Total Expenditures	6,498,329	999,277	3,605,340	950,110	12,053,056
Excess (Deficit) of Revenues over Expenditures	(1,950,285)	2,207,786	(2,580,556)	178,212	(2,144,843)
Other Financing Sources (Uses)					
Capital lease proceeds	-	-	2,318,199	-	2,318,199
Operating transfers in (out)	2,108,428	(2,301,930)	(1,118,897)	(27,000)	(1,339,399)
Total Other Financing Sources (Uses)	2,108,428	(2,301,930)	1,199,302	(27,000)	978,800
Excess (Deficit) of Revenues over Expenditures and Other Sources (Uses)	158,143	(94,144)	(1,381,254)	151,212	(1,166,043)
Fund Balance, beginning of year	6,987,984	1,240,297	2,039,641	1,332,903	11,600,825
Fund Balance, end of year	\$ 7,146,127	\$ 1,146,153	\$ 658,387	\$ 1,484,115	\$ 10,434,782

See Notes to Financial Statements

CITY OF BOONVILLE, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2019

Net change in fund balances - total governmental funds \$ (1,166,043)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	5,087,479	
Capital asset dispositions	(28,303)	
Depreciation expense	<u>(1,888,284)</u>	3,170,892

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:

Deferred inflows of resources changes		(1,674)
---------------------------------------	--	---------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Accrued compensated absences	(8,945)	
Net pension expenses	<u>(11,321)</u>	(20,266)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Capital lease proceeds	(2,318,199)	
Certificates of participation principal paid	713,400	
Capital lease principal paid	<u>58,105</u>	<u>(1,546,694)</u>

Change in Net Position of Governmental Activities		<u>\$ 436,215</u>
---------------------------------------------------	--	-------------------

CITY OF BOONVILLE, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 3,438,750	\$ 3,438,750	\$ 3,432,450	\$ (6,300)
Licenses and permits	106,500	106,500	110,473	3,973
Intergovernmental	-	-	6,141	6,141
Charges for services	387,300	387,300	446,765	59,465
Fines and penalties	59,500	59,500	150,213	90,713
Miscellaneous	77,875	77,875	402,002	324,127
Total Revenues	<u>4,069,925</u>	<u>4,069,925</u>	<u>4,548,044</u>	<u>478,119</u>
EXPENDITURES				
General government	803,800	935,500	704,629	230,871
Public safety	2,462,975	2,462,975	2,356,443	106,532
Transportation	989,050	989,050	811,880	177,170
Parks and recreation	688,100	688,100	597,032	91,068
Capital outlay	80,000	395,500	1,069,613	(674,113)
Debt service	782,200	782,200	958,732	(176,532)
Total Expenditures	<u>5,806,125</u>	<u>6,253,325</u>	<u>6,498,329</u>	<u>(245,004)</u>
Excess (Deficit) of Revenues over Expenditures	<u>(1,736,200)</u>	<u>(2,183,400)</u>	<u>(1,950,285)</u>	<u>233,115</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	1,736,200	1,736,200	2,108,428	372,228
Total Other Financing Sources (Uses)	<u>1,736,200</u>	<u>1,736,200</u>	<u>2,108,428</u>	<u>372,228</u>
Excess (Deficit) of Revenues over Expenditures and Other Sources (Uses)	-	(447,200)	158,143	<u>\$ 605,343</u>
Fund Balance, beginning of year	<u>6,987,984</u>	<u>6,987,984</u>	<u>6,987,984</u>	
Fund Balance, end of year	<u>\$ 6,987,984</u>	<u>\$ 6,540,784</u>	<u>\$ 7,146,127</u>	

See Notes to Financial Statements

CITY OF BOONVILLE, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GAMING TAX FUND
YEAR ENDED MARCH 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 3,415,000	\$ 3,415,000	\$ 3,191,490	\$ (223,510)
Miscellaneous	5,000	55,000	15,573	(39,427)
Total Revenues	<u>3,420,000</u>	<u>3,470,000</u>	<u>3,207,063</u>	<u>(262,937)</u>
EXPENDITURES				
General government	143,000	143,000	139,593	3,407
Capital outlay	1,751,700	2,451,700	859,684	1,592,016
Total Expenditures	<u>1,894,700</u>	<u>2,594,700</u>	<u>999,277</u>	<u>1,595,423</u>
Excess (Deficit) of Revenues over Expenditures	<u>1,525,300</u>	<u>875,300</u>	<u>2,207,786</u>	<u>1,332,486</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	(1,596,300)	(1,596,300)	(2,301,930)	(705,630)
Total Other Financing Sources (Uses)	<u>(1,596,300)</u>	<u>(1,596,300)</u>	<u>(2,301,930)</u>	<u>(705,630)</u>
Excess (Deficit) of Revenues over Expenditures and Other Sources (Uses)	(71,000)	(721,000)	(94,144)	<u>\$ 626,856</u>
Fund Balance, beginning of year	<u>1,240,297</u>	<u>1,240,297</u>	<u>1,240,297</u>	
Fund Balance, end of year	<u>\$ 1,169,297</u>	<u>\$ 519,297</u>	<u>\$ 1,146,153</u>	

See Notes to Financial Statements

CITY OF BOONVILLE, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PARKS/STORM WATER SALES TAX FUND
YEAR ENDED MARCH 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 808,000	\$ 808,000	\$ 988,637	\$ 180,637
Miscellaneous	1,000	2,000	36,147	34,147
Total Revenues	<u>809,000</u>	<u>810,000</u>	<u>1,024,784</u>	<u>214,784</u>
EXPENDITURES				
General government	13,000	13,000	10,985	2,015
Capital outlay	1,952,300	4,881,300	3,287,190	1,594,110
Debt service	343,700	313,700	307,165	6,535
Total Expenditures	<u>2,309,000</u>	<u>5,208,000</u>	<u>3,605,340</u>	<u>1,602,660</u>
Excess (Deficit) of Revenues over Expenditures	<u>(1,500,000)</u>	<u>(4,398,000)</u>	<u>(2,580,556)</u>	<u>1,817,444</u>
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	-		2,318,199	2,318,199
Operating transfers in (out)	-	208,000	(1,118,897)	(1,326,897)
Total Other Financing Sources (Uses)	<u>-</u>	<u>208,000</u>	<u>1,199,302</u>	<u>991,302</u>
Excess (Deficit) of Revenues over Expenditures and Other Sources (Uses)	<u>(1,500,000)</u>	<u>(4,190,000)</u>	<u>(1,381,254)</u>	<u>\$ 2,808,746</u>
Fund Balance, beginning of year	<u>2,039,641</u>	<u>2,039,641</u>	<u>2,039,641</u>	
Fund Balance, end of year	<u>\$ 539,641</u>	<u>\$ (2,150,359)</u>	<u>\$ 658,387</u>	

See Notes to Financial Statements

CITY OF BOONVILLE, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
MARCH 31, 2019

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Sanitation	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 671,748	\$ 1,262,793	\$ 93,374	\$ 2,027,915
Investments	2,248,357	2,569,223	100,000	4,917,580
Accounts receivable	279,003	279,135	100,798	658,936
Inventory	56,255	-	-	56,255
Prepaid expenses	25,822	26,912	2,475	55,209
	<u>3,281,185</u>	<u>4,138,063</u>	<u>296,647</u>	<u>7,715,895</u>
Segregated Funds				
Cash and cash equivalents	1,129,737	25,686	33,547	1,188,970
Investments	536,660	150,000	-	686,660
	<u>1,666,397</u>	<u>175,686</u>	<u>33,547</u>	<u>1,875,630</u>
Total Current Assets (Including Segregated Funds)	<u>4,947,582</u>	<u>4,313,749</u>	<u>330,194</u>	<u>9,591,525</u>
Noncurrent Assets:				
Capital Assets				
Land	-	50,628	-	50,628
Construction in process	-	2,395,202	-	2,395,202
Buildings	9,696,115	-	377,406	10,073,521
Improvements	-	-	21,629	21,629
Equipment	494,626	220,233	180,996	895,855
Water distribution system	10,608,285	-	-	10,608,285
Sewer collection system	-	18,406,428	-	18,406,428
Accumulated depreciation	(8,781,850)	(7,214,001)	(320,514)	(16,316,365)
Total Capital Assets, net of accumulated depreciation	<u>12,017,176</u>	<u>13,858,490</u>	<u>259,517</u>	<u>26,135,183</u>
Net pension assets	79,929	127,515	32,572	240,016
Total Noncurrent Assets	<u>12,097,105</u>	<u>13,986,005</u>	<u>292,089</u>	<u>26,375,199</u>
Total Assets	<u>17,044,687</u>	<u>18,299,754</u>	<u>622,283</u>	<u>35,966,724</u>
DEFERRED OUTFLOWS				
Deferred outflows related to pension	<u>50,225</u>	<u>68,818</u>	<u>20,032</u>	<u>139,075</u>
Total Deferred Outflows	<u>50,225</u>	<u>68,818</u>	<u>20,032</u>	<u>139,075</u>

See Notes to Financial Statements

CITY OF BOONVILLE, MISSOURI
STATEMENT OF NET POSITION (Cont'd)
PROPRIETARY FUNDS
MARCH 31, 2019

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Sanitation	Total
LIABILITIES				
Operating Funds:				
Accounts payable	78,871	81,803	29,590	190,264
Accrued payroll liabilities	25,780	45,348	9,475	80,603
	<u>104,651</u>	<u>127,151</u>	<u>39,065</u>	<u>270,867</u>
Segregated Funds:				
Accrued bond interest	19,385	9,262	-	28,647
Bonded debt due within one year	485,200	65,000	-	550,200
Consumer's deposits	94,437	-	4,476	98,913
	<u>599,022</u>	<u>74,262</u>	<u>4,476</u>	<u>677,760</u>
Total Current Liabilities (Including Segregated Funds)	<u>703,673</u>	<u>201,413</u>	<u>43,541</u>	<u>948,627</u>
Long-Term Debt:				
Bonded debt due after one year	1,929,400	1,130,000	-	3,059,400
Total Noncurrent Liabilities	<u>1,929,400</u>	<u>1,130,000</u>	<u>-</u>	<u>3,059,400</u>
Total Liabilities	<u>2,633,073</u>	<u>1,331,413</u>	<u>43,541</u>	<u>4,008,027</u>
DEFERRED INFLOWS				
Deferred inflows related to pension	42,338	74,442	17,519	134,299
Total Deferred Inflows	<u>42,338</u>	<u>74,442</u>	<u>17,519</u>	<u>134,299</u>
NET POSITION				
Net investment in capital assets	9,602,576	12,663,490	259,517	22,525,583
Restricted for debt service	1,406,882	175,686	-	1,582,568
Restricted for customer deposits	259,515	-	33,547	293,062
Unrestricted	3,150,528	4,123,541	288,191	7,562,260
Total Net Position	<u>\$ 14,419,501</u>	<u>\$ 16,962,717</u>	<u>\$ 581,255</u>	<u>\$ 31,963,473</u>

See Notes to Financial Statements

CITY OF BOONVILLE, MISSOURI
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED MARCH 31, 2019

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Sanitation	Total
Operating Revenues:				
Charges for services	\$ 2,413,239	\$ 2,579,302	\$ 699,602	\$ 5,692,143
Miscellaneous	54,237	4,374	35	58,646
Total Operating Revenues	<u>2,467,476</u>	<u>2,583,676</u>	<u>699,637</u>	<u>5,750,789</u>
Operating Expenses:				
Personnel services	261,709	531,550	110,488	903,747
Commodities	254,555	463,960	33,070	751,585
Contractual services	985,091	135,161	510,163	1,630,415
Depreciation	493,859	487,820	19,303	1,000,982
Total Operating Expenses	<u>1,995,214</u>	<u>1,618,491</u>	<u>673,024</u>	<u>4,286,729</u>
Net operating income (loss)	<u>472,262</u>	<u>965,185</u>	<u>26,613</u>	<u>1,464,060</u>
Nonoperating Revenue (Expense):				
Investment income	88,049	60,229	1,629	149,907
Interest expense and fees	(98,677)	(100,856)	-	(199,533)
Net Nonoperating Revenue (Expense)	<u>(10,628)</u>	<u>(40,627)</u>	<u>1,629</u>	<u>(49,626)</u>
Income (loss) before contributions, grants and interfund transfers	<u>461,634</u>	<u>924,558</u>	<u>28,242</u>	<u>1,414,434</u>
Interfund transfers in (out)	<u>20,239</u>	<u>1,281,610</u>	<u>37,550</u>	<u>1,339,399</u>
Net income (loss)	481,873	2,206,168	65,792	2,753,833
Net position - beginning of year	<u>13,937,628</u>	<u>14,756,549</u>	<u>515,463</u>	<u>29,209,640</u>
Net position - end of year	<u>\$ 14,419,501</u>	<u>\$ 16,962,717</u>	<u>\$ 581,255</u>	<u>\$ 31,963,473</u>

See Notes to Financial Statements

CITY OF BOONVILLE, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED MARCH 31, 2019

	Business Type Activities - Enterprise Funds			
	Water	Sewer	Sanitation	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 2,447,140	\$ 2,565,108	\$ 692,782	\$ 5,705,030
Cash paid to suppliers	(1,225,125)	(958,049)	(536,744)	(2,719,918)
Cash paid to employees	(246,516)	(509,186)	(107,647)	(863,349)
Net cash provided (used) by operating activities	<u>975,499</u>	<u>1,097,873</u>	<u>48,391</u>	<u>2,121,763</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating subsidies and transfers from other funds	<u>20,239</u>	<u>1,281,610</u>	<u>37,550</u>	<u>1,339,399</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(146,228)	(1,932,942)	(52,550)	(2,131,720)
Principal paid on capital debt	(466,600)	(455,000)	-	(921,600)
Interest paid on capital debt	(103,982)	(106,477)	-	(210,459)
Net cash provided (used) by capital and related financing activities	<u>(716,810)</u>	<u>(2,494,419)</u>	<u>(52,550)</u>	<u>(3,263,779)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	1,748,059	1,491,152	-	3,239,211
Purchase of investments	(2,785,017)	(2,719,223)	(100,000)	(5,604,240)
Interest and dividends	88,049	60,229	1,629	149,907
Net cash provided (used) by investing activities	<u>(948,909)</u>	<u>(1,167,842)</u>	<u>(98,371)</u>	<u>(2,215,122)</u>
Net increase (decrease) in cash and cash equivalents	(669,981)	(1,282,778)	(64,980)	(2,017,739)
Balances - beginning of year	<u>2,471,466</u>	<u>2,571,257</u>	<u>191,901</u>	<u>5,234,624</u>
Balances - end of year	<u>\$ 1,801,485</u>	<u>\$ 1,288,479</u>	<u>\$ 126,921</u>	<u>\$ 3,216,885</u>
Cash and cash equivalents	\$ 671,748	\$ 1,262,793	\$ 93,374	\$ 2,027,915
Segregated cash and cash equivalents	1,129,737	25,686	33,547	1,188,970
Total cash and cash equivalents, end of year	<u>\$ 1,801,485</u>	<u>\$ 1,288,479</u>	<u>\$ 126,921</u>	<u>\$ 3,216,885</u>

See Notes to Financial Statements

CITY OF BOONVILLE, MISSOURI
STATEMENT OF CASH FLOWS (Cont'd)
PROPRIETARY FUNDS
YEAR ENDED MARCH 31, 2019

	<u>Business Type Activities - Enterprise Funds</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO				
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 472,262	\$ 965,185	\$ 26,613	\$ 1,464,060
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Cash flows reported in other categories:				
Depreciation expense	493,859	487,820	19,303	1,000,982
Change in assets, deferred outflows, liabilities, and deferred inflows:				
Receivables, net	(20,336)	(18,568)	(6,855)	(45,759)
Inventories	3,023	-		3,023
Prepaid expenses	8,769	13,622	5,906	28,297
Deferred outflows related to pension	38,306	70,225	15,961	124,492
Deferred inflows related to pension	27,426	50,282	11,427	89,135
Net pension asset	(57,863)	(106,083)	(24,110)	(188,056)
Accounts and other payables	2,729	(372,550)	583	(369,238)
Accrued expenses	7,324	7,940	(437)	14,827
Net cash provided by operating activities	<u>\$ 975,499</u>	<u>\$ 1,097,873</u>	<u>\$ 48,391</u>	<u>\$ 2,121,763</u>

See Notes to Financial Statements

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The City of Boonville, Missouri (the “City”) is a municipal corporation governed by an elected mayor and eight-member council. The City operates under a City Council - Mayor form of government and provides the following services: public safety (police and fire), streets, airport, recreation, public improvements, and general administrative services. Other services include water, sewer and sanitation operations. The City receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the City is not included in any other governmental “reporting entity” as defined by the GASB pronouncement, since Council members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

B. Financial Reporting Entity

The financial statements of the City have been prepared in conformity with generally accepted accounting principles as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable.

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement No. 14, “The Financial Reporting Entity,” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations are Component Units,” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus,” and includes all component units of which the City appointed a voting majority of the units’ board and the City is either able to impose its will on the unit or a financial benefit or burden relationship exists. Based on this criteria, the following related organizations have been considered as potential component units but were excluded from the accompanying financial statements because of not meeting the imposition of will or the financial burden or benefit requirement for inclusion as component units.

Boonville Industrial Development Authority - The Mayor appoints all members to the Industrial Development Authority board on a staggering term basis and a board member cannot be removed except for specific acts (illegal acts, etc.). The Industrial Development Authority is able to establish and approve its own budget and set its own rates or charges. Therefore, although the Mayor appoints the Industrial Development Authority board, the entity is able to act independently without City oversight.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Boonville Municipal Facilities Authority - This entity is similar to the Boonville Industrial Development Authority. The Mayor appoints members of the board with the same restrictions, and cannot remove members without cause. The Authority establishes its own budget and can set its own rates and charges.

Boonville Housing Authority - This entity is similar to the Boonville Industrial Development Authority. The Mayor appoints members of the Authority's board with the same restrictions, and cannot remove members without cause. The Authority establishes its own budgets, and is financed with federal funds and rentals. Operations are administered by the Authority without City oversight.

Boonville Riverfront Transportation Development District - This entity is similar to the Boonville Industrial Development Authority. Board members are elected by the owners of the property (the City) within the TDD and members cannot be removed without cause. The District establishes its own budgets and is financed with a one percent sales tax from the Casino and can issue bonds for road projects. Operations are administered by the District without City oversight.

The City complies with Generally Accepted Accounting Principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The City has elected to apply Financial Accounting Standards Board (FASB) pronouncements and interpretations issued after November 30, 1989 for their proprietary operations, unless those pronouncements or interpretations conflict with applicable GASB guidance or pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

In June, 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- The financial statements include:
 - A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations.
 - Financial statements prepared using full accrual accounting for all of the City's activities, including infrastructure (roads, bridges, etc.).
- A change in the fund financial statements to focus on the major funds.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

The City's basic financial statements include the accounts of all City operations.

C. Basis of Presentation

Government-Wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The City's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (police, fire, utilities, etc.). The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, utilities, park, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The City distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the City's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc). The City does not allocate indirect costs.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities and deferred inflows of resources, revenues, or expenditure/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, and deferred in flows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes. The Gaming Tax, Capital Improvement Sales Tax, Tourism Tax and Parks/Storm Water Sales Tax are special revenue funds of the City.

Capital Project Fund

The Capital Project Fund is used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes only one Capital Project Fund and it is used to account for the acquisition of capital assets with transfers made from the General Fund.

CITY OF BOONVILLE, MISSOURI
 NOTES TO BASIC FINANCIAL STATEMENTS
 MARCH 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary Funds

Enterprise Funds

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the Water, Sewer and Sanitation Funds.

Major and Nonmajor Funds

The funds are further classified as major or nonmajor as follows:

<u>Fund</u>	<u>Brief Description</u>
Major:	
General	See above for description
 Special Revenue Fund:	
Gaming Tax	Accounts for revenues and expenditures of gaming taxes.
 Parks/Storm Water Sales Tax	Accounts for revenues and expenditures of parks/storm water sales tax.
 Proprietary Fund:	
Water, Sewer and Sanitation	Accounts for activities of the public trust in providing water, wastewater, and sanitation services to the public.
 Nonmajor:	
Special Revenue Funds:	
Capital Improvement Sales Tax	Accounts for revenues and expenditures of capital improvement sales tax.
 Tourism Tax	Accounts for revenues and expenditures of tourism tax.
 Capital Project Fund	See above for description.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds used fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

E. Assets, Liabilities, Deferred Outflows, Deferred Inflows and Equity

Cash and Investments

Cash of all funds, are pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has an equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at month end. An individual fund’s pooled cash and cash investments are available upon demand and are considered to be “cash equivalents” when preparing these financial statements. In addition, any marketable securities not included in the common pooled accounts that are purchased with a maturity of ninety days or less are also considered to be “cash equivalents”.

For the purpose of the Statement of Net Position, “cash, including time deposits” includes all demand, savings accounts, and certificates of deposits of the City. For the purpose of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Note III-A.

State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer’s Investment Pool.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “interfund receivables and payables.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note III-D for details of interfund transactions, including receivables and payables at year-end.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include gaming taxes, sales and use taxes, franchise taxes and grants. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as gaming tax, sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Prepaid Items

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory

Operating and maintenance supplies, including fuel, are stated at the lower of cost (first-in, first-out) or market. The costs of government fund-type inventories are recorded as expenditures when purchased.

Fixed Assets

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20-50 years
Improvements	20-50 years
Equipment	5-20 years
Water Distribution System	10-99 years
Sewer Collection System	10-99 years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Assets

Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use. The primary restricted assets are related to revenue bond trustee accounts and utility meter deposits.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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/expenditure) until then. The government has two items that qualify for reporting in this category. The first is for excess investment returns and contributions made subsequent to the measurement date, both relating to the City's pension on the government-wide statement of net position and proprietary funds statement of net position. The second is on the proprietary funds statement of net position and relates to the unamortized insurance premiums on bonds.

In addition to liabilities, the statement of financial position 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 that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has two types of deferred inflows. The first arises under a modified accrual basis of accounting. *Unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The second is reported on the government-wide statement of net position and proprietary funds statement of net position and relates to differences in experience on the City's pension valuation.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of revenue bonds payable, interim construction debt and notes payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capitalization of Interest Costs

The Enterprise Funds capitalize the interest cost of restricted tax exempt borrowings, less any interest earned on temporary investments of the proceeds of those borrowings, until the specified assets acquired with those borrowings is placed into service. During fiscal year 2019, no interest was capitalized.

Compensated Absences

Sick pay accumulates at the rate of eight hours per month, and accumulated but unused sick pay expires upon termination of employment. The cost of sick pay is accordingly charged to operations when paid.

Vacation pay accumulates at varying rates based on length of employment, but does not accumulate from year to year since employees have one year to use vacation time earned from the previous year of employment. Vacation time which has not been used during this time constraint will expire. Accumulated but unused vacation pay is recorded as a liability in the accompanying financial statements.

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Equity – Fund Financial Statements:

The City has implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

- **Nonspendable:** 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. The City's nonspendable funds are as detailed in Note III-N.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources because they are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

Management has determined that \$1,234,814 should be considered restricted for debt service and \$285,254 restricted for construction.

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the City's board of aldermen, which is the City's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board of aldermen removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City did not have any committed resources as of year-end.
- **Assigned:** This classification includes spendable amounts that are reported in governmental funds *other than the General Fund*, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by either the City's board of aldermen, or a subordinate high-level body, such as a finance committee, or an official, such as the executive director, that has the authority to assign amounts to be used for specific purposes. The City's management assigned funds during year as detailed in Note III-N.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Unassigned: This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund including any governmental fund in a deficit position.

When fund balance resources are available for a specific purpose in multiple classifications, the City would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer to the use of the other classified funds.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

F. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. Nonoperating revenues and expenses are those related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Function

Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

G. Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deposits and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Missouri or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee. All deposits were fully insured or collateralized at March 31, 2019.

B. Budget Basis of Accounting

The City of Boonville prepares its annual budget on a basis (budget basis), which agrees with generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the City's method (budget basis) in the Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual to provide a meaningful comparison of actual results with the budget. Actual expenditures exceeded final budgeted expenditures in the General Fund and a fund balance deficit was budgeted in the Parks/Storm Water Sales Tax Fund.

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, net position, revenues, and expenditures/expenses.

A. Deposits and Investments

The City of Boonville is governed by the deposit and investment limitations of state law. The deposits and investments held at March 31, 2019 are as follows:

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

	Maturity Date	Carrying Value
Deposits:		
Demand deposits		\$ 12,788,177
Time Deposit	04/15/19	650,000
Time Deposit	05/14/19	503,803
Time Deposit	07/25/19	1,071,268
Time Deposit	07/27/19	820,000
Time Deposit	12/19/19	230,000
Time Deposit	01/02/20	500,000
Time Deposit	03/23/20	230,000
Time Deposit	06/22/20	230,000
Time Deposit	12/14/20	230,000
		17,253,248
Investments:		
Corporate Debt	03/12/21	317,250
Corporate Debt	07/01/21	316,499
Corporate Debt	08/15/22	340,085
		973,834
Total deposits and investments		\$ 18,227,082
Reconciliation of Statement of Net Position:		
Current:		
Cash and cash equivalents		\$ 9,913,804
Investments		4,917,580
Total Current		14,831,384
Restricted:		
Cash and cash equivalents		2,239,245
Investments		1,156,453
Total Noncurrent		3,395,698
Total		\$ 18,227,082

Custodial credit risk. Deposits in financial institutions, reported as components of cash and investments had a bank balance of \$15,729,680 at March 31, 2019. All balances were fully insured or secured with collateral held by the City's agent in its name at March 31, 2019. All investments are registered in the name of the City.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Investment interest rate risk. The City has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at March 31, 2019, are provided in the previous schedule.

Investment credit risk. The City maintains cash deposits and investments which are authorized by City ordinances related to the long-term debt issuances. The Council has given the City Administrator the authority to invest idle funds of the City in low-risk investments such as United States government securities or collateralized certificates of deposit.

Concentration of investment credit risk. The City places no limit on the amount it may invest in any one issuer. At March 31, 2019, the City had no concentration of credit risk.

B. Accounts Receivable

Accounts receivable of the business-type activities consists of utilities receivable. Accounts receivable of the governmental activities consists of miscellaneous receivables. Receivables detail at March 31, 2019, was as follows:

	Governmental Activities	Business- Type Activities	Total
Accounts receivable	\$ 10,935	\$ 658,936	\$ 669,871
Allowance for doubtful accounts	-	-	-
Net accounts receivable	\$ 10,935	\$ 658,936	\$ 669,871

C. Taxes Receivable

Taxes receivable of the governmental activities consist of property, sales, gas tax and motor vehicle and franchise taxes. Receivables detail at March 31, 2019 was as follows:

Property	\$ 45,896
Sales	791,586
Gaming	317,270
Gas tax and motor vehicle	15,972
Franchise	69,292
	1,240,016
Less allowance	(6,668)
Net taxes receivable	\$ 1,233,348

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

D. Interfund Receivables and Payables

The City had no interfund receivables/payables as of March 31, 2019:

E. Capital Assets - Governmental Activities

Capital asset activity for the year ended March 31, 2019, was as follows:

	Balance at April 1, 2018	Additions	Disposals	Balance at March 31, 2019
Capital assets not being depreciated:				
Land and land rights	\$ 3,188,293	\$ -	\$ -	\$ 3,188,293
Construction in process	1,686,936	3,448,190	-	5,135,126
Total capital assets not being depreciated	<u>4,875,229</u>	<u>3,448,190</u>	<u>-</u>	<u>8,323,419</u>
Capital assets being depreciated				
Land improvements	3,290,890	14,320	-	3,305,210
Building and improvements	27,754,773	347,023	(1,645)	28,100,151
Equipment	4,790,564	1,046,641	(364,492)	5,472,713
Infrastructure	18,136,352	231,305	-	18,367,657
Total capital assets being depreciated	<u>53,972,579</u>	<u>1,639,289</u>	<u>(366,137)</u>	<u>55,245,731</u>
Total capital assets at historical costs	<u>58,847,808</u>	<u>5,087,479</u>	<u>(366,137)</u>	<u>63,569,150</u>
Less accumulated depreciation				
Land improvements	(1,024,909)	(143,913)	-	(1,168,822)
Building and improvements	(10,506,511)	(678,706)	1,645	(11,183,572)
Equipment	(3,139,388)	(300,885)	336,189	(3,104,084)
Infrastructure	(7,286,315)	(764,780)	-	(8,051,095)
Total accumulated depreciation	<u>(21,957,123)</u>	<u>(1,888,284)</u>	<u>337,834</u>	<u>(23,507,573)</u>
Total capital assets being depreciated, net	<u>32,015,456</u>	<u>(248,995)</u>	<u>(28,303)</u>	<u>31,738,158</u>
Net capital assets	<u>\$ 36,890,685</u>	<u>\$ 3,199,195</u>	<u>\$ (28,303)</u>	<u>\$ 40,061,577</u>

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

F. Capital Assets - Business-Type Activities

Capital assets of the Water, Sewer and Sanitation Funds are stated at cost if purchased, or fair market value on the date of contribution (appraised value) if donated, adjusted for the cost of subsequent additions and disposals or retirements. Capital asset activity for the year ended March 31, 2019 was as follows:

Water

	Balance at April 1, 2018	Additions	Transfers	Balance at March 31, 2019
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-
Capital assets being depreciated:				
Building and improvements	9,637,923	58,192	-	9,696,115
Water distribution system	10,558,823	49,462	-	10,608,285
Equipment	409,410	38,574	46,642	494,626
Total capital assets being depreciated	20,606,156	146,228	46,642	20,799,026
Total capital assets at historical costs	20,606,156	146,228	46,642	20,799,026
Less accumulated depreciation				
Building and improvements	(3,234,280)	(209,544)	-	(3,443,824)
Water distribution system	(4,633,426)	(280,261)	-	(4,913,687)
Equipment	(373,643)	(4,054)	(46,642)	(424,339)
Total accumulated depreciation	(8,241,349)	(493,859)	(46,642)	(8,781,850)
Total capital assets being depreciated, net	12,364,807	(347,631)	-	12,017,176
Net capital assets	<u>\$ 12,364,807</u>	<u>\$ (347,631)</u>	<u>\$ -</u>	<u>\$ 12,017,176</u>

Sewer

	Balance at April 1, 2018	Additions	Disposals	Balance at March 31, 2019
Capital assets not being depreciated:				
Land	\$ 50,628	\$ -	\$ -	\$ 50,628
Construction in progress	624,005	1,771,197	-	2,395,202
Total capital assets not being depreciated	674,633	1,771,197	-	2,445,830
Capital assets being depreciated				
Sewer collection system	18,244,683	161,745	-	18,406,428
Equipment	220,233	-	-	220,233
Total capital assets being depreciated	18,464,916	161,745	-	18,626,661
Total capital assets at historical costs	19,139,549	1,932,942	-	21,072,491
Less accumulated depreciation				
Sewer collection system	(6,515,574)	(485,801)	-	(7,001,375)
Equipment	(210,607)	(2,019)	-	(212,626)
Total accumulated depreciation	(6,726,181)	(487,820)	-	(7,214,001)
Total capital assets being depreciated, net	11,738,735	(326,075)	-	11,412,660
Net capital assets	<u>\$ 12,413,368</u>	<u>\$ 1,445,122</u>	<u>\$ -</u>	<u>\$ 13,858,490</u>

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Sanitation

	Balance at April 1, 2018	Additions	Disposals	Balance at March 31, 2019
Capital assets being depreciated				
Buildings	\$ 377,406	\$ -	\$ -	\$ 377,406
Improvements	21,629	-	-	21,629
Equipment	191,506	52,550	-	244,056
Total capital assets being depreciated	<u>590,541</u>	<u>52,550</u>	<u>-</u>	<u>643,091</u>
Less accumulated depreciation				
Buildings	(188,553)	(10,280)	-	(198,833)
Improvements	(21,629)	-	-	(21,629)
Equipment	(154,089)	(9,023)	-	(163,112)
Total accumulated depreciation	<u>(364,271)</u>	<u>(19,303)</u>	<u>-</u>	<u>(383,574)</u>
Total capital assets being depreciated, net	<u>226,270</u>	<u>33,247</u>	<u>-</u>	<u>259,517</u>
Net capital assets	<u>\$ 226,270</u>	<u>\$ 33,247</u>	<u>\$ -</u>	<u>\$ 259,517</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:	
General and administration	\$ 190,210
Total general government	<u>190,210</u>
Public safety:	
Police	101,309
Fire	132,498
Animal control	3,837
Cemetery	1,232
Total public safety	<u>238,876</u>
Transportation:	
Streets	133,067
Infrastructure	764,780
Airport	254,641
Total transportation	<u>1,152,488</u>
Parks and recreation:	
Parks	306,710
Total Parks and recreation	<u>306,710</u>
Total depreciation expense - Governmental activity	<u>1,888,284</u>
Business-type activities:	
Water	\$ 493,859
Sewer	487,820
Sanitation	19,303
Total depreciation expense - Business-type activity	<u>\$ 1,000,982</u>

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

G. Accounts Payable

Payables in the governmental funds are composed of payables to vendors (63%) and accrued salaries and benefits (37%). Payables of Enterprise Funds are composed of payables to vendors (70%) and accrued salaries and benefits (30%).

H. Long-Term Debt

The following is a summary of changes in long-term debt transactions for the year ended March 31, 2019:

	Certificates of Participation		Business-Type	Governmental	Total
	Governmental	Business-Type	Revenue Bonds/ Activities	Activities	
	Activities	Activities	Notes	Capital Lease	Long-Term Debt
Balance, April 1, 2018	\$ 9,593,800	\$ 1,771,200	\$ 2,760,000	\$ 2,556,921	\$ 16,681,921
Debt issued	-	-	-	2,318,199	2,318,199
Debt retired	(713,400)	(111,600)	(810,000)	(58,105)	(1,693,105)
Balance, March 31, 2019	<u>\$ 8,880,400</u>	<u>\$ 1,659,600</u>	<u>\$ 1,950,000</u>	<u>\$ 4,817,015</u>	<u>\$ 17,307,015</u>
Due Within One Year	<u>\$ 739,800</u>	<u>\$ 115,200</u>	<u>\$ 435,000</u>	<u>\$ 181,554</u>	<u>\$ 1,471,554</u>

Revenue Bonds

The following is a summary of changes in revenue bond transactions for the year ended March 31, 2019:

	Business-Type Activities		
	Water	Sewer	Total
Balance, April 1, 2018	\$ 1,110,000	\$ 1,650,000	\$ 2,760,000
Bonds issued	-	-	-
Bonds retired	(355,000)	(455,000)	(810,000)
Balance, March 31, 2019	<u>\$ 755,000</u>	<u>\$ 1,195,000</u>	<u>\$ 1,950,000</u>

At March 31, 2019, bonds payable consisted of the following:

On April 12, 2000, the City of Boonville issued \$5,110,000 of Series 2000A Water Pollution Control Revenue Bonds (State Revolving Fund Program) to finance construction of waterworks improvements. The bonds are due in annual installments of \$85,000 to \$385,000 beginning July 1, 2001 through July 1, 2020. Interest rates range from 4.60% to 5.75%.

\$ 755,000

On May 9, 2016, the City of Boonville issued \$1,345,000 of Series 2016 Sewerage System Revenue Bonds to finance refunding of Series 2003 Sewerage System Revenue Bonds. The bonds are due in semi-annual installments of \$60,000 to \$100,000 beginning January 1, 2017 through January 1, 2034. Interest rate is 3.10%.

1,195,000

\$ 1,950,000

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

The annual debt service requirements to amortize the principal and interest on the Revenue Bonds outstanding as of March 31, 2019, are as follows:

	Water		
	Principal	Interest	Total
2020	\$ 370,000	\$ 32,398	\$ 402,398
2021	385,000	10,972	395,972
Total	\$ 755,000	\$ 43,370	\$ 798,370

	Sewer		
	Principal	Interest	Total
2020	\$ 65,000	\$ 36,580	\$ 101,580
2021	65,000	34,565	99,565
2022	70,000	32,473	102,473
2023	70,000	30,302	100,302
2024	70,000	28,133	98,133
2025-2029	395,000	105,787	500,787
2030-2034	460,000	40,300	500,300
Total	\$ 1,195,000	\$ 308,140	\$ 1,503,140

The Water and Sewer revenue bond ordinances require that the systems be accounted for in separate Enterprise Funds. They also require that sufficient current assets be set aside to operate the systems, all remaining monies held in the funds be segregated and restricted in separate special reserves and accounts, in the following sequence:

<u>Account</u>	<u>Purpose</u>
(a) Principal and Interest (Debt Service) Account	Paying current principal and interest on bonds
(b) Reserve Account	Paying principal and interest in the event of a deficiency in the principal and interest account
(c) Renewal and Replacement Account	Paying the expenses of operating, maintaining and repairing the utility systems
(d) Surplus Account	Recording all amounts remaining after payment into the above accounts

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Surplus account monies are reflected as unrestricted cash. Assets of all special reserves and accounts, along with assets restricted for repayment of customer deposits and for donor-specified purposes, consist of cash and investments and are reported in the accompanying combined balance sheet as follows:

<u>Account</u>	General Fund		Enterprise Funds	
	Restricted Assets	Restricted Net Position	Restricted Assets	Restricted Net Position
Principal and interest accounts	\$ 409,127	\$ 409,127	\$ 426,894	\$ 426,894
Reserve account	825,687	825,687	1,005,674	1,005,674
Construction	285,254	285,254	-	-
Renewal and replacement	-	-	150,000	150,000
	1,520,068	1,520,068	1,582,568	1,582,568
Customer deposits	-	-	293,062	293,062
	<u>\$ 1,520,068</u>	<u>\$ 1,520,068</u>	<u>\$ 1,875,630</u>	<u>\$ 1,875,630</u>

The various bond ordinances and indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages. The City is in compliance with all such significant financial limitations and restrictions.

I. Certificates of Participation

The following is a summary of changes in certificates of participation transactions for the year ended March 31, 2019:

	Governmental Activities				
	2010A	2010B	2013	2016	Total
Balance, beginning of year	\$ 3,605,000	\$ 2,485,000	\$ 688,800	\$ 2,815,000	\$ 9,593,800
Debt issued	-	-	-	-	-
Debt retired	(280,000)	(165,000)	(43,400)	(225,000)	(713,400)
Balance, end of year	<u>\$ 3,325,000</u>	<u>\$ 2,320,000</u>	<u>\$ 645,400</u>	<u>\$ 2,590,000</u>	<u>\$ 8,880,400</u>

	Business-Type Activities		Total Governmental Activities & Business-Type Activities
	2013	Total	
Balance, beginning of year	\$ 1,771,200	\$ 1,771,200	\$ 11,365,000
Debt issued	-	-	-
Debt retired	(111,600)	(111,600)	(825,000)
Balance, end of year	<u>\$ 1,659,600</u>	<u>\$ 1,659,600</u>	<u>\$ 10,540,000</u>

CITY OF BOONVILLE, MISSOURI
 NOTES TO BASIC FINANCIAL STATEMENTS
 MARCH 31, 2019

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Property, plant and equipment includes the following amounts for leases which have been capitalized at March 31, 2019:

Property, plant and equipment	\$ 11,410,687
Less accumulated amortization	<u>(2,323,813)</u>
	<u>\$ 9,086,874</u>

Amortization of capital leases was \$276,533 for the fiscal year ending March 31, 2019. Such amounts are a component of depreciation and amortization expense in the accompanying financial statements.

Series 2010A

On February 11, 2010, the City entered into a lease/purchase agreement to fund various improvements. The initial term of the lease commenced on February 11, 2010 and will end on March 31, 2029. The City shall deliver written notice to the Trustee no later than March 31 of each year stating whether or not the City will have sufficient receipts from Admission Receipts and Interest Subsidy Payments to make all Rental Payments and Additional Payments required pursuant to this Lease Agreement and describing in reasonable detail the actions taken by the governing body of the City to appropriate funds sufficient for the purpose of paying the Rental Payments and reasonably estimated Additional Payments to become due during the succeeding Fiscal Year. The City's option to appropriate funds sufficient for the purpose of paying the Rental Payments and reasonably estimated Additional Payments shall be conclusively determined by whether or not the governing body of the City has, on or before each March 31, budgeted and appropriated, specifically with respect to this Lease Agreement, moneys sufficient to pay all the Rental Payments and reasonably estimated Additional Payments for the ensuing Fiscal Year. The terms of the lease set the interest rate at 2.90% to 6.90%.

The City is not legally obligated to budget or appropriate money for any fiscal year beyond the current fiscal year. It is expected that the City will not abandon this lease, and accordingly, the lease obligation is shown as long-term debt.

In lieu of issuing the Certificates as Tax-Exempt Obligations, the Issuer is electing (a) to issue the Certificates as taxable "Build America Bonds" as defined in Code § 54AA ("Build America Bonds"), and (b) to treat the Certificates as "qualified" Build America Bonds, eligible to receive payments from the U.S. Treasury equal to 35% of each Interest Component payment on the Certificates in accordance with Code §54AA and 6431 (BAB Interest Subsidy Payments").

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Certificates of participation for various projects at March 31, 2019 are comprised of the following individual issues:

\$5,340,000 2010A series due in annual installments of \$230,000 beginning July 15, 2011, to \$405,000 through July 15, 2028, interest at 2.90% to 6.90%. Series 2010A Certificates shall be subject to prepayment prior to maturity, upon written instructions from the City, on and after July 15, 2013, in whole or in part at any time, at a prepayment price of 100% of the principal amount, plus accrued interest thereon to the prepayment date.

\$ 3,325,000

\$ 3,325,000

The annual debt service requirements to maturity for the Series 2010A certificates of participation outstanding at March 31, 2019 are as follows:

Year Ending March 31	Governmental Activities				
	Principal Series 2010A	Interest Series 2010A	Debt Service Before Subsidy	Build America Bonds Subsidy	Net Payments
2020	\$ 290,000	\$ 206,637	\$ 496,637	\$ (72,323)	\$ 424,314
2021	305,000	188,933	493,933	(66,127)	427,806
2022	315,000	170,096	485,096	(59,533)	425,563
2023	330,000	150,015	480,015	(52,505)	427,510
2024	340,000	128,740	468,740	(45,059)	423,681
2025-2029	1,745,000	282,055	2,027,055	(98,720)	1,928,335
	<u>\$ 3,325,000</u>	<u>\$ 1,126,476</u>	<u>\$ 4,451,476</u>	<u>\$ (394,267)</u>	<u>\$ 4,057,209</u>

Series 2010B

On December 1, 2010, the City entered into a lease/purchase agreement to fund various improvements. The initial term of the lease commenced on December 1, 2010 and ended on March 31, 2011. The City shall deliver written notice to the Trustee no later than March 31 of each year stating whether or not the City will have sufficient receipts from Admission Receipts and Interest Subsidy Payments to make all Rental Payments and Additional Payments required pursuant to this Lease Agreement and describing in reasonable detail the actions taken by the governing body of the City to appropriate funds sufficient for the purpose of paying the Rental Payments and reasonably estimated Additional Payments to become due during the succeeding Fiscal Year. The City's option to appropriate funds sufficient for the purpose of paying the Rental Payments and reasonably estimated Additional Payments shall be conclusively determined by whether or not the governing body of the City has, on or before each March 31, budgeted and appropriated, specifically with respect to this Lease Agreement, moneys sufficient to pay all the Rental Payments and reasonably estimated Additional Payments for the ensuing Fiscal Year. The terms of the lease set the interest rate at 2.75% to 6.875%.

The City is not legally obligated to budget or appropriate money for any fiscal year beyond the current fiscal year. It is expected that the City will not abandon this lease, and accordingly, the lease obligation is shown as long-term debt.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

In lieu of issuing the Certificates as Tax-Exempt Obligations, the Issuer is electing (a) to issue the Certificates as taxable “Build America Bonds” as defined in Code § 54AA (“Build America Bonds”), and (b) to treat the Certificates as “qualified” Build America Bonds, eligible to receive payments from the U.S. Treasury equal to 35% of each Interest Component payment on the Certificates in accordance with Code §54AA and 6431 (BAB Interest Subsidy Payments”).

Certificates of participation for various projects at March 31, 2019 are comprised of the following individual issues:

\$3,390,000 2010B series due in annual installments of \$135,000 beginning July 15, 2012, to \$280,000 through July 15, 2030, interest at 2.85% to 6.875%. Series 2010B Certificates shall be subject to prepayment prior to maturity, upon written instructions from the City, on and after July 15, 2013, in whole or in part at any time, at a prepayment price of 100% of the principal amount, plus accrued interest thereon to the prepayment date.

\$ 2,320,000

\$ 2,320,000

The annual debt service requirements to maturity for the Series 2010B certificates of participation outstanding at March 31, 2019 are as follows:

Year Ending March 31	Principal Series 2010B	Interest Series 2010B	Debt Service Before Subsidy	Build America Bonds Subsidy	Net Payments
2020	\$ 175,000	\$ 139,459	\$ 314,459	\$ (48,811)	\$ 265,648
2021	175,000	130,272	305,272	(45,595)	259,677
2022	155,000	121,209	276,209	(42,423)	233,786
2023	155,000	112,297	267,297	(39,304)	227,993
2024	165,000	102,794	267,794	(35,978)	231,816
2025-2029	965,000	347,635	1,312,635	(121,672)	1,190,963
2030-2031	530,000	37,312	567,312	(13,059)	554,253
	<u>\$ 2,320,000</u>	<u>\$ 990,978</u>	<u>\$ 3,310,978</u>	<u>\$ (346,842)</u>	<u>\$ 2,964,136</u>

Series 2013

On April 16, 2013, the City entered into a lease/purchase agreement to advance refund the Series 2008 issue in the amount of \$3,330,000. The initial term of this Lease expired on March 31, 2017 (the “Initial Term”), subject to the Lessee’s option to extend the term of this Lease for successive one-year terms commencing April 1, of each year, and a final renewal term ending March 31, 2029. Each option shall be exercised by the appropriation by the City Council of the Lessee, in accordance with applicable law, of sufficient moneys (after taking into account any moneys legally available for such purpose) specifically designated for the payment of Base Rentals and adequate moneys to pay the reasonably estimated Supplemental Rent for the next succeeding Renewal Term. Such appropriation shall automatically extend the term of this Lease for the succeeding Renewal Term without any further action required by any officers or officials of the Lessee. The terms of the lease set the interest rate at .700% to 3.750%.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

The City is not legally obligated to budget or appropriate money for any fiscal year beyond the current fiscal year. It is expected that the City will not abandon this lease, and accordingly, the lease obligation is shown as long-term debt.

\$3,225,000 2013 series due in annual installments of \$150,000 to \$470,000 beginning July 15, 2013, through July 15, 2028, interest at .700% to 3.750%. \$ 2,305,000

The annual debt service requirements to maturity for the Series 2013 certificates of participation outstanding at March 31, 2019 are as follows:

Year Ending March 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 44,800	\$ 19,777	\$ 115,200	\$ 50,856
2021	46,200	18,787	118,800	48,308
2022	54,600	17,573	140,400	45,187
2023	57,400	16,101	147,600	41,403
2024	58,800	14,430	151,200	37,105
2025-2029	383,600	40,192	986,400	103,350
	<u>\$ 645,400</u>	<u>\$ 126,860</u>	<u>\$ 1,659,600</u>	<u>\$ 326,209</u>

Series 2016

On November 17, 2016, the City entered into a lease/purchase agreement to fund various improvements. The initial term of the lease commenced on December 1, 2016 and ended on March 31, 2017. The City shall deliver written notice to the Trustee no later than March 31 of each year stating whether or not the City will have sufficient receipts from Admission Receipts and Interest Subsidy Payments to make all Rental Payments and Additional Payments required pursuant to this Lease Agreement and describing in reasonable detail the actions taken by the governing body of the City to appropriate funds sufficient for the purpose of paying the Rental Payments and reasonably estimated Additional Payments to become due during the succeeding Fiscal Year. The City's option to appropriate funds sufficient for the purpose of paying the Rental Payments and reasonably estimated Additional Payments shall be conclusively determined by whether or not the governing body of the City has, on or before each March 31, budgeted and appropriated, specifically with respect to this Lease Agreement, moneys sufficient to pay all the Rental Payments and reasonably estimated Additional Payments for the ensuing Fiscal Year. The terms of the lease set the interest rate at 2.385%.

The City is not legally obligated to budget or appropriate money for any fiscal year beyond the current fiscal year. It is expected that the City will not abandon this lease, and accordingly, the lease obligation is shown as long-term debt.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Certificates of participation for various projects at March 31, 2019 are comprised of the following individual issues:

\$3,040,000 2016 series due in annual installments of \$225,000 beginning November 1, 2017, to \$285,000 through November 1, 2028, interest at 2.85% to 6.875%. Series 2016 Certificates shall be subject to prepayment prior to maturity, upon written instructions from the City, on and after July 15, 2013, in whole or in part at any time, at a prepayment price of 100% of the principal amount, plus accrued interest thereon to the prepayment date.

\$ 2,590,000

\$ 2,590,000

The annual debt service requirements to maturity for the Series 2016 certificates of participation outstanding at March 31, 2019 are as follows:

March 31	Principal	Interest	Total
2020	\$ 230,000	\$ 61,772	\$ 291,772
2021	240,000	56,286	296,286
2022	245,000	50,562	295,562
2023	250,000	44,719	294,719
2024	255,000	38,756	293,756
2025-2028	1,370,000	99,454	1,469,454
	<u>\$ 2,590,000</u>	<u>\$ 351,549</u>	<u>\$ 2,941,549</u>

J. Leases – Governmental Activities

The City is the lessee under several capital leases. The following is a summary of the future minimum lease payments under the leases as of March 31, 2019 assuming noncancellation:

Year Ended March 31,	Equipment	Real Estate	Total
2020	\$ 80,351	\$ 914,342	\$ 994,693
2021	80,352	914,341	994,693
2022	80,351	914,342	994,693
2023	80,351	914,341	994,692
2024	80,352	914,342	994,694
2025	80,351	-	80,351
2026	80,352	-	80,352
2027	80,351	-	80,351
2028	80,352	-	80,352
	<u>723,163</u>	<u>4,571,708</u>	<u>5,294,871</u>
Less - Amount Representing Interest	(106,148)	(371,708)	(477,856)
Total Minimum Lease Payments	<u>\$ 617,015</u>	<u>\$ 4,200,000</u>	<u>\$ 4,817,015</u>

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Property, plant and equipment includes the following amounts for leases which have been capitalized at March 31, 2019:

Property, plant and equipment	\$	5,698,226
Less accumulated amortization		(50,417)
		\$ 5,647,809
		\$ 5,647,809

Amortization of capital leases was \$50,417 for the fiscal year ending March 31, 2019. Such amounts are a component of depreciation and amortization expenses in the accompanying financial statements.

On March 6, 2018, the City entered into a leasing agreement with FS Leasing, LLC to finance the purchase of equipment. The lease is cancelable by the City at any time during the lease by exercising a non-appropriation clause. However, the City is not expected to abandon the lease and, accordingly, the lease obligation is regarded as debt.

On December 20, 2017, the City entered into a leasing agreement with FS Leasing, LLC to pay costs of acquiring, constructing, extending, improving and equipping the City’s soccer complex, including without limitation the costs to construct and equip new soccer fields and practice facilities, as described in the Lease, all or a portion of which improvements will be located on the land. The lease is cancelable by the City at any time during the lease by exercising a non-appropriation clause. However, the City is not expected to abandon the lease and, accordingly, the lease obligation is regarded as debt.

K. Pledged Revenues

The general fund has pledged future general fund revenues, net of specified operating expenses, to repay lease-purchase obligations that were issued for improvements. The leases, payable from general fund net revenues, are payable through 2031. Annual principal and interest payments in 2019 on the leases required 100% of net revenues. The total principal and interest remaining to be paid on the leases is \$15,583,974. Principal and interest paid for the current year and total general net revenues for the current year were \$958,732 and \$(991,553), respectively.

The water and sewer funds have pledged future revenues, net of specified operating expenses, to repay bonds and lease-purchase obligations that were issued for improvements. The bonds and leases, payable from water and sewer net revenues, are payable through 2034. Annual principal and interest payments in 2019 on the bonds and leases required 43% of net revenues. The total principal and interest remaining to be paid on the bonds and leases is \$4,287,319. Principal and interest paid for the current year was \$1,121,133. Total net revenues for the water and sewer funds in the current year were \$2,567,404.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

L. Interfund Transfers

Interfund transfers during the year ended March 31, 2019 were as follows:

	Transfer In:						Total Transfer Out
	General Fund	Water	Sewer	Sanitation	Capital Project	Parks/ Storm	
Transfer Out:							
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gaming	1,798,428	165,239	102,713	37,550	60,000	208,000	2,371,930
Water	145,000	-	-	-	-	-	145,000
Wastewater	138,000	-	-	-	-	-	138,000
CI Sales	87,000	-	-	-	-	-	87,000
Parks/Storm Water Sales Tax	-	-	1,316,897	-	-	-	1,316,897
Total Transfers In	\$ 2,168,428	\$ 165,239	\$ 1,419,610	\$ 37,550	\$ 60,000	\$ 208,000	\$ 4,058,827

Reconciliation to statement of revenues, expenditures and changes in fund balances:

	General	Gaming	CI Sales Tax	Capital Project	Park/ Storm Water Sales Tax	Total
Transfers In	\$ 2,108,428	\$ -	\$ -	\$ 60,000	\$ -	\$ 2,168,428
Transfers Out	-	(2,301,930)	(87,000)	-	(1,118,897)	(3,507,827)
Interfund Transfer In (Out)	\$ 2,108,428	\$ (2,301,930)	\$ (87,000)	\$ 60,000	\$ (1,118,897)	\$ (1,339,399)

Reconciliation to statement of revenues, expenses and changes in net position:

	Water	Sewer	Sanitation	Total
Transfers In	\$ 165,239	\$ 1,419,610	\$ 37,550	\$ 1,622,399
Transfers Out	(145,000)	(138,000)	-	(283,000)
Interfund Transfer In (Out)	\$ 20,239	\$ 1,281,610	\$ 37,550	\$ 1,339,399

The purpose of the gaming transfers was to transfer gaming receipts to other funds.

The purpose of the transfers to the general fund (other than gaming transfers) was to transfer money to the general fund for expenses incurred on behalf of other funds.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

M. Restricted Net Position

The following table shows the net position restricted for other purposes as shown on the Statement of Net Position:

Activity	Governmental Activities	
	Restricted By	Amount
Construction	Ordinance	\$ 285,254
Debt service	Ordinance	1,234,814
Health insurance	Council action	382,814
Cemetery perpetual care reserve	Council action	31,282
Riverfront	Council action	13,370
Street improvement	Council action	30,000
Highway B	Council action	50,000
Capital improvement sales tax	Law	849,300
Parks storm water tax	Council action	373,133
Tourism tax	Law	185,226
Gaming taxes	Council action	1,126,521
Capital projects	Law	448,787
		\$ 5,010,501

N. Fund Balance

Classifications of fund balances at March 31, 2019 are as follows:

	General Fund	Gaming Tax Fund	Park/Storm Water Sales Tax Fund	Other Governmental Funds	Total
Fund balances:					
Nonspendable					
Inventory	\$ 16,630	\$ -	\$ -	\$ 802	\$ 17,432
Prepaid expenses	102,177	19,632	-	-	121,809
Total Nonspendable	118,807	19,632	-	802	139,241
Restricted for debt service	1,234,814	-	-	-	1,234,814
Restricted for construction	-	-	285,254	-	285,254
Total Restricted	1,234,814	-	285,254	-	1,520,068
Assigned for specific purposes:					
Health insurance reserve	382,814	-	-	-	382,814
Cemetery perpetual care reserve	31,282	-	-	-	31,282
Riverfront development	13,370	-	-	-	13,370
Street improvement	30,000	-	-	-	30,000
Highway B improvements	50,000	-	-	-	50,000
Assigned for special revenue purposes	-	1,126,521	373,133	1,034,526	2,534,180
Assigned for capital project purposes	-	-	-	448,787	448,787
Total Assigned	507,466	1,126,521	373,133	1,483,313	3,490,433
Unassigned	5,285,040	-	-	-	5,285,040
Total Fund Equity	\$ 7,146,127	\$ 1,146,153	\$ 658,387	\$ 1,484,115	\$ 10,434,782

The City has not adopted a policy that sets forth a minimum fund balance amount.

CITY OF BOONVILLE, MISSOURI
 NOTES TO BASIC FINANCIAL STATEMENTS
 MARCH 31, 2019

IV. OTHER INFORMATION

A. Employee Pension Plan

Summary of Significant Accounting Policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows 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.

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.

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>2018 Valuation</u>
Benefit Multiplier:	1.75% for life
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.

CITY OF BOONVILLE, MISSOURI
 NOTES TO BASIC FINANCIAL STATEMENTS
 MARCH 31, 2019

IV. OTHER INFORMATION (continued)

Employees covered by benefit terms. At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	43
Inactive employees entitled to but not yet receiving benefits	22
Active employees	67
	132
	132

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 do not contribute to the pension plan. Employer contribution rates are 9.9% (General), 9.5% (Police) and 0.9% (Fire) of annual covered payroll.

Net Pension Liability. The employer’s net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2018.

Actuarial assumptions. The total pension liability in the February 28, 2018 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
Investment rate of return	7.25%

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 healthy annuitant mortality tables for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality tables for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality tables 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, 2018 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

IV. OTHER INFORMATION (continued)

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 estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	43.0%	5.16%
Fixed Income	26.0%	2.86%
Real Assets	21.0%	3.23%
Strategic Assets	10.0%	5.59%

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 Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 3/31/2018	\$ 13,581,786	\$ 14,551,550	\$ (969,764)
Changes for the year:			
Service Cost	286,977	-	286,977
Interest	978,267	-	978,267
Difference between expected and actual experience	(141,271)	-	(141,271)
Changes in assumptions	-	-	-
Contributions - employer	-	230,292	(230,292)
Contributions - employee	-	-	-
Net investment income	-	1,771,304	(1,771,304)
Benefit payments, including refunds	(467,012)	(467,012)	-
Administrative expense	-	(10,501)	10,501
Other changes	-	14,560	(14,560)
Net changes	656,961	1,538,643	(881,682)
Balances at 3/31/2019	\$ 14,238,747	\$ 16,090,193	\$ (1,851,446)

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

IV. OTHER INFORMATION (continued)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower 6.25% or one percentage point higher 8.25% than the current rate.

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 16,237,015	\$ 14,238,747	\$ 12,580,038
Plan Fiduciary Net Position	16,090,193	16,090,193	16,090,193
Net Position Liability (Asset)	<u>\$ 146,822</u>	<u>\$ (1,851,446)</u>	<u>\$ (3,510,155)</u>

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

For the year ended March 31, 2019 the employer recognized pension expense of \$274,962. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 121,715	\$ 487,706
Differences in assumptions	180,592	-
Difference between actual and projected earnings	-	369,066
Contributions subsequent to the measurement date*	176,418	-
Total	<u>\$ 478,725</u>	<u>\$ 856,772</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending March 31, 2019.

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

Year Ended	Net Deferred Outflows of Resources
2019	\$ 64,082
2020	(46,677)
2021	(311,134)
2022	(227,399)
2023	(29,232)
Thereafter	(4,106)

Payable to the Pension Plan

At March 31, 2019, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended March 31, 2019.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

IV. OTHER INFORMATION (continued)

B. Commitments and Contingencies

1. Unemployment Compensation

The City has elected the reimbursement method for Missouri Unemployment Compensation purposes. During the fiscal year ended March 31, 2019, payments of \$4,481 were made to the Division of Employment Security for approved claims.

2. Grants

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 regulations, the City may be required to reimburse the grantor government. As of March 31, 2019, significant amounts of grant 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.

C. Post-Closure Care Cost

Landfill Closure and Post-Closure Costs

State and federal laws and regulations require that the City of Boonville place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City of Boonville stopped accepting collections at its landfill on April 18, 1993. The City submitted a closure and post-closure plan to the Missouri Department of Natural Resources. The estimated annual post-closure costs of \$9,022 (in 1992 dollars) is based on calculations by the City's engineering firm; however, the actual cost of post-closure care is subject to changes resulting from inflation/deflation, changes in technology, or changes in landfill laws and regulations. No liability is reported in the financial statement for future post-closure care costs as they will be funded from then current resources.

The City does not have assets currently restricted for post-closure costs. The City intends to finance landfill post-closure care costs from charges to future sanitation customers and fund reserves.

The City has entered into a contract of obligation with the Missouri Department of Natural Resources authorizing the Director of the Missouri Department of Natural Resources to withhold up to \$197,081.43 from any funds disbursed by the State of Missouri for the City to provide post-closure care for the solid waste disposal site.

CITY OF BOONVILLE, MISSOURI
 NOTES TO BASIC FINANCIAL STATEMENTS
 MARCH 31, 2019

IV. OTHER INFORMATION (continued)

D. Tax Revenue

Revenues from taxes for the year ended March 31, 2019 were as follows:

	Governmental Activities
Property	\$ 753,867
Railroad utilities	25,217
Sales	3,138,848
Special road	78,919
Financial institution	1,886
Meter	11,331
Vehicle Sales	110,107
Gasoline	223,281
Franchise	780,376
Gaming	3,191,490
Tourism	227,880
	\$ 8,543,202

The City's property tax is levied each June 30 on the assessed value of all property located in the City. Assessed values are established by the Cooper County Assessor, subject to review by the Board of Equalization. The assessed value for property located in the City on which the fiscal 2018 levy was based was \$94,038,377.

The City is permitted by Missouri State statutes to levy taxes up to \$1.00 per \$100 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt, and in unlimited amounts for the payment of principal and interest on long-term debt. The City's property tax rate to finance general governmental services other than the payment of principal and interest on long-term debt, for the year ended March 31, 2019 was \$.7063 per \$100 of assessed valuation.

E. Income Taxes

The City is not subject to federal income tax under Section 115 of the Internal Revenue Code.

F. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

IV. OTHER INFORMATION (continued)

G. Litigation

The City routinely becomes involved in lawsuits arising in the ordinary course of business. Based on discussions with the City Attorney, management believes there are no outstanding matters which will have a material effect on the financial statements of the City.

H. Legal Debt Limit

The State Constitution permits a City, by vote of two-thirds of the voting electorate, to incur general obligation indebtedness for “City purposes” not to exceed 10% of the assessed value of taxable tangible property. The State Constitution also permits a City, by vote of two-thirds of the voting electorate, to incur additional assessed value of taxable tangible property, for the purpose of acquiring right-of-way, constructing, extending and improving streets and avenues and/or sanitary or storm sewer systems, and purchasing or constructing waterworks, electric or other light and plants, provided that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuation of taxable property.

At March 31, 2019, based on the total assessed valuation as of December 31, 2018, of \$94,038,377, the constitutional general obligation debt limit was \$18,807,675.

I. Environmental Matters

The City continues the multi-year commitment to upgrades and improvements to the water and wastewater infrastructure.

The upgrades and improvements to the sanitary sewer collection system and the Wastewater Treatment Plant (WWTP) are formalized in the Integrated Management Plan (IMP) included in the WWTP Discharge Permit issued by the Missouri Department of Natural Resources (DNR). The City is in compliance with the IMP and WWTP discharge permit.

Complying with new, evolving standards and regulation for drinking water treatment continued to be a challenge. The City engaged an environmental science consultant to assist with testing and preparation of a discharge permit application for the WTP. The previous, 1996, permit is in suspension. To date, DNR has not acted on the application and issued a new discharge permit.

CITY OF BOONVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2019

IV. OTHER INFORMATION (continued)

The listed significant upgrades and milestones were accomplished in fiscal year 2017-2018:

1. The cured-in-place pipe lining project continued in 2017 with 640 feet of 8” VCP sanitary sewer main lined.
2. Construction WWTP flow equalization basin began February 5, 2018. The project is scheduled for completion November 2, 2018.
3. Design and planning continued for the project to move the WWTP discharge to the Missouri River. The most significant obstacle to date is access objections by Union Pacific Railroad for the pipe crossing under the track and the maintenance road at-grade crossing. That impediment has forced a design reevaluation for access.
4. Received DNR approval for disinfection by-product removal equipment to be installed in the WTP elevated water storage tank. The equipment was purchased with installation scheduled for late spring 2018.

J. Katy Bridge

The City of Boonville became the titled owner of the Katy Lift Span Bridge on January 10, 2013 following filing of a Quit Claim Deed 2nd Bill of Sale from Union Pacific Railroad Company. The ownership is subject to several contractual and regulatory obligations based upon the intent to incorporate the bridge into the Katy Trail State Park and abide by the Surface Transportation Board orders to continue the railbanking and rails-to-trails conversion under federal law. The bridge ownership is specifically encumbered by: 1) the requirements of the National Trails System Act including Union Pacific Railroad Company’s right to repurchase the bridge in accord with the provision of that act, 2) a perpetual easement to Missouri Department of Natural Resources to incorporate the bridge into the Katy Trail State Park, and 3) construction, inspections, and easement obligations to comply with the Union Pacific Railroad Company’s active line requirements below the bridge.

K. Fines

Fines and penalties revenues as shown on the Statement of Revenues, Expenses, and Changes in Fund Balances is \$150,213 for the year ended March 31, 2019, which is 3% of general fund revenues.

L. Tax Abatements

The City of Boonville abated taxes for two entities for urban redevelopment. In fiscal year 2019 property taxes of \$1,715 related to the City of Boonville were abated.

M. Consideration of Subsequent Events

Subsequent events have been evaluated through July 31, 2019, which is the date the financial statements are available to be issued. No events requiring disclosure were identified as a result of this review.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Schedule of Contributions

Notes to Schedule of Contributions

Schedule of Changes in Net Pension Liability and Related Ratios

CITY OF BOONVILLE, MISSOURI
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS (UNAUDITED)
(MISSOURI LAGERS)
YEAR ENDED MARCH 31, 2019

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2010	\$ 144,357.41	\$ 144,357.48	\$ (0.07)	\$ 2,739,483.76	5.27%
2011	275,939.66	165,311.44	110,628.22	2,643,486.62	6.25%
2012	272,703.06	193,500.57	79,202.49	2,678,212.90	7.22%
2013	248,030.52	208,148.84	39,881.68	2,534,764.19	8.21%
2014	217,657.49	207,162.29	10,495.20	2,371,577.21	8.74%
2015	235,419.24	231,949.96	3,469.28	2,386,495.60	9.72%
2016	194,006.41	194,006.05	0.36	2,417,705.34	8.02%
2017	171,834.14	171,834.05	0.09	2,624,988.09	6.55%
2018	214,954.96	214,955.31	(0.35)	2,754,331.40	7.80%
2019	256,287.05	238,193.73	18,093.32	2,714,055.83	8.78%

CITY OF BOONVILLE, MISSOURI
 NOTES TO SCHEDULE OF CONTRIBUTIONS
 (MISSOURI LAGERS)
 YEAR ENDED MARCH 31, 2019

Valuation Date:	February 28, 2018
Notes:	The roll-forward of total pension liability from February 28, 2018 to June 30, 2018 reflects expected service cost and interest reduced by actual benefit payments.
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 changes) 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 12 to 18 years
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
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	<p>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.</p> <p>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.</p>
Other Information:	None

CITY OF BOONVILLE, MISSOURI
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS (UNAUDITED)
(MISSOURI LAGERS)
YEAR ENDED MARCH 31, 2019

	Fiscal Year Ending March 31, 2019	Fiscal Year Ending March 31, 2018
Total Pension Liability		
Service Cost	\$ 286,977	\$ 242,768
Interest on the Total Pension Liability	978,267	890,644
Changes in Benefit Terms	-	660,760
Difference between expected and actual experience	(141,271)	(117,848)
Assumption Changes	-	-
Benefit Payments	(467,012)	(511,113)
Refunds	-	-
Net Change in Total Pension Liability	<u>656,961</u>	<u>1,165,211</u>
Total Pension Liability beginning	<u>13,581,786</u>	<u>12,416,575</u>
Total Pension Liability ending	<u><u>\$ 14,238,747</u></u>	<u><u>\$ 13,581,786</u></u>
Plan Fiduciary Net Position		
Contributions - employer	\$ 230,292	\$ 180,831
Contributions - employee	-	-
Pension Plan Net Investment Income	1,771,304	1,552,766
Benefit Payments	(467,012)	(511,113)
Refunds	-	-
Pension Plan Administrative expense	(10,501)	(9,946)
Other	14,560	(274,091)
Net Change in Plan Fiduciary Net Position	<u>1,538,643</u>	<u>938,447</u>
Plan Fiduciary Net Position beginning	<u>14,551,550</u>	<u>13,613,103</u>
Plan Fiduciary Net Position ending	<u><u>\$ 16,090,193</u></u>	<u><u>\$ 14,551,550</u></u>
Employer Net Pension Liability (Asset)	<u><u>\$ (1,851,446)</u></u>	<u><u>\$ (969,764)</u></u>
 Plan Fiduciary Net Position as a percentage of the Total Pension Liability	 113.00%	 107.14%
 Covered Employee Payroll	 \$ 2,710,850	 \$ 2,626,357
 Employer's Net Pension Liability as a percentage of covered employee payroll	 (68.30%)	 (36.92%)

CITY OF BOONVILLE, MISSOURI
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (CONT'D)
LAST 10 FISCAL YEARS (UNAUDITED)
(MISSOURI LAGERS)
YEAR ENDED MARCH 31, 2019

	<u>Year Ending</u> <u>March 31, 2017</u>	<u>Year Ending</u> <u>March 31, 2016</u>
Total Pension Liability		
Service Cost	\$ 237,440	\$ 237,384
Interest on the Total Pension Liability	830,843	809,765
Changes in Benefit Terms	-	-
Difference between expected and actual experience	(132,999)	(275,616)
Assumption Changes	410,659	-
Benefit Payments	(535,884)	(427,692)
Refunds	-	-
Net Change in Total Pension Liability	<u>810,059</u>	<u>343,841</u>
Total Pension Liability beginning	<u>11,606,516</u>	<u>11,262,675</u>
Total Pension Liability ending	<u>\$ 12,416,575</u>	<u>\$ 11,606,516</u>
 Plan Fiduciary Net Position		
Contributions - employer	\$ 186,412	\$ 225,336
Contributions - employee	-	-
Pension Plan Net Investment Income	(37,065)	279,775
Benefit Payments	(535,884)	(427,692)
Refunds	-	-
Pension Plan Administrative expense	(10,094)	(10,905)
Other	(118,130)	123,162
Net Change in Plan Fiduciary Net Position	<u>(514,761)</u>	<u>189,676</u>
Plan Fiduciary Net Position beginning	<u>14,127,864</u>	<u>13,938,188</u>
Plan Fiduciary Net Position ending	<u>\$ 13,613,103</u>	<u>\$ 14,127,864</u>
 Employer Net Pension Liability (Asset)	 <u>\$ (1,196,528)</u>	 <u>\$ (2,521,348)</u>
 Plan Fiduciary Net Position as a percentage of the Total Pension Liability	 109.64%	 121.72%
 Covered Employee Payroll	 \$ 2,387,947	 \$ 2,433,446
 Employer's Net Pension Liability as a percentage of covered employee payroll	 (50.11%)	 (103.61%)

Notes to Schedule: Data prior to 2016 is not available.

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Combining Statements - Nonmajor governmental funds
- Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - Governmental Funds
- Statistical Data

COMBINING FINANCIAL STATEMENTS

COMBINING FINANCIAL STATEMENTS

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Capital Improvement
Sales Tax Fund

Accounts for revenues and expenditures of
capital improvement sales tax.

Tourism Tax Fund

Accounts for revenues and expenditures of
tourism tax.

Capital Project Fund

Capital Project Fund

Accounts for acquisition of capital assets with
transfers made from the General Fund.

CITY OF BOONVILLE, MISSOURI
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 MARCH 31, 2019

	<u>Special Revenue Funds</u>			<u>Totals</u> <u>(Memorandum Only)</u>
	<u>Capital Improvement</u>	<u>Tourism</u>	<u>Capital Project</u>	
	<u>Sales Tax</u>		<u>Fund</u>	
<u>ASSETS</u>				
Cash and investments	\$ 688,122	\$ 202,643	\$ 426,348	\$ 1,317,113
Taxes receivable	171,732	-	-	171,732
Due from other governmental agencies	-	-	23,939	23,939
Inventory	-	802	-	802
Prepaid expenses	-	-	-	-
Total Assets	<u>859,854</u>	<u>203,445</u>	<u>450,287</u>	<u>1,513,586</u>
<u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES</u>				
Accounts payable	6,828	14,658	1,500	22,986
Accrued expenses	3,726	2,759	-	6,485
Total Liabilities	<u>10,554</u>	<u>17,417</u>	<u>1,500</u>	<u>29,471</u>
<u>FUND EQUITY</u>				
Assigned for special revenue purposes	849,300	186,028	-	1,035,328
Assigned for capital project purposes	-	-	448,787	448,787
Total Fund Equity	<u>849,300</u>	<u>186,028</u>	<u>448,787</u>	<u>1,484,115</u>
Total Liabilities and Fund Equity	<u>\$ 859,854</u>	<u>\$ 203,445</u>	<u>\$ 450,287</u>	<u>\$ 1,513,586</u>

CITY OF BOONVILLE, MISSOURI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED MARCH 31, 2019

	<u>Special Revenue Funds</u>			<u>Totals (Memorandum Only)</u>
	<u>Capital Improvement Sales Tax</u>	<u>Tourism</u>	<u>Capital Project Fund</u>	
REVENUES				
Taxes	\$ 704,419	\$ 227,880	\$ -	\$ 932,299
Intergovernmental	-	-	137,034	137,034
Miscellaneous	32,132	25,972	885	58,989
Total Revenues	<u>736,551</u>	<u>253,852</u>	<u>137,919</u>	<u>1,128,322</u>
EXPENDITURES				
General government	239,190	-	324	239,514
Tourism	-	202,255	-	202,255
Capital outlay	347,341	-	161,000	508,341
Total Expenditures	<u>586,531</u>	<u>202,255</u>	<u>161,324</u>	<u>950,110</u>
Excess (Deficit) of Revenues over Expenditures	<u>150,020</u>	<u>51,597</u>	<u>(23,405)</u>	<u>178,212</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	(87,000)	-	60,000	(27,000)
Total Other Financing Sources (Uses)	<u>(87,000)</u>	<u>-</u>	<u>60,000</u>	<u>(27,000)</u>
Excess (Deficit) of Revenues over Expenditures and Other Sources (Uses)	63,020	51,597	36,595	151,212
Fund Balance, beginning of year	<u>786,280</u>	<u>134,431</u>	<u>412,192</u>	<u>1,332,903</u>
Fund Balance, end of year	<u>\$ 849,300</u>	<u>\$ 186,028</u>	<u>\$ 448,787</u>	<u>\$ 1,484,115</u>

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Non-Major Special Revenue Funds and Capital Project Fund

CITY OF BOONVILLE, MISSOURI
 CAPITAL IMPROVEMENT SALES TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED MARCH 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Sales/Use	\$ 702,000	\$ 702,000	\$ 704,419	\$ 2,419
Total Taxes	<u>702,000</u>	<u>702,000</u>	<u>704,419</u>	<u>2,419</u>
Intergovernmental				
Federal and state grants	-	-	-	-
Total Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Miscellaneous				
Interest	3,500	3,500	11,232	7,732
Miscellaneous	1,000	1,000	20,900	19,900
Total Miscellaneous	<u>4,500</u>	<u>4,500</u>	<u>32,132</u>	<u>27,632</u>
TOTAL REVENUES	<u>706,500</u>	<u>706,500</u>	<u>736,551</u>	<u>30,051</u>
EXPENDITURES				
General government				
Personnel services	168,400	168,400	167,311	1,089
Commodities	7,100	7,100	3,798	3,302
Contractual services	88,700	88,700	68,081	20,619
Capital outlay	<u>415,300</u>	<u>648,300</u>	<u>347,341</u>	<u>300,959</u>
TOTAL EXPENDITURES	<u>679,500</u>	<u>912,500</u>	<u>586,531</u>	<u>325,969</u>
Excess (Deficit) of Revenues over Expenditures	<u>27,000</u>	<u>(206,000)</u>	<u>150,020</u>	<u>356,020</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	<u>(27,000)</u>	<u>(27,000)</u>	<u>(87,000)</u>	<u>(60,000)</u>
Total Other Financing Sources (Uses)	<u>(27,000)</u>	<u>(27,000)</u>	<u>(87,000)</u>	<u>(60,000)</u>
Excess (Deficit) of Revenue Over (Under) Expenditures and Other Sources (Uses)	-	(233,000)	63,020	<u>\$ 296,020</u>
Fund Balance, beginning of year	<u>786,280</u>	<u>786,280</u>	<u>786,280</u>	
Fund Balance, end of year	<u>\$ 786,280</u>	<u>\$ 553,280</u>	<u>\$ 849,300</u>	

CITY OF BOONVILLE, MISSOURI
 TOURISM TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED MARCH 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Tourism	\$ 225,000	\$ 225,000	\$ 227,880	\$ 2,880
Total Taxes	<u>225,000</u>	<u>225,000</u>	<u>227,880</u>	<u>2,880</u>
Miscellaneous				
Interest	-	-	1,659	1,659
Miscellaneous	20,500	20,500	24,313	3,813
Total Miscellaneous	<u>20,500</u>	<u>20,500</u>	<u>25,972</u>	<u>5,472</u>
TOTAL REVENUES	<u>245,500</u>	<u>245,500</u>	<u>253,852</u>	<u>8,352</u>
EXPENDITURES				
Tourism				
Personnel services	89,300	89,300	78,249	11,051
Commodities	9,300	9,300	4,214	5,086
Contractual services	<u>146,900</u>	<u>176,900</u>	<u>119,792</u>	<u>57,108</u>
TOTAL EXPENDITURES	<u>245,500</u>	<u>275,500</u>	<u>202,255</u>	<u>73,245</u>
Excess (Deficit) of Revenues over Expenditures	<u>-</u>	<u>(30,000)</u>	<u>51,597</u>	<u>81,597</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues Over (Under) Expenditures and Other Sources (Uses)	<u>-</u>	<u>(30,000)</u>	<u>51,597</u>	<u>\$ 81,597</u>
Fund Balance, beginning of year	<u>134,431</u>	<u>134,431</u>	<u>134,431</u>	
Fund Balance, end of year	<u>\$ 134,431</u>	<u>\$ 104,431</u>	<u>\$ 186,028</u>	

CITY OF BOONVILLE, MISSOURI
 CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED MARCH 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental				
Federal and state grants	\$ 3,250,000	\$ 3,250,000	\$ 137,034	\$ (3,112,966)
Total Intergovernmental	<u>3,250,000</u>	<u>3,250,000</u>	<u>137,034</u>	<u>(3,112,966)</u>
Miscellaneous				
Interest	-	-	885	885
Total Miscellaneous	<u>-</u>	<u>-</u>	<u>885</u>	<u>885</u>
TOTAL REVENUES	<u>3,250,000</u>	<u>3,250,000</u>	<u>137,919</u>	<u>(3,112,081)</u>
EXPENDITURES				
General government				
Contractual services	1,500	1,500	324	1,176
Capital outlay	<u>3,660,000</u>	<u>3,660,000</u>	<u>161,000</u>	<u>3,499,000</u>
TOTAL EXPENDITURES	<u>3,661,500</u>	<u>3,661,500</u>	<u>161,324</u>	<u>3,500,176</u>
Excess (Deficit) of Revenues over Expenditures	<u>(411,500)</u>	<u>(411,500)</u>	<u>(23,405)</u>	<u>388,095</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	-	-	60,000	60,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>60,000</u>
Excess (Deficit) of Revenues Over (Under) Expenditures and Other Sources (Uses)	<u>(411,500)</u>	<u>(411,500)</u>	<u>36,595</u>	<u>\$ 448,095</u>
Fund Balance, beginning of year	<u>412,192</u>	<u>412,192</u>	<u>412,192</u>	
Fund Balance, end of year	<u>\$ 692</u>	<u>\$ 692</u>	<u>\$ 448,787</u>	

**SUPPLEMENTARY INDIVIDUAL FUND
FINANCIAL SCHEDULES**

**General Fund
Gaming Tax Fund
Park/Storm Water Sales Tax Fund**

These supplementary schedules are included to provide management additional information for financial analysis.

CITY OF BOONVILLE, MISSOURI
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Property	\$ 709,500	\$ 709,500	\$ 747,090	\$ 37,590
Interest and penalties	8,000	8,000	8,451	451
Water meter tax	11,000	11,000	11,331	331
Railroad and utilities	55,000	55,000	25,217	(29,783)
Financial institution	2,750	2,750	1,886	(864)
General sales and use	1,496,000	1,496,000	1,445,792	(50,208)
Franchise	744,500	744,500	780,376	35,876
Vehicle sales tax and licenses	110,000	110,000	110,107	107
Gas tax	224,000	224,000	223,281	(719)
Special road tax	78,000	78,000	78,919	919
Total Taxes	<u>3,438,750</u>	<u>3,438,750</u>	<u>3,432,450</u>	<u>(6,300)</u>
Licenses and Permits				
Merchant licenses	47,000	47,000	45,864	(1,136)
Building permits	18,000	18,000	21,524	3,524
Cigarette stamps	41,500	41,500	43,085	1,585
Total Licenses and Permits	<u>106,500</u>	<u>106,500</u>	<u>110,473</u>	<u>3,973</u>
Intergovernmental				
Federal and state grants	-	-	6,141	6,141
Total Intergovernmental	<u>-</u>	<u>-</u>	<u>6,141</u>	<u>6,141</u>
Charges for Services				
Administration fees	90,000	90,000	101,331	11,331
Pool admittance/concession	102,000	102,000	102,196	196
Hangar/tiedown fees	98,900	98,900	96,430	(2,470)
Airport gas and oil sales	96,400	96,400	146,808	50,408
Total Charges for Services	<u>387,300</u>	<u>387,300</u>	<u>446,765</u>	<u>59,465</u>

CITY OF BOONVILLE, MISSOURI
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONT'D)
YEAR ENDED MARCH 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES (cont'd)				
Fines and Forfeitures				
Court fines	58,000	58,000	146,691	88,691
Training fees	1,500	1,500	3,522	2,022
Total Fines and Forfeitures	<u>59,500</u>	<u>59,500</u>	<u>150,213</u>	<u>90,713</u>
Miscellaneous				
Interest income	34,000	34,000	220,014	186,014
Miscellaneous	43,875	43,875	181,988	138,113
Total Miscellaneous	<u>77,875</u>	<u>77,875</u>	<u>402,002</u>	<u>324,127</u>
TOTAL REVENUES	<u>4,069,925</u>	<u>4,069,925</u>	<u>4,548,044</u>	<u>478,119</u>
EXPENDITURES				
General Government				
Administration				
Personnel services	493,800	493,800	365,862	127,938
Commodities	98,400	98,400	88,794	9,606
Contractual services	155,200	155,200	134,248	20,952
Total Administration	<u>747,400</u>	<u>747,400</u>	<u>588,904</u>	<u>158,496</u>
Non Operating				
Contractual services	56,400	56,400	10,000	46,400
Total Non Operating	<u>56,400</u>	<u>56,400</u>	<u>10,000</u>	<u>46,400</u>
Projects				
Personnel services	-	80,300	58,904	21,396
Commodities	-	-	-	-
Contractual services	-	51,400	46,821	4,579
Total Projects	<u>-</u>	<u>131,700</u>	<u>105,725</u>	<u>25,975</u>
Total General Government	<u>803,800</u>	<u>935,500</u>	<u>704,629</u>	<u>230,871</u>

CITY OF BOONVILLE, MISSOURI
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONT'D)
YEAR ENDED MARCH 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (cont'd)				
Public Safety				
Police				
Personnel services	1,567,000	1,567,000	1,501,108	65,892
Commodities	134,150	134,150	120,337	13,813
Contractual services	80,400	80,400	84,261	(3,861)
Total Police	<u>1,781,550</u>	<u>1,781,550</u>	<u>1,705,706</u>	<u>75,844</u>
Fire				
Personnel services	473,150	473,150	447,114	26,036
Commodities	45,500	45,500	39,892	5,608
Contractual services	18,725	18,725	15,815	2,910
Total Fire	<u>537,375</u>	<u>537,375</u>	<u>502,821</u>	<u>34,554</u>
Animal Control				
Personnel services	76,350	76,350	71,130	5,220
Commodities	22,750	22,750	14,633	8,117
Contractual services	4,600	4,600	2,884	1,716
Total Animal Control	<u>103,700</u>	<u>103,700</u>	<u>88,647</u>	<u>15,053</u>
Cemetery				
Commodities	1,100	1,100	33	1,067
Contractual services	14,100	14,100	13,600	500
Total Cemetery	<u>15,200</u>	<u>15,200</u>	<u>13,633</u>	<u>1,567</u>
Municipal Court				
Personnel services	23,950	23,950	45,636	(21,686)
Commodities	1,200	1,200	-	1,200
Total Municipal Court	<u>25,150</u>	<u>25,150</u>	<u>45,636</u>	<u>(20,486)</u>
Total Public Safety	<u>2,462,975</u>	<u>2,462,975</u>	<u>2,356,443</u>	<u>106,532</u>

CITY OF BOONVILLE, MISSOURI
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONT'D)
YEAR ENDED MARCH 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES (cont'd)				
Transportation				
Street				
Personnel services	410,550	410,550	270,152	140,398
Commodities	381,900	381,900	313,353	68,547
Contractual services	29,700	29,700	33,795	(4,095)
Total Street	<u>822,150</u>	<u>822,150</u>	<u>617,300</u>	<u>204,850</u>
Airport				
Personnel services	38,600	38,600	35,683	2,917
Commodities	109,900	109,900	146,415	(36,515)
Contractual services	18,400	18,400	12,482	5,918
Total Airport	<u>166,900</u>	<u>166,900</u>	<u>194,580</u>	<u>(27,680)</u>
Total Transportation	<u>989,050</u>	<u>989,050</u>	<u>811,880</u>	<u>177,170</u>
Parks and Recreation				
Parks				
Personnel services	351,800	351,800	271,547	80,253
Commodities	98,850	98,850	88,331	10,519
Contractual services	42,100	42,100	42,776	(676)
Total Parks	<u>492,750</u>	<u>492,750</u>	<u>402,654</u>	<u>90,096</u>
Swimming Pool				
Personnel services	127,500	127,500	131,270	(3,770)
Commodities	63,200	63,200	57,459	5,741
Contractual services	4,650	4,650	5,649	(999)
Total Swimming Pool	<u>195,350</u>	<u>195,350</u>	<u>194,378</u>	<u>972</u>
Total Parks and Recreation	<u>688,100</u>	<u>688,100</u>	<u>597,032</u>	<u>91,068</u>
Capital Outlay				
Capital outlay	80,000	395,500	1,069,613	(674,113)
Total Capital Outlay	<u>80,000</u>	<u>395,500</u>	<u>1,069,613</u>	<u>(674,113)</u>

CITY OF BOONVILLE, MISSOURI
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONT'D)
YEAR ENDED MARCH 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Debt Service				
Principal, interest and fees	782,200	782,200	958,732	(176,532)
Total Debt Service	782,200	782,200	958,732	(176,532)
TOTAL EXPENDITURES	5,806,125	6,253,325	6,498,329	(245,004)
Excess (Deficit) of Revenues over Expenditures	(1,736,200)	(2,183,400)	(1,950,285)	233,115
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds				-
Operating transfers in (out)	1,736,200	1,736,200	2,108,428	372,228
Total Other Financing Sources (Uses)	1,736,200	1,736,200	2,108,428	372,228
Excess (Deficit) of Revenues Over (Under) Expenditures and Other Sources (Uses)	-	(447,200)	158,143	<u>\$ 605,343</u>
Fund Balance, beginning of year	6,987,984	6,987,984	6,987,984	
Fund Balance, end of year	<u>\$ 6,987,984</u>	<u>\$ 6,540,784</u>	<u>\$ 7,146,127</u>	

CITY OF BOONVILLE, MISSOURI
GAMING TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				
Gaming and admissions	\$ 3,415,000	\$ 3,415,000	\$ 3,191,490	\$ (223,510)
Total Taxes	<u>3,415,000</u>	<u>3,415,000</u>	<u>3,191,490</u>	<u>(223,510)</u>
Miscellaneous				
Interest	5,000	5,000	15,573	10,573
Miscellaneous	-	50,000	-	(50,000)
Total Miscellaneous	<u>5,000</u>	<u>55,000</u>	<u>15,573</u>	<u>(39,427)</u>
TOTAL REVENUES	<u>3,420,000</u>	<u>3,470,000</u>	<u>3,207,063</u>	<u>(262,937)</u>
EXPENDITURES				
General government				
Personnel services	142,000	142,000	137,618	4,382
Contractual services	1,000	1,000	1,975	(975)
Capital outlay	<u>1,751,700</u>	<u>2,451,700</u>	<u>859,684</u>	<u>1,592,016</u>
TOTAL EXPENDITURES	<u>1,894,700</u>	<u>2,594,700</u>	<u>999,277</u>	<u>1,595,423</u>
Excess (Deficit) of Revenues over Expenditures	<u>1,525,300</u>	<u>875,300</u>	<u>2,207,786</u>	<u>1,332,486</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	<u>(1,596,300)</u>	<u>(1,596,300)</u>	<u>(2,301,930)</u>	<u>(705,630)</u>
Total Other Financing Sources (Uses)	<u>(1,596,300)</u>	<u>(1,596,300)</u>	<u>(2,301,930)</u>	<u>(705,630)</u>
Excess (Deficit) of Revenues Over (Under) Expenditures and Other Sources (Uses)	(71,000)	(721,000)	(94,144)	<u>\$ 626,856</u>
Fund Balance, beginning of year	<u>1,240,297</u>	<u>1,240,297</u>	<u>1,240,297</u>	
Fund Balance, end of year	<u>\$ 1,169,297</u>	<u>\$ 519,297</u>	<u>\$ 1,146,153</u>	

CITY OF BOONVILLE, MISSOURI
PARKS/STORM WATER SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Sales/Use	\$ 808,000	\$ 808,000	\$ 988,637	\$ 180,637
Total Taxes	<u>808,000</u>	<u>808,000</u>	<u>988,637</u>	<u>180,637</u>
Miscellaneous				
Interest	1,000	1,000	21,417	20,417
Miscellaneous	-	1,000	14,730	13,730
Total Miscellaneous	<u>1,000</u>	<u>2,000</u>	<u>36,147</u>	<u>34,147</u>
TOTAL REVENUES	<u>809,000</u>	<u>810,000</u>	<u>1,024,784</u>	<u>214,784</u>
EXPENDITURES				
General government				
Personnel services	-	-	-	-
Commodities	-	-	147	(147)
Contractual services	13,000	13,000	10,838	2,162
Capital outlay	1,952,300	4,881,300	3,287,190	1,594,110
Debt service	-	-	-	-
Principal, interest and fees	343,700	313,700	307,165	6,535
TOTAL EXPENDITURES	<u>2,309,000</u>	<u>5,208,000</u>	<u>3,605,340</u>	<u>1,602,660</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(1,500,000)</u>	<u>(4,398,000)</u>	<u>(2,580,556)</u>	<u>1,817,444</u>
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	-	-	2,318,199	2,318,199
Operating transfers in (out)	-	208,000	(1,118,897)	(1,326,897)
Total Other Financing Sources (Uses)	<u>-</u>	<u>208,000</u>	<u>1,199,302</u>	<u>991,302</u>
Excess (Deficit) of Revenues Over (Under) Expenditures and Other Sources (Uses)	<u>(1,500,000)</u>	<u>(4,190,000)</u>	<u>(1,381,254)</u>	<u>\$ 2,808,746</u>
Fund Balance, beginning of year	<u>2,039,641</u>	<u>2,039,641</u>	<u>2,039,641</u>	
Fund Balance, end of year	<u>\$ 539,641</u>	<u>\$ (2,150,359)</u>	<u>\$ 658,387</u>	

STATISTICAL DATA

(UNAUDITED)

CITY OF BOONVILLE, MISSOURI
 STATISTICAL DATA (UNAUDITED)
 MARCH 31, 2019

Water Fund

Number of customers at:

March 31, 2019	3,302
March 31, 2018	3,290

Insurance and Surety Bond Coverage

	<u>Per Occurrence</u>	<u>Aggregate</u>
Vehicles		
Bodily injury	\$ 2,000,000	\$ 5,000,000
Uninsured motorist	50,000	50,000
Underinsured motorist	50,000	50,000
Buildings and contents - \$25,000 deductible - 80% co-insurance		
Fire extended coverage, vandalism and malicious mischief & earthquake contents	Various	53,216,065
Comprehensive General Liability and Product Liability		
Property damage	2,000,000	5,000,000
Bodily injury	2,000,000	5,000,000
Inland Marine Floater		
Miscellaneous equipment		85,000
Equipment (Contractor's and Other Equipment) \$1,000 deductible - 80% co-insurance		1,318,325
Public Officials Liability \$10,000 deductible	2,000,000	4,000,000
Law Enforcement Liability \$25,000 deductible	2,000,000	5,000,000
Workmens Compensation		Statutory Requirements
Airport Liability		
Airport Liability	1,000,000	1,000,000
Hangarkeepers liability/Aircraft	500,000	2,000,000
General liability	2,000,000	2,000,000
Volunteer Fireman		
Accidental death	50,000	
Medical/dental expense	35,000	
BONDS -		
City Clerk Bond	300,000	
City Administrator Bond	300,000	
Billing Clerk Bonds	45,000	
Administrative Secretary	300,000	
All Other City Employees	5,000	
Animal Mortality Coverage for Police Dog	10,000	
Cyber Liability	100,000	100,000

COMPLIANCE AND INTERNAL CONTROL



GERDING, KORTE & CHITWOOD CPAS

Professional Corporation

Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

723 Main St.
Boonville, MO 65233

(660) 882-7000

Fax: (660) 882-7765

www.gkccpas.com

Honorable Mayor, Members of the
City Council and City Administrator
City of Boonville, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boonville, Missouri (the "City"), as of and for the year ended March 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 31, 2019.

PARTNERS

Fred W. Korte, Jr.

Joseph E. Chitwood

Travis W. Hundley

Jeffrey A. Chitwood

Amy L. Watson

Heidi N. Ross

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free 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 two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2019-001 and 2019-002.

City of Boonville's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



July 31, 2019

Gerding, Korte & Chitwood, P.C.
Certified Public Accountants
Boonville, Missouri

CITY OF BOONVILLE, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
MARCH 31, 2019

2019-001 Budgeting

Criteria: Section 67.010 of the Missouri Revised Statutes states that in no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus beginning balances.

Condition: Budgeted expenditures in the parks and storm water tax fund exceeded budgeted revenues and the estimated cash balance at the beginning of the fiscal year.

Context: During our audit, we reviewed the parks and storm water tax fund budget and noted a deficit fund balance was budgeted.

Effect: The fund’s final budget showed an ending deficit fund balance.

Cause: Budgeted expenditures for the fiscal year exceeded budgeted revenues plus beginning cash balances.

Recommendation: We recommend the City prepare their annual budgets for each fund taking into consideration the beginning of the year bank balances. If lease proceeds are anticipated, they should be budgeted.

View of
Responsible
Officials & Planned
Corrective Action: There were City Council approved lease proceeds received that remedied the deficit. These proceeds were considered as liability (payable) in the City’s initial accounting.

CITY OF BOONVILLE, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
MARCH 31, 2019

2019-002	Budgeting
Criteria:	State statute, Chapter 67, requires that each political subdivision is prohibited from expending public monies unless those expenditures have been authorized as provided in Chapter 67.
Condition:	The City's actual expenditures in the General Fund exceeded final budgeted expenditures by \$245,004.
Context:	The final budgeted expenditures were compared to actual expenditures. Actual expenditures exceeded budgeted expenditures in the General Fund by \$245,004.
Effect:	The City violated state statute RSMo 67.
Cause:	The City budgeted too few expenditures in the General Fund.
Recommendation:	The City should ensure actual expenditures do not exceed budgeted expenditures in any funds.
View of Responsible Officials & Planned Corrective Action:	The overage is the result of a City Council approved fire truck purchase which had been planned for the very end of the prior fiscal year. When delivery was delayed into the new fiscal year the corresponding budget was not transferred into the next year.