

CITY OF WEST PLAINS, MISSOURI

BASIC FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018

KPM
CPAS & ADVISORS

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the City of West Plains, Missouri, as of and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the City of West Plains, Missouri, as of March 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior-Year Comparative Information

We have previously audited the City's 2017 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund information in our report dated August 18, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

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

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West Plains, Missouri's basic financial statements. The Other Financial Information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits*, and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2018, on our consideration of the City of West Plains, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of West Plains, Missouri's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
August 18, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF WEST PLAINS, MISSOURI
March 31, 2018

The management's discussion and analysis of the City of West Plains' financial performance provides an overview of the City's financial activities for the fiscal year ended March 31, 2018. Please read it in conjunction with the City's financial statements, which begin on page 16.

Financial Highlights

- The net position of the City's governmental activities decreased by \$575,790 as a result of current year activities. The net position of the City's business activities increased by \$1,891,982 for the year.
- The assets of the City exceeded its liabilities as of March 31, 2018, by \$102.1 million (net position). Of this amount \$24.1 million was unrestricted and may be used to meet future obligations of the City.
- Total long-term liabilities of the City decreased by \$2.5 million.
- Grant activity was minimal in FY2018. The City worked closely with FEMA and SEMA regarding reimbursement related to the Federal Disaster declared in Howell County.
- Much of the city's time and resources in this fiscal year were devoted to repairing damage from the flood that took place on April 29, 2017. Approximately \$2,000,000 was damaged from the severe flooding. City crews and volunteers worked diligently to clean up and restore the affected areas to their pre-flood condition.

Using This Annual Report

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

MANAGEMENT’S DISCUSSION AND ANALYSIS
CITY OF WEST PLAINS, MISSOURI
March 31, 2018

Government-Wide Financial Statements

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

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

- **Governmental Activities** – Most of the City’s basic services are reported here. Taxes are the primary source of financing for these activities.
- **Business-Type Activities** – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City’s utility services are provided here.

Fund Financial Statements

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF WEST PLAINS, MISSOURI
March 31, 2018

Notes to the Basic Financial Statements

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

Government-Wide Financial Analysis

NET POSITION

The following table presents the condensed Statement of Net Position for the City as of March 31, 2018 and 2017:

	Governmental Activities	Business-Type Activities	Total March 31, 2018	Total March 31, 2017
Current and other assets	\$ 12,210,314	\$ 22,497,492	\$ 34,707,806	\$ 32,525,655
Capital assets	<u>37,689,697</u>	<u>44,286,772</u>	<u>81,976,469</u>	<u>83,308,046</u>
TOTAL ASSETS	49,900,011	66,784,264	116,684,275	115,833,701
Deferred pension outflows	1,175,142	855,767	2,030,909	4,133,683
Deferred charge on debt refunding	<u>-</u>	<u>203,402</u>	<u>203,402</u>	<u>244,014</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,175,142	1,059,169	2,234,311	4,377,697
Other liabilities	1,609,288	2,928,527	4,537,815	4,607,672
Long-term liabilities	<u>5,326,555</u>	<u>6,629,730</u>	<u>11,956,285</u>	<u>14,451,417</u>
TOTAL LIABILITIES	6,935,843	9,558,257	16,494,100	19,059,089
Deferred pension inflows	<u>166,735</u>	<u>172,073</u>	<u>338,808</u>	<u>382,823</u>
Net position				
Net investment in capital assets	31,779,124	37,407,998	69,187,122	68,670,901
Restricted	7,281,973	1,539,360	8,821,333	8,558,792
Unrestricted	<u>4,911,478</u>	<u>19,165,745</u>	<u>24,077,223</u>	<u>23,539,793</u>
TOTAL NET POSITION	<u>\$ 43,972,575</u>	<u>\$ 58,113,103</u>	<u>\$ 102,085,678</u>	<u>\$ 100,769,486</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF WEST PLAINS, MISSOURI
March 31, 2018

Total net position of the City increased by \$1,316,192 for the year due to current year activity. Total liabilities for the City decreased by \$2,564,989. Restricted net position of the City totaled \$8.8 million as of March 31, 2018. This amount represents monies that are restricted for debt service as well as for various projects within the City.

CHANGES IN NET POSITION

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total March 31, 2018</u>	<u>Total March 31, 2017</u>
REVENUES				
Program Revenues				
Charges for services	\$ 1,494,348	\$ 22,140,806	\$ 23,635,154	\$ 23,315,092
Operating grants and contributions	1,103,673	274,644	1,378,317	436,312
Capital grants and contributions	133,844	-	133,844	1,180,414
General Revenues				
Sales taxes	6,613,487	-	6,613,487	6,464,195
Ad valorem taxes	832,988	-	832,988	793,924
Motor vehicle and gas taxes	484,278	-	484,278	478,209
Other taxes	209,479	-	209,479	174,303
Franchise taxes	2,001,611	-	2,001,611	2,049,583
Interest	94,370	262,678	357,048	181,953
Other revenue	<u>32,807</u>	<u>23,730</u>	<u>56,537</u>	<u>87,507</u>
TOTAL REVENUES	13,000,885	22,701,858	35,702,743	35,161,492

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF WEST PLAINS, MISSOURI
March 31, 2018

	Governmental Activities	Business-Type Activities	Total March 31, 2018	Total March 31, 2017
EXPENSES				
Administrative	1,060,728	-	1,060,728	846,188
Safety	1,082	-	1,082	18,224
Information technology	119,640	-	119,640	85,936
Engineering	390,364	-	390,364	352,528
Building official	117,897	-	117,897	114,939
City attorney	100,138	-	100,138	99,724
Court	117,894	-	117,894	128,525
Police	2,103,852	-	2,103,852	2,095,904
Animal control	69,805	-	69,805	71,049
Emergency management	90,665	-	90,665	90,910
Fire	1,123,952	-	1,123,952	1,108,058
Airport	442,548	-	442,548	410,033
Street	2,812,356	-	2,812,356	3,259,596
Cemetery	109,288	-	109,288	109,962
Construction	165,023	-	165,023	159,293
Shop	106,303	-	106,303	108,782
Health	25,064	-	25,064	25,074
City hall complex	241,399	-	241,399	273,519
City beautification	8,286	-	8,286	6,304
Economic development	143,173	-	143,173	196,096
Tourist development	194,833	-	194,833	150,289
Parks and recreation	1,337,953	-	1,337,953	886,215
Golf	409,257	-	409,257	382,403
Transit	206,574	-	206,574	209,691
Library	656,087	-	656,087	676,485
Civic center	991,071	-	991,071	1,036,897
Galloway park department	17,892	-	17,892	19,073
Senior citizens	27,126	-	27,126	20,182
GOCAT project	-	-	-	940
Other	325,266	-	325,266	337,260
Debt service	20,171	-	20,171	68,907
Water	-	1,834,180	1,834,180	1,768,033
Sewer	-	1,547,264	1,547,264	1,458,004
Electric	-	14,451,427	14,451,427	14,572,591
Refuse	-	2,807,987	2,807,987	2,262,069
Storm water engineering	-	56,631	56,631	56,999
Fiber	-	112,387	112,387	7,916
TOTAL EXPENSES	13,535,687	20,809,876	34,345,563	33,474,598
(Loss) on disposals	(40,988)	-	(40,988)	-
INCREASE (DECREASE) IN NET POSITION	\$ (575,790)	\$ 1,891,982	\$ 1,316,192	\$ 1,686,894

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF WEST PLAINS, MISSOURI
March 31, 2018**

Governmental Activities

Governmental activities decreased the net position of the City by \$575,790. Tax revenues for the City were \$10,141,843, which represents 78% of the funding of these activities. Program revenues for the functions totaled \$2,731,865 or 21% of the funding. The following table shows the cost of the City's nine largest programs as well as each programs' net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the taxpayers by each of these functions.

**NET COST OF THE CITY OF WEST PLAINS' TEN LARGEST
GOVERNMENTAL ACTIVITIES**

	Total Cost of Services	Net Cost of Services
Administration	\$ 1,060,728	\$ 957,113
Police	2,103,852	1,380,473
Fire	1,123,952	1,113,612
Airport	442,548	231,723
Street	2,812,356	2,579,744
Golf	409,257	157,204
Parks and recreation	1,337,953	843,437
Library	656,087	594,858
Civic center	991,071	664,855
Other governmental activities	2,597,883	2,280,803
	<u>\$ 13,535,687</u>	<u>\$ 10,803,822</u>

Business-Type Activities

Business-type activities increased the City's net position by \$1,891,982. This is up from the increase received in the prior year from the City's business-type activities. The increase in the prior year was \$1,816,971.

Financial Analysis of the City's Funds

The combined fund balances of the City's governmental funds as of March 31, 2018, were \$10,644,657. The General Fund increased by \$84,129. The Tax Increment Financing #1 Fund increased \$124, Tax Increment Financing #2 Fund did not change, and Tax Increment Financing #3 Fund increased by \$117,448.

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF WEST PLAINS, MISSOURI
March 31, 2018

General Fund Budgetary Highlights

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

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

The original General Fund revenue budget of \$12,079,755 was increased by \$549,427 for a total budget of \$12,629,182.

General Fund expenses were amended by \$828,006, from \$13,274,558 to \$14,102,564. The administrative department budget was increased by \$45,520. The budgeted expenses also increased by the following: \$427,768 for parks and recreation, and \$416,747 for the fire department.

Capital Asset and Debt Administration

Capital Assets

Capital assets of the governmental activities were \$37.7 million (net of accumulated depreciation) as of March 31, 2018. This represents a \$1,254,462 net decrease from the prior year due primarily to current year additions being less than current year depreciation. Capital assets for business-type activities were \$44.3 million as of March 31, 2018. This represents a \$77,115 decrease from the prior year due primarily to current year depreciation being greater than current year additions.

Debt Administration

Total debt of the governmental activities as of March 31, 2018, was \$6.2 million, which is down \$892,098 from the prior year. The net decrease is due to the annual debt service payments.

Total debt of the business-type activities as of March 31, 2018, was \$7.3 million, a decrease of \$1,075,970 from the prior year. This is primarily due to principal payments on the City's revenue bonds and certificates of participation.

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF WEST PLAINS, MISSOURI
March 31, 2018

Economic Factors and Next Year's Budget

The largest consideration for the governmental-type activities budget is given to anticipated sales tax revenue. FY2018 sales tax revenue was originally budgeted to flat with the prior year actual results, and was left the same at amendment. Most of the City and Utility time and funds were devoted to repairing and replacing damaged property throughout the City. As with every fiscal year, FY2019 will require close monitoring to ensure funds are spread efficiently and equitably to the City departments. Voters passed the Local Use tax related to internet sales in April 2018 that started collection in July 2018. A minimal impact is reflected in the current budget to allow time to monitor actual collection amounts. Adjustments for that will be made in the October amendment.

For business-type activities, the City Utilities is planning to upgrade our metering system in order to create efficiencies in our Utility administration. Expansions to our electrical network are also in the initial planning phases. The Fiber Pilot Project is in place and we are monitoring the feedback from the participants. Currently, we do not plan a full scale fiber deployment due to the lack of financial return from our projection models. City Utilities will continue to run fiber optic cable to all city facilities. Clean up from the prior year flood increased activity in our sanitation departments and capital purchases are planned in order to replace some overworked vehicles and equipment. The city will continue to review the service capacities of all our facilities to in order to meet growing demand.

Contacting the City's Financial Management

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

City of West Plains
1910 Holiday Lane, PO Box 710
West Plains, Missouri 65775
(417) 256-7176
finance@westplains.net

Tom Stehn, City Administrator
Allen Brinkman, Finance Director

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF NET POSITION
March 31, 2018

	Primary Government			Component Units					
	Governmental Activities	Business-Type Activities	Total	West Plains Public Library Foundation	South 160 Community Improvement District	63 ByPass Community Improvement District	Southern Hills Community Improvement District	Ozark Hills Community Improvement District	Ramseur Farm Community Improvement District
ASSETS									
Current									
Cash and cash equivalents - unrestricted	\$ 1,400,496	\$ 16,419,939	\$ 17,820,435	\$ 110,232	\$ 364,242	\$ 127,074	\$ 178,481	\$ 1,289	\$ -
Investments - unrestricted	-	-	-	387,362	-	-	-	-	-
Taxes receivable	1,022,645	-	1,022,645	-	-	-	-	-	-
Utilities receivable, net	-	2,137,988	2,137,988	-	-	-	-	-	-
Other accounts receivable	384,302	188,949	573,251	-	823	-	-	-	-
Court fines receivable, net	84,907	-	84,907	-	-	-	-	-	-
Intergovernmental receivable	653,828	-	653,828	-	-	-	-	-	-
Internal balances	40,239	(40,239)	-	-	-	-	-	-	-
Inventory	84,713	1,605,568	1,690,281	-	-	-	-	-	-
Prepaid expenses	138,539	76,854	215,393	-	-	-	-	-	-
Noncurrent									
Restricted cash and cash equivalents	7,068,511	1,520,017	8,588,528	-	-	-	-	-	-
Restricted investments	495,500	588,416	1,083,916	-	-	-	-	-	-
MODAG receivable	36,787	-	36,787	-	-	-	-	-	-
Net pension asset	799,847	-	799,847	-	-	-	-	-	-
Capital assets:									
Non-depreciable	4,817,165	664,088	5,481,253	-	-	-	-	-	-
Depreciable, net	32,872,532	43,622,684	76,495,216	-	2,814,019	209,090	5,776,956	20,000	-
TOTAL ASSETS	49,900,011	66,784,264	116,684,275	497,594	3,179,084	336,164	5,955,437	21,289	-
DEFERRED OUTFLOWS OF RESOURCES									
Deferred pension outflows	1,175,142	855,767	2,030,909	-	-	-	-	-	-
Deferred charge on debt refunding	-	203,402	203,402	-	-	-	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,175,142	1,059,169	2,234,311	-	-	-	-	-	-

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF NET POSITION (continued)
March 31, 2018

	Primary Government			Component Units					
	Governmental Activities	Business-Type Activities	Total	West Plains Public Library Foundation	South 160 Community Improvement District	63 ByPass Community Improvement District	Southern Hills Community Improvement District	Ozark Hills Community Improvement District	Ramseur Farm Community Improvement District
LIABILITIES									
Current									
Accounts payable	524,021	1,335,606	1,859,627	-	3,900	6,536	37,837	8,969	29,536
Accrued expenses	75,627	74,882	150,509	-	-	-	-	-	-
Accrued interest payable	16,081	38,966	55,047	-	-	-	-	-	-
Court bonds payable	10,549	-	10,549	-	-	-	-	-	-
Deposits payable	18,050	569,073	587,123	-	-	-	-	-	-
Other payables	42,301	-	42,301	-	-	-	-	-	-
Current maturities of long-term debt	922,659	910,000	1,832,659	-	2,006,084	-	2,496,288	-	-
	1,609,288	2,928,527	4,537,815	-	2,009,984	6,536	2,534,125	8,969	29,536
Noncurrent									
Compensated absences payable	270,308	201,837	472,145	-	-	-	-	-	-
Net pension liability	-	255,717	255,717	-	-	-	-	-	-
Certificates of participation payable	4,987,914	2,242,741	7,230,655	-	-	-	-	-	-
Lease purchases payable	68,333	-	68,333	-	-	-	-	-	-
Revenue bonds payable	-	3,929,435	3,929,435	-	-	-	-	-	-
	5,326,555	6,629,730	11,956,285	-	-	-	-	-	-
TOTAL LIABILITIES	6,935,843	9,558,257	16,494,100	-	2,009,984	6,536	2,534,125	8,969	29,536
DEFERRED INFLOW OF RESOURCES									
Deferred pension inflows	166,735	172,073	338,808	-	-	-	-	-	-
NET POSITION									
Net investment in capital assets	31,779,124	37,407,998	69,187,122	-	807,935	209,090	3,280,668	20,000	-
Restricted	7,281,973	1,539,360	8,821,333	-	-	-	-	-	-
Unrestricted	4,911,478	19,165,745	24,077,223	497,594	361,165	120,538	140,644	(7,680)	(29,536)
TOTAL NET POSITION	\$ 43,972,575	\$ 58,113,103	\$ 102,085,678	\$ 497,594	\$ 1,169,100	\$ 329,628	\$ 3,421,312	\$ 12,320	\$ (29,536)

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF ACTIVITIES
Year Ended March 31, 2018

Functions/Programs	Net (Expenses), Revenues and Changes in Net Position												
	Program Revenues			Primary Government			Component Units						
	Expenses	Charges	Operating	Capital	Governmental	Business-Type	Total	West Plains	South 160	63 ByPass	Southern Hills	Ozark Hills	Ramseur Farm
		for	Grants and	Grants and				Public	Community	Community	Community	Community	Community
	Services	Contributions	Contributions	Activities	Activities		Library	Improvement	Improvement	Improvement	Improvement	Improvement	
							Foundation	District	District	District	District	District	
Primary Government													
Governmental activities													
Administrative	\$ (1,060,728)	\$ 99,024	\$ 4,591	\$ -	\$ (957,113)	\$ -	\$ (957,113)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Safety	(1,082)	-	1,344	-	262	-	262	-	-	-	-	-	-
Information technology	(119,640)	-	381	-	(119,259)	-	(119,259)	-	-	-	-	-	-
Engineering	(390,364)	-	57,062	-	(333,302)	-	(333,302)	-	-	-	-	-	-
Building official	(117,897)	19,607	-	-	(98,290)	-	(98,290)	-	-	-	-	-	-
City attorney	(100,138)	-	-	-	(100,138)	-	(100,138)	-	-	-	-	-	-
Court	(117,894)	-	-	-	(117,894)	-	(117,894)	-	-	-	-	-	-
Police	(2,103,852)	334,432	388,947	-	(1,380,473)	-	(1,380,473)	-	-	-	-	-	-
Animal control	(69,805)	1,090	627	-	(68,088)	-	(68,088)	-	-	-	-	-	-
Emergency management	(90,665)	-	14,228	-	(76,437)	-	(76,437)	-	-	-	-	-	-
Fire	(1,123,952)	513	9,827	-	(1,113,612)	-	(1,113,612)	-	-	-	-	-	-
Airport	(442,548)	191,621	20	19,184	(231,723)	-	(231,723)	-	-	-	-	-	-
Street	(2,812,356)	5,783	226,829	-	(2,579,744)	-	(2,579,744)	-	-	-	-	-	-
Cemetery	(109,288)	14,125	227	-	(94,936)	-	(94,936)	-	-	-	-	-	-
Construction	(165,023)	-	52,624	-	(112,399)	-	(112,399)	-	-	-	-	-	-
Shop	(106,303)	-	55	-	(106,248)	-	(106,248)	-	-	-	-	-	-
Health	(25,064)	159	-	-	(24,905)	-	(24,905)	-	-	-	-	-	-
City hall complex	(241,399)	-	-	-	(241,399)	-	(241,399)	-	-	-	-	-	-
City beautification	(8,286)	-	-	-	(8,286)	-	(8,286)	-	-	-	-	-	-
Economic development	(143,173)	-	-	23,000	(120,173)	-	(120,173)	-	-	-	-	-	-
Tourist development	(194,833)	4,521	6,719	-	(183,593)	-	(183,593)	-	-	-	-	-	-
Parks and recreation	(1,337,953)	180,776	313,740	-	(843,437)	-	(843,437)	-	-	-	-	-	-
Golf	(409,257)	245,753	6,300	-	(157,204)	-	(157,204)	-	-	-	-	-	-
Transit	(206,574)	30,877	-	80,820	(94,877)	-	(94,877)	-	-	-	-	-	-
Library	(656,087)	39,863	10,526	10,840	(594,858)	-	(594,858)	-	-	-	-	-	-
Civic center	(991,071)	326,024	192	-	(664,855)	-	(664,855)	-	-	-	-	-	-
Galloway park department	(17,892)	180	9,434	-	(8,278)	-	(8,278)	-	-	-	-	-	-
Senior citizens	(27,126)	-	-	-	(27,126)	-	(27,126)	-	-	-	-	-	-
Other	(325,266)	-	-	-	(325,266)	-	(325,266)	-	-	-	-	-	-
Debt service	(20,171)	-	-	-	(20,171)	-	(20,171)	-	-	-	-	-	-
TOTAL GOVERNMENTAL													
ACTIVITIES	(13,535,687)	1,494,348	1,103,673	133,844	(10,803,822)	-	(10,803,822)	-	-	-	-	-	-

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF ACTIVITIES (continued)
Year Ended March 31, 2018

Functions/Programs	Net (Expenses), Revenues and Changes in Net Position												
	Program Revenues			Primary Government			Component Units						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	West Plains Public Library Foundation	South 160 Community Improvement District	63 ByPass Community Improvement District	Southern Hills Community Improvement District	Ozark Hills Community Improvement District	Ramseur Farm Community Improvement District
Primary Government													
Business-Type Activities													
Water	(1,834,180)	2,127,993	11,765	-	-	305,578	305,578	-	-	-	-	-	-
Sewer	(1,547,264)	1,806,389	63,905	-	-	323,030	323,030	-	-	-	-	-	-
Electric	(14,451,427)	15,375,356	179,675	-	-	1,103,604	1,103,604	-	-	-	-	-	-
Refuse	(2,807,987)	2,822,800	19,299	-	-	34,112	34,112	-	-	-	-	-	-
Storm water engineering	(56,631)	500	-	-	-	(56,131)	(56,131)	-	-	-	-	-	-
Fiber	(112,387)	7,768	-	-	-	(104,619)	(104,619)	-	-	-	-	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	(20,809,876)	22,140,806	274,644	-	-	1,605,574	1,605,574	-	-	-	-	-	-
TOTAL PRIMARY GOVERNMENT	\$ (34,345,563)	\$ 23,635,154	\$ 1,378,317	\$ 133,844	(10,803,822)	1,605,574	(9,198,248)	-	-	-	-	-	-
Component Units													
West Plains Public Library Foundation	\$ (9,618)	\$ -	\$ 109,399	\$ -	-	-	-	99,781	-	-	-	-	-
South 160 Community Improvement District	(168,439)	-	-	-	-	-	-	-	(168,439)	-	-	-	-
63 ByPass Community Improvement District	(6,608)	-	-	-	-	-	-	-	-	(6,608)	-	-	-
Southern Hills Community Improvement District	(244,715)	-	-	-	-	-	-	-	-	-	(244,715)	-	-
Ozark Hills Community Improvement District	(922)	-	-	-	-	-	-	-	-	-	-	(922)	-
Ramseur Farm Community Improvement District	(2,028)	-	-	-	-	-	-	-	-	-	-	-	(2,028)
TOTAL COMPONENT UNITS	\$ (432,330)	\$ -	\$ 109,399	\$ -	-	-	-	99,781	(168,439)	(6,608)	(244,715)	(922)	(2,028)
General Revenues:													
Sales taxes					6,613,487	-	6,613,487	-	358,614	28,190	559,161	21,284	-
Ad valorem taxes					832,988	-	832,988	-	-	-	-	-	-
Motor vehicle and gas taxes					484,278	-	484,278	-	-	-	-	-	-
Other taxes					209,479	-	209,479	-	-	-	-	-	-
Franchise taxes					2,001,611	-	2,001,611	-	-	-	-	-	-
Interest					94,370	262,678	357,048	8,615	39	16	154	4	-
Other revenue					32,807	23,730	56,537	-	-	-	-	-	-
Unrealized gain on investments					-	-	-	17,878	-	-	-	-	-
Total General Revenues					10,269,020	286,408	10,555,428	26,493	358,653	28,206	559,315	21,288	-
(Loss) on disposal of assets					(40,988)	-	(40,988)	-	-	-	-	-	-
Changes in Net Position					(575,790)	1,891,982	1,316,192	126,274	190,214	21,598	314,600	20,366	(2,028)
Net Position, Beginning of year					44,548,365	56,221,121	100,769,486	371,320	978,886	308,030	3,106,712	(8,046)	(27,508)
Net Position, End of year					\$ 43,972,575	\$ 58,113,103	\$ 102,085,678	\$ 497,594	\$ 1,169,100	\$ 329,628	\$ 3,421,312	\$ 12,320	\$ (29,536)

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
BALANCE SHEET – GOVERNMENTAL FUNDS
March 31, 2018

	General Fund	Tax Increment Financing #1 Fund	Tax Increment Financing #2 Fund	Tax Increment Financing #3 Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,400,496	\$ -	\$ -	\$ -	\$ 1,400,496
Taxes receivable	1,022,645	-	-	-	1,022,645
Other accounts receivable	384,302	-	-	-	384,302
Court fines receivable, net	84,907	-	-	-	84,907
Intergovernmental receivable	653,828	-	-	-	653,828
Due from other funds	38,706	1,771	-	-	40,477
Inventory	84,713	-	-	-	84,713
Prepaid expenses	138,539	-	-	-	138,539
MODAG receivable	36,787	-	-	-	36,787
Restricted cash and cash equivalents	6,528,832	1,867	-	537,812	7,068,511
Restricted investments	495,500	-	-	-	495,500
TOTAL ASSETS	\$ 10,869,255	\$ 3,638	\$ -	\$ 537,812	\$ 11,410,705
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 524,021	\$ -	\$ -	\$ -	\$ 524,021
Accrued expenses	75,627	-	-	-	75,627
Court bonds payable	10,549	-	-	-	10,549
Due to other funds	-	-	-	238	238
Deposits payable	18,050	-	-	-	18,050
Other payables	42,301	-	-	-	42,301
TOTAL LIABILITIES	670,548	-	-	238	670,786
Deferred Inflow of Resources					
Deferred revenue	95,262	-	-	-	95,262
Fund Balances					
Nonspendable-not in spendable form:					
Inventory	84,713	-	-	-	84,713
Prepaid Items	138,539	-	-	-	138,539
Restricted for:					
Economic development	116,381	-	-	-	116,381
Parks and recreation	819	-	-	-	819
Fire	1,184	-	-	-	1,184
Streets	2,828,401	-	-	-	2,828,401
Cemetery perpetual care	126,785	-	-	-	126,785
Library	4,541	-	-	-	4,541
Capital improvements	3,164,304	-	-	-	3,164,304
Debt service	498,346	3,638	-	537,574	1,039,558
Assigned for:					
Capital improvements	500,000	-	-	-	500,000
Unassigned	2,639,432	-	-	-	2,639,432
TOTAL FUND BALANCES	10,103,445	3,638	-	537,574	10,644,657
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 10,869,255	\$ 3,638	\$ -	\$ 537,812	\$ 11,410,705

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF
NET POSITION
March 31, 2018

Fund balance - total governmental funds	\$ 10,644,657
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Governmental capital assets	111,336,772
Less accumulated depreciation	<u>(73,647,075)</u>
	37,689,697
The net pension liability and related deferred inflows and outflows are not available to pay for current period expenditures and, therefore, are not reported in the funds:	
Net pension liability	799,847
Deferred outflows due to pensions	1,175,142
Deferred inflows due to pensions	<u>(166,735)</u>
	1,808,254
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(16,081)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(6,249,214)
Adjustment of unavailable revenue	<u>95,262</u>
Net position of governmental activities	<u><u>\$ 43,972,575</u></u>

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL
 FUNDS
 Year Ended March 31, 2018

	General Fund	Tax Increment Financing #1 Fund	Tax Increment Financing #2 Fund	Tax Increment Financing #3 Fund	Total Governmental Funds
REVENUES					
Taxes	\$ 9,699,129	\$ 31,568	\$ 292,987	\$ 118,159	\$ 10,141,843
Licenses and permits	71,687	-	-	-	71,687
Intergovernmental revenues	1,230,086	-	-	-	1,230,086
Charges for services	1,428,888	-	-	-	1,428,888
Miscellaneous	134,484	124	-	-	134,608
TOTAL REVENUES	12,564,274	31,692	292,987	118,159	13,007,112
EXPENDITURES					
Current					
Administrative	1,050,007	-	-	-	1,050,007
Safety	18,182	-	-	-	18,182
Information technology	110,163	-	-	-	110,163
Engineering	365,805	-	-	-	365,805
Building official	111,177	-	-	-	111,177
City attorney	99,774	-	-	-	99,774
Court	114,631	-	-	-	114,631
Police	1,925,125	-	-	-	1,925,125
Animal control	55,848	-	-	-	55,848
Emergency management	39,456	-	-	-	39,456
Fire	1,099,461	-	-	-	1,099,461
Airport	314,129	-	-	-	314,129
Street	2,422,069	-	-	-	2,422,069
Cemetery	97,007	-	-	-	97,007
Construction	156,912	-	-	-	156,912
Shop	85,795	-	-	-	85,795
Health	25,064	-	-	-	25,064
City hall complex	126,461	-	-	-	126,461
City beautification	8,286	-	-	-	8,286
Economic development	143,173	-	-	-	143,173
Tourist development	180,184	-	-	-	180,184
Parks and recreation	1,092,413	-	-	-	1,092,413
Golf	422,395	-	-	-	422,395
Transit	159,700	-	-	-	159,700
Library	586,328	-	-	-	586,328
Civic center	695,169	-	-	-	695,169
Galloway park department	17,892	-	-	-	17,892
Senior citizens	27,126	-	-	-	27,126
Other	-	31,568	292,987	711	325,266
Debt Service					
Principal and interest	930,413	-	-	-	930,413
TOTAL EXPENDITURES	12,480,145	31,568	292,987	711	12,805,411

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL
 FUNDS (continued)
 Year Ended March 31, 2018

	General Fund	Tax Increment Financing #1 Fund	Tax Increment Financing #2 Fund	Tax Increment Financing #3 Fund	Total Governmental Funds
EXCESS OF REVENUES OVER EXPENDITURES	84,129	124	-	117,448	201,701
FUND BALANCE, April 1	<u>10,019,316</u>	<u>3,514</u>	<u>-</u>	<u>420,126</u>	<u>10,442,956</u>
FUND BALANCE, March 31	<u>\$ 10,103,445</u>	<u>\$ 3,638</u>	<u>\$ -</u>	<u>\$ 537,574</u>	<u>\$ 10,644,657</u>

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 Year Ended March 31, 2018

Net change in fund balances - total governmental funds \$ 201,701

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

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

Capital outlay	1,070,245
Depreciation	<u>(2,324,707)</u>
	(1,254,462)

Some revenues reported in the governmental funds represent current financial resources and were recognized in the Statement of Activities when earned. (6,227)

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

Repayment of principal on COPs and leases	906,863
Accrued interest payable	<u>3,379</u>
	910,242

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

Change in compensated absences	(14,765)
Change in pension related costs	<u>(412,279)</u>
	<u>(427,044)</u>
Change in net position of governmental activities	<u><u>\$ (575,790)</u></u>

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF NET POSITION – ENTERPRISE FUND
March 31, 2018

ASSETS	Utility Fund	
	March 31,	
	2018	2017
Current Assets		
Cash and cash equivalents	\$ 16,419,939	\$ 15,622,787
Utilities receivable, net	2,137,988	1,811,605
Other accounts receivable	188,949	260,486
Inventory	1,605,568	1,460,134
Prepaid expenses	76,854	50,778
TOTAL CURRENT ASSETS	20,429,298	19,205,790
Restricted Assets		
Cash and cash equivalents	1,520,017	1,468,743
Investments	588,416	688,038
Property, Plant and Equipment	80,393,248	78,372,861
Less accumulated depreciation	(36,106,476)	(34,008,974)
TOTAL PROPERTY, PLANT AND EQUIPMENT	44,286,772	44,363,887
TOTAL ASSETS	66,824,503	65,726,458
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension outflows	855,767	1,504,087
Deferred charge on debt refunding	203,402	244,014
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,059,169	1,748,101
LIABILITIES		
Current Liabilities		
Accounts payable	1,335,606	1,283,895
Accrued expenses	74,882	59,327
Accrued interest payable	38,966	44,999
Due to other funds	40,239	41,123
Meter deposits payable	569,073	545,210
Current maturities of long-term debt	910,000	1,090,000
TOTAL CURRENT LIABILITIES	2,968,766	3,064,554
Long-Term Liabilities		
Revenue bonds payable	3,929,435	4,845,912
Certificates of participation payable	2,242,741	2,245,469
Net pension liability	255,717	748,806
Compensated absences payable	201,837	178,602
TOTAL LONG-TERM LIABILITIES	6,629,730	8,018,789
TOTAL LIABILITIES	9,598,496	11,083,343
DEFERRED INFLOW OF RESOURCES		
Deferred pension inflows	172,073	170,095
NET POSITION		
Net investment in capital assets	37,407,998	36,426,520
Restricted	1,539,360	1,611,571
Unrestricted	19,165,745	18,183,030
TOTAL NET POSITION	\$ 58,113,103	\$ 56,221,121

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – ENTERPRISE FUND
Year Ended March 31, 2018

	Year Ended March 31,	
	2018	2017
OPERATING REVENUES		
Charges for services		
Electric	\$ 15,375,356	\$ 15,520,599
Water	2,127,993	2,124,776
Sewer	1,806,389	1,795,661
Refuse	2,822,800	2,339,244
Stormwater	500	-
Fiber	7,768	4,000
	<u>22,140,806</u>	<u>21,784,280</u>
OPERATING EXPENSES		
Electric		
Wages and benefits	776,464	765,492
Franchise fees	1,497,627	1,517,622
Engineering	-	4,187
Purchased power	9,421,455	9,725,216
Utilities	10,618	8,592
Other operating expenses	868,397	726,420
Depreciation	948,278	930,967
Water		
Wages and benefits	411,526	405,135
Engineering	71,484	90,161
Utilities	158,188	164,368
Other operating expenses	302,886	246,341
Depreciation	532,947	518,144
Sewer		
Wages and benefits	460,934	459,775
Utilities	104,589	105,077
Other operating expenses	190,306	127,126
Depreciation	434,286	422,142
Refuse		
Wages and benefits	982,539	935,703
Landfill service	915,532	661,220
Refuse utilities	9,341	9,275
Other operating expenses	565,597	330,482
Depreciation	245,691	239,418
Engineering		
Wages and benefits	151,928	148,713
Other operating expenses	2,846	113
Shop		
Wages and benefits	72,616	70,562

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – ENTERPRISE FUND
(continued)
Year Ended March 31, 2018

	Year Ended March 31,	
	2018	2017
Storm Water Engineering		
Depreciation	3,059	5,415
Fiber		
Wages and benefits	40,780	-
Utilities	15,081	2,904
Other operating expenses	35,169	5,012
Depreciation	21,357	-
Information Technology		
Wages and benefits	82,849	44,158
Administration and Warehouse		
Wages and benefits	663,631	640,389
Insurance	196,245	198,974
Utilities	60,391	56,827
Other operating expenses	254,533	239,626
Depreciation	4,426	5,065
	<u>20,513,596</u>	<u>19,810,621</u>
TOTAL OPERATING EXPENSES		
	1,627,210	1,973,659
OPERATING INCOME		
NONOPERATING REVENUES (EXPENSES)		
Interest income	262,678	132,168
Other revenue	298,374	971
Interest expense	(283,281)	(314,991)
Gain (loss) on inventory	(12,999)	25,164
	<u>264,772</u>	<u>(156,688)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)		
	1,891,982	1,816,971
NET INCOME		
NET POSITION, April 1	<u>56,221,121</u>	<u>54,404,150</u>
NET POSITION, March 31	<u>\$ 58,113,103</u>	<u>\$ 56,221,121</u>

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF CASH FLOWS – ENTERPRISE FUND
Year Ended March 31, 2018

	Utility Fund	
	Year Ended March 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 21,909,823	\$ 22,177,226
Cash paid to suppliers	(14,853,863)	(14,455,661)
Cash paid to employees	(3,406,488)	(3,231,670)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,649,472	4,489,895
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Repayment of loans (to) from other funds	(884)	21,844
Proceeds from operating grants	298,374	971
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	297,490	22,815
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(2,112,929)	(1,694,521)
Payment of principal on long-term debt	(1,090,000)	(1,069,205)
Payment of interest expense	(257,907)	(280,202)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(3,460,836)	(3,043,928)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investments	262,678	132,168
Maturity (purchase) of investments	99,622	(7,270)
NET CASH PROVIDED BY INVESTING ACTIVITIES	362,300	124,898
NET INCREASE IN CASH AND CASH EQUIVALENTS	848,426	1,593,680
CASH AND CASH EQUIVALENTS, Beginning of year	17,091,530	15,497,850
CASH AND CASH EQUIVALENTS, End of year	17,939,956	17,091,530
LESS RESTRICTED CASH AND CASH EQUIVALENTS	1,520,017	1,468,743
UNRESTRICTED CASH AND CASH EQUIVALENTS	\$ 16,419,939	\$ 15,622,787
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 1,627,210	\$ 1,973,659
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,190,044	2,121,151
(Increase) decrease in:		
Receivables	(254,846)	379,491
Inventory	(158,433)	(14,387)
Prepaid expenses	(26,076)	(4,859)
Net pension asset	(493,089)	916,376
Deferred pension outflows	648,320	(790,316)
Increase (decrease) in:		
Accounts payable	51,711	(216,872)
Compensated absences payable	23,235	17,759
Accrued expenses	15,555	6,052
Meter deposits payable	23,863	13,455
Deferred pension inflows	1,978	88,386
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 3,649,472	\$ 4,489,895

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Reporting Entity

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Component Units

West Plains Public Library Foundation

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

South 160 Community Improvement District

Approved in 2005, the South 160 Community Improvement District, which is governed by a Board of Directors, provides support for financing improvements in the South 160 District. The formation of the District allows for the authorization of an additional 1% sales tax to make public improvements that will benefit the District and the City as a whole. This 1% sales tax was approved by the voters within the District and became effective October 2006. This District is an overlay for a Tax Increment Financing area.

63 By-Pass Community Improvement District

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

Southern Hills Community Improvement District

Approved in 2008, the Southern Hills Community Improvement District, which is governed by a Board of Directors, provides support for financing improvements in the Southern Hills Community District. The formation of the District allows for the authorization of an additional ½% sales tax to make public improvements that will benefit the District and the City as a whole. This ½% sales tax was approved by the voters within the District and became effective in October 2009.

Ozark Hills Community Improvement District

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Ramseur Farm Community Improvement District

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

Government-Wide and Fund Financial Statements

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary fund:

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

Capital Assets

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In conformity with GASB 34, infrastructure, such as streets and storm sewers, has been capitalized. Additionally, the City elected to depreciate its infrastructure assets. Depreciation is provided in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

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

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

Pooled Cash And Cash Equivalents

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

Fair Value

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

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

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

Level 3 – Inputs are significant unobservable inputs

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

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

Revenue Recognition – Property Taxes

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

Compensated Absences

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Interest Capitalization

Interest expense that relates to the cost of acquiring or constructing fixed assets in the Enterprise Funds is capitalized. Interest expense incurred in connection with construction of capital assets has been reduced by interest earned on the investment of funds borrowed for construction in accordance with GASB Accounting Standards Codification Topic No. 1400-120-137 – *Capitalization of Interest Cost*. There was no interest capitalized during the current fiscal year.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position

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

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

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

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

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

Fund Balance Classification

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

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

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Program Revenues

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

Operating Revenues and Expenses

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

Deferred Outflows/Inflows of Resources

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pensions

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

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended March 31, 2017, from which such partial information was derived.

NOTE B – CASH AND CASH EQUIVALENTS

State statutes require that the City's deposits be collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of March 31, 2018, all bank balances on deposit are entirely insured or collateralized.

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

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE C – INVESTMENTS

Primary Government

The City categorizes its investments within the fair value hierarchy as discussed in Note A. As of March 31, 2018, the City had the following recurring fair value measurements:

Investment Type	Maturity Dates	Not Subject to Fair Value	Fair Value Level 1	Total
Certificates of Deposit	9/18/2020	\$ 587,931	\$ -	\$ 587,931
Certificates of Deposit	6/20/2019 - 6/20/2021	-	495,500	495,500
U.S. Treasury Notes (SLGS)	7/1/2020	-	485	485
		\$ 587,931	\$ 495,985	\$ 1,083,916

Certificates of Deposit

Certificates of deposit with financial institutions are classified as investments but are considered deposits for custodial risk determination and are not subject to fair value measurement. State statutes require that the City's deposits be collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of March 31, 2018, all certificates of deposit are entirely insured or collateralized with securities.

U.S. Treasury Notes (SLGS)

City investments in U.S. Treasury Notes (SLGS) are from the 1996B bond issue. These investments are held in an irrevocable trust account with United Missouri Bank. The funds are invested in accordance with Section 165.051 of the Missouri Revised Statutes.

West Plains Public Library Foundation

The West Plains Public Library Foundation has \$387,362 invested with the Community Foundation of the Ozarks' pooled investment fund. Fair market value approximates cost as the Foundation has a pro-rata share of the fund.

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2018

NOTE D – RESTRICTED ASSETS

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

	Restricted Cash and Investments	Restricted Fund Balance
General Fund		
Cemetery perpetual care	\$ 126,785	\$ 126,785
Transportation tax	2,597,914	2,828,401
Capital improvement tax	2,021,719	2,021,719
Capital projects	500,000	-
Economic development	79,594	116,381
Galloway park donations	819	819
Fire alarms	1,184	1,184
Library	4,541	4,541
Police seized funds	22,246	-
Court bonds	10,549	-
Deposits held	18,050	-
2012 COP reserves	498,346	498,346
2015 COP proceeds	1,142,585	1,142,585
	<u>\$ 7,024,332</u>	<u>\$ 6,740,761</u>
Special Revenue Funds		
Reserved/restricted for debt service	<u>\$ 539,679</u>	<u>\$ 541,212</u>
Enterprise Fund		
2011 bond reserves	\$ 1,207,791	\$ 1,207,791
1996 bond reserves	68,374	68,374
2014 bond reserves	20,408	20,408
2010 COP reserves	212,740	212,740
Service deposits	569,073	-
Landfill closure	30,047	30,047
	<u>\$ 2,108,433</u>	<u>\$ 1,539,360</u>

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE E – ACCOUNTS RECEIVABLE

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

	<u>Gross Receivable</u>	<u>Allowance</u>	<u>Net Receivable</u>
UTILITIES RECEIVABLE			
Enterprise Fund	\$ 3,487,273	\$ 1,349,285	\$ 2,137,988

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

	<u>Gross Receivable</u>	<u>Allowance</u>	<u>Net Receivable</u>
COURT FINES RECEIVABLE			
General Fund	\$ 143,659	\$ 58,752	\$ 84,907

NOTE F – ASSESSED VALUATION, TAX LEVY, AND LEGAL DEBT MARGIN

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

Assessed Valuation	<u>2017</u>
Real estate	\$ 122,176,170
Personal property	<u>39,310,562</u>
TOTAL	<u>\$ 161,486,732</u>
Tax Rate Per \$100 of Assessed Valuation	<u>2017</u>
General	\$.3163
Library	<u>.2000</u>
	<u>\$.5163</u>

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE F – ASSESSED VALUATION, TAX LEVY, AND LEGAL DEBT MARGIN (continued)

The legal debt margin at March 31, 2018, was computed as follows:

	<u>General Obligation Bonds</u>		
	<u>Ordinary (1)</u>	<u>Additional (2)</u>	<u>Total</u>
Constitutional Debt Limit	\$ 16,148,673	\$ 16,148,673	\$ 32,297,346
General Obligation Bonds Payable	-	-	-
LEGAL DEBT MARGIN	<u>\$ 16,148,673</u>	<u>\$ 16,148,673</u>	<u>\$ 32,297,346</u>

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

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

NOTE G – MODAG RECEIVABLE

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

	<u>Interest Rate</u>	<u>Annual Payment</u>	<u>Total Due</u>
West Plains Industrial Development Corporation	3%	\$ 7,500	<u>\$ 36,787</u>

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE H – LONG-TERM LIABILITIES – BUSINESS-TYPE ACTIVITIES

Long-term liabilities in the Enterprise Fund consists of the Series 2011 Sewerage System Refunding Revenue Bonds, 2014 Waterworks System Refunding Revenue Bonds, 2010 Certificates of Participation, and compensated absences.

Series 2011 Sewerage System Refunding Revenue Bonds

On September 6, 2011, the City issued \$6,260,000 in Sewerage System Refunding Revenue Bonds, Series 2011. The bonds bear interest at 2.50% to 3.65%. Interest payments are due semi-annually on July 1 and January 1 of each year with annual principal payments due July 1 of each year. Bonds are callable on July 1, 2020, and at any time thereafter, under various provisions of the bond terms.

The annual debt service requirements to amortize the principal on the 2011 revenue bonds outstanding at March 31, 2018, are as follows:

Year Ending March 31,	Principal	Interest	Total
2019	\$ 430,000	\$ 119,113	\$ 549,113
2020	435,000	107,865	542,865
2021	450,000	95,242	545,242
2022	465,000	81,053	546,053
2023	480,000	65,452	545,452
2024	495,000	48,630	543,630
2025	1,095,000	19,984	1,114,984
	<u>\$ 3,850,000</u>	<u>\$ 537,339</u>	<u>\$ 4,387,339</u>

Series 2014 Waterworks System Refunding Revenue Bonds

On January 6, 2014, the City issued \$3,230,000 in Series 2014 Waterworks System Refunding Revenue Bonds for the purpose of an advance refunding of the Series 2006 Waterworks System Refunding Revenue Bonds. The bonds bear interest at 2.0% to 2.20%. The bonds mature on March 1 of each year with interest payments due March 1 and September 1 of each year, with full maturity on March 1, 2020.

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE H – LONG-TERM LIABILITIES – BUSINESS-TYPE ACTIVITIES (continued)

The annual debt service requirements to amortize the principal on the Series 2014 bonds outstanding as of March 31, 2018, are as follows:

Year Ending March 31,	Principal	Interest	Total
2019	\$ 480,000	\$ 20,380	\$ 500,380
2020	490,000	10,780	500,780
	<u>\$ 970,000</u>	<u>\$ 31,160</u>	<u>\$ 1,001,160</u>

On March 1, 2010, the City issued \$2,210,000 in Certificates of Participation. The Certificates of Participation bear interest from 5.30% to 6.65%. Interest payments are due semi-annually on March 1 and September 15 of each year. The City will receive an interest subsidy from the US Treasury semi-annually to offset the cost of interest. The City is required to file specific forms with the IRS no later than 45 days before each interest payment is due in order to receive the interest subsidy. The Certificates of Participation outstanding at March 31, 2018, are due as follows:

Year Ending March 31,	Principal	Interest	Interest Subsidy	Total
2019	\$ -	\$ 134,085	\$ (60,339)	\$ 73,746
2020	-	134,085	(60,339)	73,746
2021	140,000	134,085	(60,339)	213,746
2022	200,000	126,665	(56,999)	269,666
2023	205,000	115,765	(52,094)	268,671
2024	215,000	104,285	(46,928)	272,357
2025	220,000	91,922	(41,365)	270,557
2026	230,000	78,942	(35,524)	273,418
2027	235,000	64,682	(29,107)	270,575
2028	245,000	49,878	(22,445)	272,433
2029	255,000	34,198	(15,389)	273,809
2030	265,000	17,623	(7,930)	274,693
	<u>\$ 2,210,000</u>	<u>\$ 1,086,215</u>	<u>\$ (488,798)</u>	<u>\$ 2,807,417</u>

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE H – LONG-TERM LIABILITIES – BUSINESS-TYPE ACTIVITIES (continued)

A summary of the changes in long-term liabilities – business-type activities for the year ended March 31, 2018, is as follows:

	Balance March 31, 2017	Additions	Retirements	Balance March 31, 2018	Amount due within one year
Revenue Bonds					
Series 1996B	\$ 200,000	\$ -	\$ 200,000	\$ -	\$ -
Series 2011	4,270,000	-	420,000	3,850,000	430,000
Series 2014	1,440,000	-	470,000	970,000	480,000
Premium	25,912	-	6,477	19,435	-
	<u>5,935,912</u>	<u>-</u>	<u>1,096,477</u>	<u>4,839,435</u>	<u>910,000</u>
Certificates of Participation					
Series 2010	2,210,000	-	-	2,210,000	-
Premium	35,469	-	2,728	32,741	-
	<u>2,245,469</u>	<u>-</u>	<u>2,728</u>	<u>2,242,741</u>	<u>-</u>
Compensated Absences	178,602	23,235	-	201,837	-
TOTAL	<u>\$ 8,359,983</u>	<u>\$ 23,235</u>	<u>\$ 1,099,205</u>	<u>\$ 7,284,013</u>	<u>\$ 910,000</u>

NOTE I – LONG-TERM LIABILITIES – GOVERNMENTAL ACTIVITIES

Long-term liabilities for governmental activities at March 31, 2018, consists of the Series 2012 and 2015 Certificates of Participation, six capital leases, and compensated absences.

Series 2012 Certificates of Participation

On August 18, 2012, the City issued \$4,955,000 in Series 2012 Certificates of Participation to refund the Series 2006 Certificates of Participation and to finance various projects within the City. The certificates bear interest at various rates ranging from 1.75% to 2.90% with principal payments due July 15 and interest payments due January 15 and July 15 each year.

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE I – LONG-TERM LIABILITIES – GOVERNMENTAL ACTIVITIES (continued)

The annual debt service requirements to amortize principal on the 2012 Certificates of Participation outstanding at March 31, 2018, are listed in the following table:

Year Ending March 31,	Principal	Interest	Total
2019	\$ 365,000	\$ 61,654	\$ 426,654
2020	370,000	54,760	424,760
2021	375,000	46,935	421,935
2022	390,000	38,130	428,130
2023	395,000	28,315	423,315
2024	400,000	17,680	417,680
2025	420,000	6,090	426,090
	<u>\$ 2,715,000</u>	<u>\$ 253,564</u>	<u>\$ 2,968,564</u>

Series 2015 Certificates of Participation

On March 1, 2015, the City issued \$3,920,000 in Series 2015 Certificates of Participation to finance various projects within the City. The certificates bear interest at various rates ranging from 2.00% to 2.55% with principal payments due July 15 and interest payments due January and July 15 each year.

The annual debt service requirements to amortize principal on the Series 2015 Certificates of Participation outstanding at March 31, 2018, are listed in the following table:

Year Ending March 31,	Principal	Interest	Total
2019	\$ 440,000	\$ 61,068	\$ 501,068
2020	450,000	52,168	502,168
2021	465,000	43,018	508,018
2022	465,000	33,718	498,718
2023	480,000	23,788	503,788
2024	500,000	12,633	512,633
2025	265,000	3,379	268,379
	<u>\$ 3,065,000</u>	<u>\$ 229,772</u>	<u>\$ 3,294,772</u>

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE I – LONG-TERM LIABILITIES – GOVERNMENTAL ACTIVITIES (continued)

Capital Lease Agreement – Equipment

On June 26, 2014, the City entered into a lease purchase agreement to finance the purchase of a tractor. The agreement requires yearly payments of \$7,446, which includes interest at 2.54%.

On August 7, 2014, the City entered into a lease purchase agreement to finance the purchase of three Ford F-series trucks. The agreement requires yearly payments of \$12,237, which includes interest at 2.54%.

On October 19, 2014, the City entered into a lease purchase agreement to finance the purchase of a backhoe. The agreement requires yearly payments of \$12,872, which includes interest at 2.54%.

On July 25, 2015, the City entered into a lease purchase agreement to finance the purchase of six police vehicles. The agreement requires yearly payments of \$52,012, which includes interest at 2.16%.

On May 25, 2016, the City entered into a lease purchase agreement to finance the purchase of golf equipment. The agreement requires yearly payments of \$11,210, which includes interest at 2.16%.

On August 29, 2016, the City entered into a lease purchase agreement to finance the purchase of three police vehicles. The agreement requires yearly payments of \$26,183, which includes interest at 2.16%.

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

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

Year Ending	Kubota	Ford	Case	Six	Golf	Three
March 31,	Tractor	Trucks	Backhoe	Police	Equipment	Police
				Vehicles		Vehicles
2019	\$ 7,446	\$ 12,237	\$ 12,872	\$ 52,012	\$ 11,210	\$ 26,183
2020	7,446	12,237	12,873	-	11,211	26,182
TOTAL MINIMUM LEASE PAYMENTS	14,892	24,474	25,745	52,012	22,421	52,365
LESS AMOUNT REPRESENTING INTEREST	(555)	(912)	(961)	(1,111)	(713)	(1,665)
PRINCIPAL BALANCE MARCH 31, 2018	\$ 14,337	\$ 23,562	\$ 24,784	\$ 50,901	\$ 21,708	\$ 50,700

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2018

NOTE J – SUMMARY OF CHANGES IN LONG-TERM LIABILITIES – GOVERNMENTAL ACTIVITIES

A summary of the changes in long-term liabilities – governmental activities for the year ended March 31, 2018, is as follows:

	Balance March 31, 2017	Additions	Retirements	Balance March 31, 2018	Amount due within one year
Certificates of Participation					
Series 2012	\$ 3,075,000	\$ -	\$ 360,000	\$ 2,715,000	\$ 365,000
Series 2015	3,495,000	-	430,000	3,065,000	440,000
Premium on Series 2015	14,759	-	1,845	12,914	-
	<u>6,584,759</u>	-	791,845	5,792,914	805,000
Capital Lease Obligations					
Kubota tractor	21,237	-	6,900	14,337	7,078
Ford trucks	34,901	-	11,339	23,562	11,632
Case backhoe	36,713	-	11,929	24,784	12,235
Six police vehicles	100,716	-	49,815	50,901	50,901
Golf equipment	32,215	-	10,507	21,708	10,736
Three police vehicles	75,228	-	24,528	50,700	25,077
	<u>301,010</u>	-	115,018	185,992	117,659
Compensated absences payable	<u>255,543</u>	<u>14,765</u>	<u>-</u>	<u>270,308</u>	<u>-</u>
TOTAL	<u>\$ 7,141,312</u>	<u>\$ 14,765</u>	<u>\$ 906,863</u>	<u>\$ 6,249,214</u>	<u>\$ 922,659</u>

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2018

NOTE K – CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2018, was as follows:

Primary Government

	Balance March 31, 2017	Additions	Deletions	Balance March 31, 2018
Governmental Activities				
Non-Depreciable Capital Assets:				
Construction in progress	\$ 3,377,522	\$ 660,056	\$ 2,142,847	\$ 1,894,731
Land	2,922,434	-	-	2,922,434
Total Non-depreciable Capital Assets	<u>\$ 6,299,956</u>	<u>\$ 660,056</u>	<u>\$ 2,142,847</u>	<u>\$ 4,817,165</u>
Depreciable Capital Assets:				
Building and improvements	\$ 21,422,786	\$ 1,536,228	\$ 491,860	\$ 22,467,154
Machinery and equipment	4,925,700	120,838	-	5,046,538
Vehicles	3,936,420	45,384	60,650	3,921,154
Infrastructure	73,236,482	1,403,096	-	74,639,578
Land improvements	445,183	-	-	445,183
Total Depreciable Capital Assets	103,966,571	<u>\$ 3,105,546</u>	<u>\$ 552,510</u>	106,519,607
Less Accumulated Depreciation	71,322,368	<u>\$ 2,836,229</u>	<u>\$ 511,522</u>	73,647,075
Total Depreciable Capital Assets, net	<u>\$ 32,644,203</u>			<u>\$ 32,872,532</u>

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2018

NOTE K – CAPITAL ASSETS (continued)

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

Administration	\$ 10,435
Information technology	2,529
Engineering	6,144
Police	50,064
Animal control	11,495
Emergency management	49,015
Fire	182,762
Airport	142,232
Street	1,574,563
Cemetery	7,357
Shop	16,774
City hall complex	110,341
Tourist development	7,399
Parks and recreation	251,773
Golf	17,079
Transit	39,071
Library	50,079
Civic center	307,117
	<u>\$ 2,836,229</u>

	Balance March 31, 2017	Additions	Deletions	Balance March 31, 2018
Business-Type Activities				
Water				
Non-Depreciable Capital Assets:				
Land	\$ 166,752	\$ -	\$ -	\$ 166,752
Total Non-Depreciable Capital Assets	166,752	<u>\$ -</u>	<u>\$ -</u>	166,752
Depreciable Capital Assets:				
Buildings and improvements	102,044	\$ -	\$ -	102,044
Plant	19,703,597	184,658	-	19,888,255
Equipment	1,138,271	5,023	-	1,143,294
Transportation equipment	286,655	45,983	-	332,638
Total Depreciable Capital Assets	21,230,567	<u>\$ 235,664</u>	<u>\$ -</u>	21,466,231
Less Accumulated Depreciation	8,874,163	<u>\$ 537,373</u>	<u>\$ -</u>	9,411,536
Depreciable Capital Assets, net	12,356,404			12,054,695

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2018

NOTE K – CAPITAL ASSETS (continued)

	Balance March 31, 2017	Additions	Deletions	Balance March 31, 2018
Electric				
Non-Depreciable Capital Assets:				
Land	76,662	\$ -	\$ -	76,662
Total Non-Depreciable Capital Assets	76,662	\$ -	\$ -	76,662
Depreciable Capital Assets:				
Buildings and improvements	244,241	\$ 3,812	\$ -	248,053
Plant	24,933,597	277,860	-	25,211,457
Equipment	3,060,666	322,322	78,800	3,304,188
Transportation equipment	2,032,806	177,963	-	2,210,769
Total Depreciable Capital Assets	30,271,310	\$ 781,957	\$ 78,800	30,974,467
Less Accumulated Depreciation	15,090,584	\$ 948,278	\$ 78,800	15,960,062
Depreciable Capital Assets, net	15,180,726			15,014,405
Sewer				
Depreciable Capital Assets:				
Buildings and improvements	82,633	\$ -	\$ -	82,633
Plant	21,570,850	107,926	-	21,678,776
Equipment	989,204	102,892	-	1,092,096
Transportation equipment	339,392	22,295	-	361,687
Total Depreciable Capital Assets	22,982,079	\$ 233,113	\$ -	23,215,192
Less Accumulated Depreciation	7,833,164	\$ 437,345	\$ -	8,270,509
Depreciable Capital Assets, net	15,148,915			14,944,683
Administration				
Depreciable Capital Assets:				
Equipment	17,565	\$ -	\$ -	17,565
Total Depreciable Capital Assets	17,565	\$ -	\$ -	17,565
Less Accumulated Depreciation	17,565	\$ -	\$ -	17,565
Depreciable Capital Assets, net	-			-

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2018

NOTE K – CAPITAL ASSETS (continued)

	Balance March 31, 2017	Additions	Deletions	Balance March 31, 2018
Refuse				
Non-Depreciable Capital Assets:				
Land	15,000	\$ -	\$ -	15,000
Total Non-Depreciable Capital Assets	15,000	\$ -	\$ -	15,000
Depreciable Capital Assets:				
Buildings and improvements	262,045	\$ -	\$ -	262,045
Transfer station	540,911	-	-	540,911
Equipment	899,838	107,628	-	1,007,466
Transportation equipment	1,654,153	122,260	13,742	1,762,671
Total Depreciable Capital Assets	3,356,947	\$ 229,888	\$ 13,742	3,573,093
Less Accumulated Depreciation	2,193,498	\$ 245,691	\$ 13,742	2,425,447
Depreciable Capital Assets, net	1,163,449			1,147,646
Fiber				
Non-Depreciable Capital Assets:				
Construction in progress	36,482	\$ 369,192	\$ -	405,674
Total Non-Depreciable Capital Assets	36,482	\$ 369,192	\$ -	405,674
Depreciable Capital Assets:				
Infrastructure	219,497	\$ -	\$ -	219,497
Equipment	-	263,115	-	263,115
Total Depreciable Capital Assets	219,497	\$ 263,115	\$ -	482,612
Less Accumulated Depreciation	-	\$ 21,357	\$ -	21,357
Depreciable Capital Assets, net	219,497			461,255
Total Capital Assets, net	\$ 44,363,887			\$ 44,286,772

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE K – CAPITAL ASSETS (continued)

Component Units

	Balance March 31, 2017	Additions	Deletions	Balance March 31, 2018
South 160 Community				
Improvement District				
Depreciable Capital Assets:				
Infrastructure	\$ 3,578,633	\$ 25,348	\$ -	\$ 3,603,981
Total Depreciable Capital Assets	3,578,633	\$ 25,348	\$ -	3,603,981
Less Accumulated Depreciation	718,389	\$ 71,573	\$ -	789,962
Depreciable Capital Assets, net	<u>\$ 2,860,244</u>			<u>\$ 2,814,019</u>
63 ByPass Community				
Improvement District				
Depreciable Capital Assets:				
Infrastructure	\$ 249,571	\$ -	\$ -	\$ 249,571
Total Depreciable Capital Assets	249,571	\$ -	\$ -	249,571
Less Accumulated Depreciation	35,490	\$ 4,991	\$ -	40,481
Depreciable Capital Assets, net	<u>\$ 214,081</u>			<u>\$ 209,090</u>
Southern Hills Community				
Improvement District				
Depreciable Capital Assets:				
Infrastructure	\$ 5,644,966	\$ 624,245	\$ -	\$ 6,269,211
Total Depreciable Capital Assets	5,644,966	\$ 624,245	\$ -	6,269,211
Less Accumulated Depreciation	379,356	\$ 112,899	\$ -	492,255
Depreciable Capital Assets, net	<u>\$ 5,265,610</u>			<u>\$ 5,776,956</u>
Ozark Hills Community				
Improvement District				
Depreciable Capital Assets:				
Infrastructure	\$ -	\$ 20,000	\$ -	\$ 20,000
Total Depreciable Capital Assets	-	\$ 20,000	\$ -	20,000
Less Accumulated Depreciation	-	\$ -	\$ -	-
Depreciable Capital Assets, net	<u>\$ -</u>			<u>\$ 20,000</u>

NOTE L – EMPLOYEE PENSION PLAN

General Information about the Pension Plan

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

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>2017 Valuation</u>
Benefit Multiplier	1.60% for life, plus 0.40% to age 65
Final Average Salary	3 Years
Member Contributions	0%

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

Employees Covered by Benefit Terms. At June 30, 2017, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Retirees and beneficiaries	91	20	19	130
Inactive, nonretired members	39	16	21	76
Active members	151	27	19	197
	<u>281</u>	<u>63</u>	<u>59</u>	<u>403</u>

NOTE L – EMPLOYEE PENSION PLAN (continued)

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year. With an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 14.1% (General), 11.2% (Police), and 1.8% (Fire) of annual covered payroll.

Net Pension Liability/Asset. The employer's net pension liability/asset was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability/asset was determined by an actuarial valuation as of February 28, 2017.

Actuarial Assumptions. The total pension liability in the February 28, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

The actuarial assumptions used in the February 28, 2017, valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE L – EMPLOYEE PENSION PLAN (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	43.00%	5.29%
Fixed Income	26.00%	2.23%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

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

Changes in the Net Pension (Asset) Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension (Asset)/Liability (a) - (b)</u>
<i>General Division</i>			
Balances at beginning of year	<u>\$ 21,568,476</u>	<u>\$ 20,100,229</u>	<u>\$ 1,468,247</u>
Changes for the year:			
Service cost	478,403	-	478,403
Interest	1,550,702	-	1,550,702
Difference between expected and actual experiences	(84,432)	-	(84,432)
Contributions - employer	-	683,507	(683,507)
Net investment income	-	2,360,004	(2,360,004)
Benefits paid, including refunds	(843,752)	(843,752)	-
Administrative expenses	-	(22,673)	22,673
Other changes	-	(81,468)	81,468
Net changes	<u>1,100,921</u>	<u>2,095,618</u>	<u>(994,697)</u>
Balances at end of year	<u>22,669,397</u>	<u>22,195,847</u>	<u>473,550</u>

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2018

NOTE L – EMPLOYEE PENSION PLAN (continued)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/Liability (a) - (b)
<i>Police Division</i>			
Balances at beginning of year	5,187,525	5,102,469	85,056
Changes for the year:			
Service cost	111,639	-	111,639
Interest	373,672	-	373,672
Difference between expected and actual experiences	(11,727)	-	(11,727)
Contributions - employer	-	105,756	(105,756)
Net investment income	-	691,767	(691,767)
Benefits paid, including refunds	(179,683)	(179,683)	-
Administrative expenses	-	(4,804)	4,804
Other changes	-	(152)	152
Net changes	293,901	612,884	(318,983)
Balances at end of year	5,481,426	5,715,353	(233,927)
<i>Fire Division</i>			
Balances at beginning of year	2,941,183	3,549,345	(608,162)
Changes for the year:			
Service cost	73,424	-	73,424
Interest	211,637	-	211,637
Difference between expected and actual experiences	6,127	-	6,127
Contributions - employer	-	13,067	(13,067)
Net investment income	-	446,272	(446,272)
Benefits paid, including refunds	(118,318)	(118,318)	-
Administrative expenses	-	(3,876)	3,876
Other changes	-	11,316	(11,316)
Net changes	172,870	348,461	(175,591)
Balances at end of year	3,114,053	3,897,806	(783,753)
Total Plan Balances at end of year	<u>\$ 31,264,876</u>	<u>\$ 31,809,006</u>	<u>\$ (544,130)</u>

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE L – EMPLOYEE PENSION PLAN (continued)

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

	<u>Net Pension (Asset) Liability</u>
Governmental Activities	\$ (799,847)
Business-Type Activities	255,717
	<u>\$ (544,130)</u>

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

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
<i>General Division</i>			
Total pension liability	\$ 25,911,222	\$ 22,669,397	\$ 20,005,367
Fiduciary net position	<u>22,195,847</u>	<u>22,195,847</u>	<u>22,195,847</u>
Net Pension (Asset) Liability	3,715,375	473,550	(2,190,480)
<i>Police Division</i>			
Total pension liability	6,302,354	5,481,426	4,810,171
Fiduciary net position	<u>5,715,353</u>	<u>5,715,353</u>	<u>5,715,353</u>
Net Pension (Asset) Liability	587,001	(233,927)	(905,182)
<i>Fire Division</i>			
Total pension liability	3,553,991	3,114,053	2,752,669
Fiduciary net position	<u>3,897,806</u>	<u>3,897,806</u>	<u>3,897,806</u>
Net Pension (Asset) Liability	<u>(343,815)</u>	<u>(783,753)</u>	<u>(1,145,137)</u>
Total Net Pension (Asset) Liability	<u>\$ 3,958,561</u>	<u>\$ (544,130)</u>	<u>\$ (4,240,799)</u>

NOTE L – EMPLOYEE PENSION PLAN (continued)

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

For the year ended March 31, 2017, the employer recognized pension expense of \$1,054,484 in the general division, \$250,563 in the police division, and \$81,456 in the fire division. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
<i>General Division</i>			
Differences in experiences	\$ -	\$ (318,654)	\$ (318,654)
Assumption changes	430,612	-	430,612
Differences in earnings	620,007	-	620,007
Contributions subsequent to the measurement date*	534,135	-	534,135
	<u>1,584,754</u>	<u>(318,654)</u>	<u>1,266,100</u>
<i>Police Division</i>			
Differences in experiences	83,845	(9,309)	74,536
Assumption changes	65,618	-	65,618
Differences in earnings	82,517	-	82,517
Contributions subsequent to the measurement date*	81,692	-	81,692
	<u>313,672</u>	<u>(9,309)</u>	<u>304,363</u>
<i>Fire Division</i>			
Differences in experiences	4,555	(10,845)	(6,290)
Assumption changes	31,401	-	31,401
Differences in earnings	83,960	-	83,960
Contributions subsequent to the measurement date*	12,567	-	12,567
	<u>132,483</u>	<u>(10,845)</u>	<u>121,638</u>
	<u>\$ 2,030,909</u>	<u>\$ (338,808)</u>	<u>\$ 1,692,101</u>

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE L – EMPLOYEE PENSION PLAN (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Governmental Activities	\$ 1,175,142	\$ (166,735)	\$ 1,008,407
Business-Type Activities	855,767	(172,073)	683,694
	<u>\$ 2,030,909</u>	<u>\$ (338,808)</u>	<u>\$ 1,692,101</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition/reduction to the net pension asset/liability for the year ending March 31, 2019.

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

Year Ending March 31,	Net Deferred Outflows of Resources			
	General	Police	Fire	Total
2018	\$ 369,088	\$ 127,416	\$ 75,657	\$ 572,161
2019	369,090	126,113	55,099	550,302
2020	169,292	36,128	16,799	222,219
2021	(171,448)	(66,986)	(38,484)	(276,918)
2022	(4,057)	-	-	(4,057)
Total	<u>\$ 731,965</u>	<u>\$ 222,671</u>	<u>\$ 109,071</u>	<u>\$ 1,063,707</u>

Payable to the Pension Plan

The City had \$97,549 of outstanding amounts of contributions to the pension plan required for the year ended March 31, 2018.

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE M – RISK MANAGEMENT

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

NOTE N – INTERNAL BALANCES

Internal balances as of March 31, 2018, consisted of the following:

	General Fund	Tax Increment Financing #1 Funds	Tax Increment Financing #3 Funds	Utility Fund
Internal balances	<u>\$ 38,706</u>	<u>\$ 1,771</u>	<u>\$ (238)</u>	<u>\$ (40,239)</u>

During the course of its operations, the City has numerous transactions between funds to finance operation, provide services, construct assets and service debt. To the extent that certain transactions between funds had not been paid or received as of March 31, 2018, balances of interfund amounts receivable or payable have been recorded within the fund financial statements.

NOTE O – CONDUIT DEBT

On December 1, 2013, the City authorized the issuance of \$7,500,000 aggregate maximum principal amount of Taxable Industrial Development Revenue Bonds (Hoover Brothers Farms, Inc. Project), Series 2013. The issuance is Chapter 100 debt in order to provide economic financial assistance to a third-party private entity and the City has no obligation beyond the rents, revenues, and receipts derived by the City from the Project; therefore, the issue does not constitute a debt of the City and, accordingly, are not included in the City's statement of net position. The bonds are issued as the Project proceeds. At March 31, 2018, the amount issued and outstanding was \$2,012,127.

NOTE P – CLAIMS AND ADJUSTMENTS

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government. As of March 31, 2018, 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.

NOTE Q – DEBT REFUNDING LOSS

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

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

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

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

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

	Balance March 31, 2017	Additions	Amortization	Balance March 31, 2018
Utility Fund	\$ 244,014	\$ -	\$ 40,612	\$ 203,402

NOTE R – LONG-TERM DEBT – SOUTH 160 COMMUNITY IMPROVEMENT DISTRICT

South 160 Community Improvement District

On December 12, 2009, the South 160 Community Improvement District issued a bond anticipation note in the amount of \$3,007,507 in order to accelerate the start of the District’s improvement projects. The note will be repaid from the proceeds of bonds the District will receive. The bond anticipation note was renewed for an additional five years, which will mature on December 25, 2018. Principal and interest payments are due monthly, with interest at 4.50% per annum.

Activity for the year ended March 31, 2018, is summarized below:

	Balance March 31, 2017	Additions	Retirements	Balance March 31, 2018
Bond Anticipation Notes	<u>\$ 2,146,208</u>	<u>\$ -</u>	<u>\$ 140,124</u>	<u>\$ 2,006,084</u>

NOTE S – SHORT-TERM DEBT

Southern Hills Community Improvement District

On July 1, 2010, the Southern Hills Community Improvement District issued a sales tax revenue note, not to exceed \$1,500,000, in order to pay a portion of the development project costs. The note will be repaid from net sales tax revenues the District will receive, and matures on April 10, 2018. Principal and interest payments are due monthly, with interest at 5.25% per annum.

On August 1, 2017, the Southern Hills Community Improvement District signed a promissory note with West Plains Bank and Trust Company not to exceed \$500,000. The note calls for monthly interest payments at 5.25% and outstanding principal upon maturity on August 1, 2018.

Activity for the year ended March 31, 2018, is summarized below:

	Balance March 31, 2017	Additions	Retirements	Balance March 31, 2018
Tax Revenue Note	\$ 2,327,584	\$ 253,630	\$ 356,537	\$ 2,224,677
Note Payable	-	271,611	-	271,611
	<u>\$ 2,327,584</u>	<u>\$ 525,241</u>	<u>\$ 356,537</u>	<u>\$ 2,496,288</u>

NOTE T – PLEDGED REVENUES

The City has pledged future water and sewer customer revenues to repay the Series 2011 and 2014 revenue bonds issued to improve and expand the water and sewer system. The bonds are payable solely from customer net revenues and are payable through 2025. Net revenues are revenues of the system less expenses of the system with the exception of depreciation. The total principal, interest and fees remaining to be paid on the bonds is \$5,388,499. Principal and interest paid for the current year and total customer net revenues were \$1,260,018 and \$3,817,254, respectively.

The City has pledged future sales tax revenues to repay the Series 2012 and 2015 Certificates of Participation issued for the purpose of refunding the Series 2006 COP and to finance various projects in the City. The lease purchase is payable solely from tax revenues of the City and is payable through 2025. The total principal and interest remaining to be paid on the lease is \$6,263,336.

The Southern Hills Community Improvement District has pledged future sales tax revenue to repay the sales tax revenue note issued on July 1, 2010. The lease is payable solely from net sales tax revenues of the District and is due no later than April 10, 2016. The total principal remaining to be paid on the lease is \$2,224,677 with interest payable at 5.25% per annum.

NOTE U – DEFERRED REVENUE

Revenue has not been realized for receivables not expected to be collected within sixty days of year-end but are expected to be collectible. Deferred revenue as of March 31, 2018, consists of the following:

Court fines	\$ 84,907
Other	<u>10,355</u>
	<u>\$ 95,262</u>

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE V – TAX INCREMENT FINANCING DISTRICTS AND COMMUNITY IMPROVEMENT DISTRICTS

TIF #1 is committed to repay the developer for public infrastructure improvements in the TIF #1 District. There is no debt on the City’s part. However, the City is obligated to repay \$500,000 of public infrastructure improvements to the extent that taxes are collected within this District. The City is only obligated if taxes are collected, and through May 2026. As of March 31, 2018, the City has paid the developer \$316,760, leaving a remaining balance of \$183,240.

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

NOTE W – COMMITMENTS

As of March 31, 2018, the City had the following commitments:

<u>Contractor</u>	<u>Project</u>	<u>Amount</u>
Donald Maggi, Inc.	Porter Wagner Blvd Sidewalk Project	\$ 294,570

NOTE X – TAX ABATEMENTS

The amount of foregone tax revenues for the year ending March 31, 2018, consisted of the following:

<u>Tax Abatement Program</u>	<u>Type of Tax Abated</u>	<u>Amount of Taxes Abated</u>
Tax Increment Financing Districts	Sales tax	\$ 367,380
Tax Increment Financing Districts	Property tax	75,334
Urban Redevelopment (Chapter 353)	Property tax	20,696
Chapter 100	Property tax	9,420
Enhanced Enterprise Zone	Property tax	3,098
		<u>\$ 475,928</u>

NOTE X – TAX ABATEMENTS (continued)

- The City has entered into three Tax Incremental Financing (TIF) Districts which are economic development tools which redirects local tax revenues towards the redevelopment of eligible properties that are otherwise economically unfeasible. Sections 99.800-99.865, RSMo, the Real Property Tax Increment Allocation Redevelopment Act, enables cities to finance certain redevelopment costs with the incremental tax revenue generated by the net increase in assessed valuation resulting from the redevelopment. The purpose of the three TIF Districts is to remove blight, improve roads and traffic flow, and attract new retail development and restaurants.
- The City has entered into one agreement under the Urban Redevelopment Corporation Law, or Chapter 353, which is an economic development tool to encourage redevelopment of blighted areas. Under Sections 353.010-353.190, RSMo, the Urban Redevelopment Corporation has a tax abatement available for 25 years. During the first 10 years, the property is not subject to real property taxes except in the amount of real property taxes assessed on the land during the calendar year during with the Urban Redevelopment Corporation acquired title to the real property. For the remaining 15 years, the property may be assessed up to 50% of its true value. The purpose of the abatement is to tear down a blighted hotel and build a new hotel.
- The City and Howell County have entered into one agreement under the Enhanced Enterprise Zones Program which is designed to attract new or expanding businesses to the area. Under Sections 135.950-135.970, RSMo., in order for a manufacturer, distributor, or certain service industries to qualify for the 50% tax abatement for 10 years, the business must meet certain minimum criteria depending on the type of business facility. New or expanded business facilities must have two new employees and \$100,000 in new investment. Replacement business facilities must have two new employees and \$1,000,000 in new investment. Both types of business facilities must also offer health insurance to full time employees in Missouri, of which at least 50% is paid by the employer. The purpose of the abatement is to encourage job creation in blighted areas within the City.
- The City has entered into one agreement under the Chapter 100 Industrial Development Act which allows cities or counties to purchase or construct certain types of projects with bond proceeds and lease the project to a company under Sections 100.010-100.200, RSMo. Eligible projects include the purchase, construction, extension and improvement of warehouses, distributions facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, and industrial plants. Since the city or county owns the property and leases it to the company, an amount of the property taxes can be abated for a term agreed on by the city or county issuer and the company. The purpose of the abatement is to encourage job creation and maintain at least 250 employees on-site for 15 years.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WEST PLAINS, MISSOURI
SCHEDULE OF CHANGES IN NET PENSION ASSET AND RELATED RATIOS
Year Ended March 31, 2018

Missouri Local Government Employees Retirement System (LAGERS)

	June 30, 2017	June 30, 2016	June 30, 2015
TOTAL PENSION LIABILITY			
Service Cost	\$ 663,466	\$ 613,175	\$ 609,092
Interest on the total pension liability	2,136,011	1,974,093	1,896,741
Difference between expected and actual experience	(90,032)	(152,545)	(254,854)
Changes of assumptions	-	921,055	-
Benefit payments including refunds	(1,141,753)	(1,152,319)	(1,218,617)
NET CHANGE IN TOTAL PENSION LIABILITY	1,567,692	2,203,459	1,032,362
TOTAL PENSION LIABILITY, BEGINNING	29,697,184	27,493,725	26,461,363
TOTAL PENSION LIABILITY, ENDING	31,264,876	29,697,184	27,493,725
PLAN FIDUCIARY NET POSITION			
Contributions - employer	802,330	762,050	805,190
Pension plan net investment income	3,498,043	(81,000)	569,364
Benefit payments, including refunds	(1,141,753)	(1,152,319)	(1,218,617)
Pension plan administrative expense	(31,353)	(30,620)	(33,181)
Other	(70,304)	(24,709)	(390,217)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	3,056,963	(526,598)	(267,461)
PLAN FIDUCIARY NET POSITION, BEGINNING	28,752,043	29,278,641	29,546,102
PLAN FIDUCIARY NET POSITION, ENDING	31,809,006	28,752,043	29,278,641
EMPLOYER NET PENSION (ASSET) LIABILITY	\$ (544,130)	\$ 945,141	\$ (1,784,916)
 Plan fiduciary net position as a percentage of the total pension liability	 101.74%	 96.82%	 106.49%
 Covered employee payroll	 \$ 6,420,240	 \$ 5,965,732	 \$ 5,504,066
 Employer's net pension (asset) liability as a percentage of covered employee payroll	 -8.48%	 15.84%	 -32.43%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

CITY OF WEST PLAINS, MISSOURI
 SCHEDULE OF CONTRIBUTIONS
 Year Ended March 31, 2018

Missouri Local Government Employees Retirement System (LAGERS)
Schedule of Contributions
Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined contribution	\$ 824,536	\$ 790,499	\$ 781,831	\$ 837,386	\$ 853,049	\$ 884,583	\$ 853,244	\$ 855,379	\$ 633,329	\$ 707,559
Contributions in relation to the actuarially determined contribution	<u>816,542</u>	<u>790,501</u>	<u>781,831</u>	<u>837,386</u>	<u>853,050</u>	<u>811,750</u>	<u>757,941</u>	<u>696,716</u>	<u>629,137</u>	<u>690,791</u>
Contribution deficiency (excess)	<u>\$ 7,994</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 72,833</u>	<u>\$ 95,303</u>	<u>\$ 158,663</u>	<u>\$ 4,192</u>	<u>\$ 16,768</u>
Covered-employee payroll	\$ 6,450,107	\$ 6,302,408	\$ 6,170,112	\$ 5,708,368	\$ 5,736,923	\$ 5,576,949	\$ 5,525,375	\$ 5,420,202	\$ 5,291,505	\$ 5,408,783
Contributions as a percentage of covered-employee payroll	12.66%	12.54%	12.67%	14.67%	14.87%	14.56%	13.72%	12.85%	11.89%	12.77%

CITY OF WEST PLAINS, MISSOURI
NOTES TO SCHEDULE OF CONTRIBUTIONIS
Year Ended March 31, 2018

Valuation Date: February 28, 2017

Notes: The roll-forward of total pension liability from February 28, 2017 to June 30, 2017, reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method – Entry Age Normal and Modified Terminal Funding

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

Remaining Amortization Period – Multiple bases from 12 to 15 years for general division
15 years for the police and fire divisions

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

Inflation – 3.25% wage inflation; 2.50% price inflation

Salary Increases – 3.25% to 6.55% including wage inflation for the general and police divisions
3.25% to 7.15% including wage inflation for the fire division

Investment Rate of Return – 7.25%, net of investment expenses

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

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

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

Other Information – None

CITY OF WEST PLAINS, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
 Year Ended March 31, 2018

	Year Ended March 31,				2017 Actual
	2018			Variance With Final Budget	
	Original Budget	Final Budget	Actual		
REVENUES					
Taxes					
Ad valorem taxes, penalties and interest	\$ 771,000	\$ 811,700	\$ 832,988	\$ 21,288	\$ 793,924
Surtax	83,500	83,500	87,989	4,489	86,534
Motor vehicle sales tax	147,000	147,000	160,919	13,919	156,086
Sales tax	3,159,500	3,147,000	3,101,002	(45,998)	3,018,500
Capital improvement sales tax	1,551,000	1,526,000	1,566,277	40,277	1,526,486
Transportation sales tax	1,470,000	1,470,000	1,503,494	33,494	1,469,234
State motor fuel tax	315,000	315,000	323,359	8,359	322,123
Franchise taxes	2,020,000	2,020,000	2,001,611	(18,389)	2,049,583
Hotel/motel taxes	80,000	80,000	104,307	24,307	77,802
Other taxes	12,000	12,000	17,183	5,183	9,967
	<u>9,609,000</u>	<u>9,612,200</u>	<u>9,699,129</u>	<u>86,929</u>	<u>9,510,239</u>
Licenses and Permits					
Liquor	18,250	18,250	17,513	(737)	19,127
Building permits	20,000	15,000	12,694	(2,306)	22,819
Business licenses	30,500	30,500	33,185	2,685	32,765
Other	7,950	7,950	8,295	345	7,652
	<u>76,700</u>	<u>71,700</u>	<u>71,687</u>	<u>(13)</u>	<u>82,363</u>
Intergovernmental Revenues					
Federal	920,172	1,530,436	1,208,786	(321,650)	1,575,746
State	4,843	4,843	9,379	4,536	3,981
Other	7,990	7,990	11,921	3,931	7,042
	<u>933,005</u>	<u>1,543,269</u>	<u>1,230,086</u>	<u>(313,183)</u>	<u>1,586,769</u>
Charges for Services					
Parks and recreation	133,550	113,579	111,566	(2,013)	138,661
Cemetery	24,000	24,000	14,125	(9,875)	25,900
Transit	35,200	35,200	30,877	(4,323)	30,896
Rental income	203,150	207,271	204,875	(2,396)	201,336
Concessions	150,200	85,000	122,838	37,838	156,927
Fuel sales	151,300	151,300	156,282	4,982	150,434
Golf	217,500	218,150	225,235	7,085	211,671
Fines and forfeitures	213,550	213,550	220,360	6,810	220,936
Civic Center	138,500	138,500	169,879	31,379	163,875
Other	112,350	117,950	172,851	54,901	137,423
	<u>1,379,300</u>	<u>1,304,500</u>	<u>1,428,888</u>	<u>124,388</u>	<u>1,438,059</u>
Miscellaneous					
Reimbursements	2,150	2,150	2,915	765	4,023
Interest	36,400	48,900	94,245	45,345	49,747
Donations and other contributions	16,200	16,751	7,431	(9,320)	29,957
Sale of property	21,700	22,700	19,910	(2,790)	44,043
Other	5,300	7,012	9,983	2,971	13,304
	<u>81,750</u>	<u>97,513</u>	<u>134,484</u>	<u>36,971</u>	<u>141,074</u>
TOTAL REVENUES	<u>12,079,755</u>	<u>12,629,182</u>	<u>12,564,274</u>	<u>(64,908)</u>	<u>12,758,504</u>

CITY OF WEST PLAINS, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (continued)
 Year Ended March 31, 2018

	Year Ended March 31,				2017 Actual
	2018			Variance With Final Budget	
	Original Budget	Final Budget	Actual		
EXPENDITURES					
Current					
Administrative	838,585	884,105	1,050,007	(165,902)	842,728
Safety	18,991	19,702	18,182	1,520	17,253
Information technology	105,515	125,133	110,163	14,970	84,138
Engineering	445,783	368,247	365,805	2,442	337,739
Building official	119,145	133,636	111,177	22,459	109,909
City attorney	108,935	105,118	99,774	5,344	99,724
Court	127,473	114,849	114,631	218	125,055
Police	1,942,558	2,015,744	1,925,125	90,619	1,912,773
Animal control	62,202	62,477	55,848	6,629	54,915
Emergency management	82,508	52,930	39,456	13,474	37,514
Fire	922,801	1,339,548	1,099,461	240,087	2,373,430
Airport	411,391	407,568	314,129	93,439	917,372
Street	3,188,392	3,129,462	2,422,069	707,393	2,430,249
Cemetery	113,867	109,867	97,007	12,860	112,489
Construction	168,356	167,425	156,912	10,513	154,023
Shop	93,950	86,687	85,795	892	95,330
Health	25,000	25,000	25,064	(64)	25,074
City hall complex	633,931	615,621	126,461	489,160	217,456
City beautification	6,200	6,200	8,286	(2,086)	6,304
Economic development	128,540	169,279	143,173	26,106	193,396
Tourist development	186,006	185,835	180,184	5,651	179,494
Parks and recreation	684,204	1,111,972	1,092,413	19,559	855,697
Golf	397,749	435,206	422,395	12,811	445,886
Transit	183,535	181,338	159,700	21,638	160,878
Library	624,355	594,860	586,328	8,532	612,096
Civic center	684,477	682,653	695,169	(12,516)	715,550
Galloway park department	17,743	13,236	17,892	(4,656)	19,073
GOCAT project	-	-	-	-	546,857
Senior citizens	23,100	29,600	27,126	2,474	20,182
Debt Service					
Principal and interest	929,266	929,266	930,413	(1,147)	929,790
TOTAL EXPENDITURES	<u>13,274,558</u>	<u>14,102,564</u>	<u>12,480,145</u>	<u>1,622,419</u>	<u>14,632,374</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(1,194,803)	(1,473,382)	84,129	1,557,511	(1,873,870)
OTHER FINANCING SOURCES					
Lease purchase proceeds	-	-	-	-	107,443
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,443</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(1,194,803)	(1,473,382)	84,129	1,557,511	(1,766,427)
FUND BALANCE, April 1	<u>10,019,316</u>	<u>10,019,316</u>	<u>10,019,316</u>	<u>-</u>	<u>11,785,743</u>
FUND BALANCE, March 31	<u>\$ 8,824,513</u>	<u>\$ 8,545,934</u>	<u>\$ 10,103,445</u>	<u>\$ 1,557,511</u>	<u>\$ 10,019,316</u>

CITY OF WEST PLAINS, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – TAX INCREMENT FINANCING #1 FUND
 Year Ended March 31, 2018

	Year Ended March 31,				
	2018				2017
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
REVENUES					
Taxes					
Sales taxes	\$ -	\$ -	\$ 31,568	\$ 31,568	\$ 34,488
Miscellaneous					
Interest	-	-	124	124	39
TOTAL REVENUES	-	-	31,692	31,692	34,527
EXPENDITURES					
Current					
Capital outlay	-	-	31,568	(31,568)	34,488
TOTAL EXPENDITURES	-	-	31,568	(31,568)	34,488
EXCESS OF REVENUES OVER EXPENDITURES	-	-	124	124	39
FUND BALANCE, April 1	3,514	3,514	3,514	-	3,475
FUND BALANCE, March 31	<u>\$ 3,514</u>	<u>\$ 3,514</u>	<u>\$ 3,638</u>	<u>\$ 124</u>	<u>\$ 3,514</u>

CITY OF WEST PLAINS, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – TAX INCREMENT FINANCING #2 FUND
 Year Ended March 31, 2018

	Year Ended March 31,				2017
	2018			Variance With	Actual
	Original Budget	Final Budget	Actual	Final Budget	Actual
REVENUES					
Taxes					
Sales taxes	\$ -	\$ -	\$ 292,987	\$ 292,987	\$ 302,071
TOTAL REVENUES	-	-	292,987	292,987	302,071
EXPENDITURES					
Current					
Capital outlay	-	-	292,987	(292,987)	302,071
TOTAL EXPENDITURES	-	-	292,987	(292,987)	302,071
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-	-
FUND BALANCE, April 1	-	-	-	-	-
FUND BALANCE, March 31	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF WEST PLAINS, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – TAX INCREMENT FINANCING #3 FUND
 Year Ended March 31, 2018

	Year Ended March 31,				2017 Actual
	2018			Variance With	
	Original Budget	Final Budget	Actual	Final Budget	
REVENUES					
Taxes					
Sales taxes	\$ -	\$ -	\$ 118,159	\$ 118,159	\$ 113,417
TOTAL REVENUES	-	-	118,159	118,159	113,417
EXPENDITURES					
Current					
Miscellaneous	-	-	711	(711)	701
TOTAL EXPENDITURES	-	-	711	(711)	701
EXCESS OF REVENUES OVER EXPENDITURES	-	-	117,448	117,448	112,716
FUND BALANCE, April 1	420,126	420,126	420,126	-	307,410
FUND BALANCE, March 31	\$ 420,126	\$ 420,126	\$ 537,574	\$ 117,448	\$ 420,126

CITY OF WEST PLAINS, MISSOURI
NOTE TO BUDGETARY COMPARISON SCHEDULES
Year Ended March 31, 2018

Budgets and Budgetary Accounting

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

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

OTHER FINANCIAL INFORMATION

CITY OF WEST PLAINS, MISSOURI
DEPARTMENTAL STATEMENT OF NET POSITION – ENTERPRISE FUND
March 31, 2018

	Utility Fund					
	Electric	Water	Sewer	Refuse	Fiber	Total
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 11,355,866	\$ 2,048,740	\$ 2,063,005	\$ 952,328	\$ -	\$ 16,419,939
Utilities receivable, net	1,484,694	205,486	174,479	272,579	750	2,137,988
Other accounts receivable	131,213	18,160	15,420	24,090	66	188,949
Inventory	1,278,648	326,920	-	-	-	1,605,568
Prepaid expenses	26,899	22,288	19,982	7,685	-	76,854
TOTAL CURRENT ASSETS	14,277,320	2,621,594	2,272,886	1,256,682	816	20,429,298
Restricted Assets						
Cash and cash equivalents	-	586,059	903,911	30,047	-	1,520,017
Investments	-	-	588,416	-	-	588,416
TOTAL RESTRICTED ASSETS	-	586,059	1,492,327	30,047	-	2,108,433
Property, Plant and Equipment	31,068,694	21,632,983	23,215,192	3,588,093	888,286	80,393,248
Less accumulated depreciation	(15,977,627)	(9,411,536)	(8,270,509)	(2,425,447)	(21,357)	(36,106,476)
TOTAL PROPERTY, PLANT AND EQUIPMENT	15,091,067	12,221,447	14,944,683	1,162,646	866,929	44,286,772
TOTAL ASSETS	29,368,387	15,429,100	18,709,896	2,449,375	867,745	66,824,503
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension outflow	402,211	111,250	119,807	205,384	17,115	855,767
Deferred charge on debt refunding	-	203,402	-	-	-	203,402
TOTAL DEFERRED OUTFLOWS OF RESOURCES	402,211	314,652	119,807	205,384	17,115	1,059,169
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts payable	1,098,002	45,812	41,270	136,632	13,890	1,335,606
Accrued expenses	30,129	10,055	10,671	22,989	1,038	74,882
Accrued interest payable	-	7,844	31,122	-	-	38,966
Internal balances	40,239	-	-	-	-	40,239
Meter deposits payable	-	284,537	284,536	-	-	569,073
Current maturities of long-term debt	-	480,000	430,000	-	-	910,000
TOTAL CURRENT LIABILITIES	1,168,370	828,248	797,599	159,621	14,928	2,968,766
Long-Term Liabilities						
Revenue bonds payable	-	509,435	3,420,000	-	-	3,929,435
Certificates of Participation payable	-	2,242,741	-	-	-	2,242,741
Net pension liability	120,188	33,243	35,800	61,372	5,114	255,717
Compensated absences payable	52,109	23,245	48,210	74,891	3,382	201,837
TOTAL LONG-TERM LIABILITIES	172,297	2,808,664	3,504,010	136,263	8,496	6,629,730
TOTAL LIABILITIES	1,340,667	3,636,912	4,301,609	295,884	23,424	9,598,496
DEFERRED INFLOW OF RESOURCES						
Deferred pension inflows	80,875	22,369	24,090	41,298	3,441	172,073
Net Assets						
Net investment in capital assets	15,091,067	9,192,673	11,094,683	1,162,646	866,929	37,407,998
Restricted	-	301,522	1,207,791	30,047	-	1,539,360
Unrestricted	13,257,989	2,590,276	2,201,530	1,124,884	(8,934)	19,165,745
TOTAL NET POSITION	\$ 28,349,056	\$ 12,084,471	\$ 14,504,004	\$ 2,317,577	\$ 857,995	\$ 58,113,103

CITY OF WEST PLAINS, MISSOURI
DEPARTMENTAL STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
ENTERPRISE FUND
Year Ended March 31, 2018

	Utility Fund					Total
	Electric	Water	Sewer	Refuse	Fiber	
OPERATING REVENUES						
Charges for services						
Electric	\$ 15,375,356	\$ -	\$ -	\$ -	\$ -	\$ 15,375,356
Water	-	2,127,993	-	-	-	2,127,993
Sewer	-	-	1,806,889	-	-	1,806,889
Refuse	-	-	-	2,822,800	-	2,822,800
Fiber	-	-	-	-	7,768	7,768
TOTAL OPERATING REVENUES	15,375,356	2,127,993	1,806,889	2,822,800	7,768	22,140,806
OPERATING EXPENSES						
Wages and benefits	1,465,892	489,207	519,196	1,118,482	50,490	3,643,267
Franchise fees	1,497,627	-	-	-	-	1,497,627
Engineering	-	71,484	-	-	-	71,484
Purchased power	9,421,455	-	-	-	-	9,421,455
Landfill service	-	-	-	915,532	-	915,532
Utilities	53,496	163,019	108,212	17,796	15,685	358,208
Insurance	139,334	15,700	11,775	27,474	1,962	196,245
Other operating expenses	1,051,137	323,477	205,749	601,630	37,741	2,219,734
Depreciation	948,278	537,373	437,345	245,691	21,357	2,190,044
TOTAL OPERATING EXPENSES	14,577,219	1,600,260	1,282,277	2,926,605	127,235	20,513,596
OPERATING INCOME (LOSS)	798,137	527,733	524,612	(103,805)	(119,467)	1,627,210
NONOPERATING REVENUES (EXPENSES)						
Interest income	72,095	43,816	83,975	62,792	-	262,678
Other revenue	211,846	23,870	17,902	41,772	2,984	298,374
Interest expense	-	(124,131)	(159,150)	-	-	(283,281)
Loss on inventory	(4,457)	(8,050)	(492)	-	-	(12,999)
TOTAL NONOPERATING REVENUES (EXPENSES)	279,484	(64,495)	(57,765)	104,564	2,984	264,772
NET INCOME (LOSS)	1,077,621	463,238	466,847	759	(116,483)	1,891,982
NET POSITION, April 1	28,167,208	11,621,233	14,037,157	2,316,818	78,705	56,221,121
Equity Reclassification	(895,773)	-	-	-	895,773	-
NET POSITION, March 31	<u>\$ 28,349,056</u>	<u>\$ 12,084,471</u>	<u>\$ 14,504,004</u>	<u>\$ 2,317,577</u>	<u>\$ 857,995</u>	<u>\$ 58,113,103</u>

OTHER REPORTING REQUIREMENTS



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the discretely presented component units, and each major fund of the City of West Plains, Missouri, as of and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise the City of West Plains, Missouri's basic financial statements, and have issued our report thereon, dated August 18, 2018.

Internal Control over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
August 18, 2018



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Compliance

We have audited the City of West Plains, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended March 31, 2018. The City of West Plains, Missouri's major federal program is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City of West Plains, Missouri's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City of West Plains, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of West Plains, Missouri, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2018.

Report on Internal Control Over Compliance

Management of the City of West Plains, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
August 18, 2018

CITY OF WEST PLAINS, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended March 31, 2018

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Pass-through to Subrecipients	Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Direct				
Rural Business Development Grant	10.351	29-046-446000287	\$ -	\$ 23,000
TOTAL U.S. DEPARTMENT OF AGRICULTURE				23,000
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Missouri Department of Public Safety				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-JAG-025	-	44,874
		2016-JAG-022	-	170,428
TOTAL U.S. DEPARTMENT OF JUSTICE				215,302
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Missouri State Emergency Management Agency				
Emergency Management Performance Grants	97.042	EMK-2017-EP-APP-00006-120	-	12,091
Disaster Relief - Public Assistance	97.036	FEMA-4317-DR-MO	-	751,897
Homeland Security Grant Program	97.067	EMW-2017-22-00047-08	-	3,349
Missouri Office of Homeland Security				
Homeland Security Grant Program	97.067	EMW-2015-SS-00020-S01-021	-	3,161
		EMW-2016-SS-00049-014	-	2,815
				5,976
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				773,313
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Highway Safety Cluster				
Missouri Department of Transportation				
State and Community Highway Safety	20.600	17-PT-02-091	-	1,252
		18-PT-02-117	-	806
				2,058
National Priority Safety Programs	20.616	17-M5HVE-03-031	-	1,193
University of Central Missouri				
National Priority Safety Programs	20.616	17-M5HVE-03-022	-	457
		18-M2OP-05-020	-	351
				808
Total Highway Safety Cluster			-	4,059
University of Central Missouri				
Alcohol Open Container Requirements	20.607	18-154-AL-154	-	958
Missouri Highways and Transportation Commission				
Formula Grants for Rural Areas	20.509	TM184037WP1	-	17,862
		TM184038WP1	-	58,068
				75,930
Missouri Department of Transportation				
Airport Improvement Program	20.106	15-104C-2	-	19,184
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				100,131

CITY OF WEST PLAINS, MISSOURI
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
 Year Ended March 31, 2018

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Pass-through to Subrecipients	Federal Expenditures
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
SeniorAge Area Agency on Aging				
Special Programs for the Aging, Title III, Part B	93.044	Fiscal Year 2018	-	5,398
		Fiscal Year 2017	-	1,860
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			-	7,258
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 1,119,004

CITY OF WEST PLAINS, MISSOURI
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended March 31, 2018

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of West Plains, Missouri, under programs of the federal government for the year ended March 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of West Plains, Missouri, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of West Plains, Missouri.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City of West Plains, Missouri, has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C – SUBRECIPIENTS

The City of West Plains, Missouri, did not provide funds to subrecipients in the current year.

NOTE D – FEDERALLY SUBSIDIZED LOANS

The City did not have outstanding balances in federally funded loan programs for the year ended March 31, 2018.

CITY OF WEST PLAINS, MISSOURI
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended March 31, 2018

Section I – Summary of Audit Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified: _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified: _____ yes X none reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)? _____ yes X no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.036	Disaster Grants – Public Assistance

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes _____ no

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

CITY OF WEST PLAINS, MISSOURI
SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended March 31, 2018

There were no prior audit findings.