

City of West Plains, Missouri

BASIC FINANCIAL STATEMENTS Year Ended March 31, 2019

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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, 2019, 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 2018 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, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2018, 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 September 5, 2019, 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
September 5, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF WEST PLAINS, MISSOURI
March 31, 2019

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, 2019. 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 increased by \$2,431,304 as a result of current year activities. The net position of the City's business activities increased by \$2,412,602 for the year.
- The assets of the City exceeded its liabilities as of March 31, 2019, by \$106.9 million (net position). Of this amount \$26.6 million was unrestricted and may be used to meet future obligations of the City.
- Total long-term liabilities of the City decreased by \$2.0 million.
- Grant activity was minimal in FY2019. Grant funding made a major sidewalk improvement project possible. Grant funds also built and provided equipment for a fire training tower to assist area firefighters.
- In this fiscal year, much of the City's time and resources were devoted to completing damage repair from the April 2017 flood, working on the grant projects listed above, and providing the services that make the City of West Plains a great place to live and visit.

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, 2019

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, 2019

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, 2019 and 2018:

	Governmental Activities	Business-Type Activities	Total March 31, 2019	Total March 31, 2018
Current and other assets	\$ 13,258,545	\$ 24,480,543	\$ 37,739,088	\$ 34,707,806
Capital assets	39,406,999	44,379,468	83,786,467	81,976,469
TOTAL ASSETS	52,665,544	68,860,011	121,525,555	116,684,275
Deferred pension outflows	593,956	476,743	1,070,699	2,030,909
Deferred charge on debt refunding	-	162,790	162,790	203,402
TOTAL DEFERRED OUTFLOWS OF RESOURCES	593,956	639,533	1,233,489	2,234,311
Other liabilities	1,512,490	3,100,046	4,612,536	4,537,815
Long-term liabilities	4,486,482	5,432,305	9,918,787	11,956,285
TOTAL LIABILITIES	5,998,972	8,532,351	14,531,323	16,494,100
Deferred pension inflows	856,649	441,488	1,298,137	338,808
Net position				
Net investment in capital assets	34,343,624	38,379,288	72,722,912	69,187,122
Restricted	6,076,601	1,516,633	7,593,234	8,821,333
Unrestricted	5,983,654	20,629,784	26,613,438	24,077,223
TOTAL NET POSITION	\$ 46,403,879	\$ 60,525,705	\$ 106,929,584	\$ 102,085,678

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF WEST PLAINS, MISSOURI
March 31, 2019

Total net position of the City increased by \$4,843,906 for the year due to current year activity. Total liabilities for the City decreased by \$1,962,777. Restricted net position of the City totaled \$7.6 million as of March 31, 2019. 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, 2019</u>	<u>Total March 31, 2018</u>
REVENUES				
Program Revenues				
Charges for services	\$ 1,480,784	\$ 22,857,498	\$ 24,338,282	\$ 23,635,154
Operating grants and contributions	702,810	219,684	922,494	1,378,317
Capital grants and contributions	1,060,589	-	1,060,589	133,844
General Revenues				
Sales taxes	6,920,824	-	6,920,824	6,613,487
Ad valorem taxes	820,429	-	820,429	832,988
Motor vehicle and gas taxes	482,760	-	482,760	484,278
Other taxes	439,298	-	439,298	209,479
Franchise taxes	2,369,100	-	2,369,100	2,001,611
Interest	172,727	450,147	622,874	357,048
Other revenue	191,877	64,814	256,691	56,537
TOTAL REVENUES	14,641,198	23,592,143	38,233,341	35,702,743

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF WEST PLAINS, MISSOURI
March 31, 2019

	Governmental Activities	Business-Type Activities	Total March 31, 2019	Total March 31, 2018
EXPENSES				
Administrative	946,014	-	946,014	1,060,728
Safety	18,882	-	18,882	1,082
Information technology	41,878	-	41,878	119,640
Engineering	252,152	-	252,152	390,364
Building official	109,837	-	109,837	117,897
City attorney	102,258	-	102,258	100,138
Court	111,875	-	111,875	117,894
Police	1,948,680	-	1,948,680	2,103,852
Animal control	65,537	-	65,537	69,805
Emergency management	92,721	-	92,721	90,665
Fire	1,065,882	-	1,065,882	1,123,952
Airport	457,727	-	457,727	442,548
Street	3,184,713	-	3,184,713	2,812,356
Cemetery	77,081	-	77,081	109,288
Construction	159,529	-	159,529	165,023
Shop	101,029	-	101,029	106,303
Health	19,806	-	19,806	25,064
City hall complex	222,708	-	222,708	241,399
City beautification	4,098	-	4,098	8,286
Economic development	141,819	-	141,819	143,173
Tourist development	154,367	-	154,367	194,833
Parks and recreation	883,906	-	883,906	1,337,953
Golf	366,004	-	366,004	409,257
Transit	210,135	-	210,135	206,574
Library	611,201	-	611,201	656,087
Civic center	484,251	-	484,251	991,071
Galloway park department	9,759	-	9,759	17,892
Senior citizens	19,251	-	19,251	27,126
Other	339,776	-	339,776	325,266
Debt service	7,018	-	7,018	20,171
Water	-	1,650,790	1,650,790	1,834,180
Sewer	-	1,530,854	1,530,854	1,547,264
Electric	-	15,253,639	15,253,639	14,451,427
Refuse	-	2,589,979	2,589,979	2,807,987
Storm water engineering	-	58,248	58,248	56,631
Fiber	-	96,031	96,031	112,387
TOTAL EXPENSES	12,209,894	21,179,541	33,389,435	34,345,563
(Loss) on disposals	-	-	-	(40,988)
INCREASE IN NET POSITION	\$ 2,431,304	\$ 2,412,602	\$ 4,843,906	\$ 1,316,192

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF WEST PLAINS, MISSOURI
March 31, 2019**

Governmental Activities

Governmental activities increased the net position of the City by \$2,431,304. Tax revenues for the City were \$11,032,411, which represents 75% of the funding of these activities. Program revenues for the functions totaled \$3,244,183 or 22% 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	\$ 946,014	\$ 841,620
Police	1,948,680	1,249,560
Fire	1,065,882	749,216
Airport	457,727	34,217
Street	3,184,713	2,900,629
Golf	366,004	104,383
Parks and recreation	883,906	708,649
Library	611,201	564,024
Civic center	484,251	170,376
Other governmental activities	2,261,516	1,643,037
	<u>\$ 12,209,894</u>	<u>\$ 8,965,711</u>

Business-Type Activities

Business-type activities increased the City's net position by \$2,412,602. 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 \$1,891,982.

Financial Analysis of the City's Funds

The combined fund balances of the City's governmental funds as of March 31, 2019, were \$10,454,590. The General Fund decreased by \$312,662. The Tax Increment Financing #1 Fund increased \$93, Tax Increment Financing #2 Fund did not change, and Tax Increment Financing #3 Fund increased by \$122,502.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF WEST PLAINS, MISSOURI
March 31, 2019**

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 \$12,678,806 was not amended during the year.

The original General Fund expense budget of \$15,677,857 was not amended during the year.

Capital Asset and Debt Administration

Capital Assets

Capital assets of the governmental activities were \$39.4 million (net of accumulated depreciation) as of March 31, 2019. This represents a \$1,717,302 net increase from the prior year due primarily to current year additions being greater than current year depreciation. Capital assets for business-type activities were \$44.4 million as of March 31, 2019. This represents a \$92,696 increase from the prior year due primarily to current year depreciation being less than current year additions.

Debt Administration

Total debt of the governmental activities as of March 31, 2019, was \$5.4 million, which is down \$865,426 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, 2019, was \$6.4 million, a decrease of \$926,708 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, 2019

Economic Factors and Next Year's Budget

The largest consideration for the governmental-type activities budget is given to anticipated sales tax revenue. FY2019 sales tax revenue was originally budgeted to be flat with the prior year actual results, and was left the same at amendment.

There is some positive economic factors affecting the City in the next fiscal year. The largest employer in the area, Ozarks Medical Center, began a \$70+ million expansion to their main campus. With that, the City is looking at some opportunities to create efficiencies in how traffic flows around their campus and throughout that area of the City. Additionally, another major employer in the area, DRS, is moving forward with building a new multi-million-dollar administration building as part of their campus. Furthermore, there are also some major grant projects in which the City is moving forward. Grant funding for four stormwater retention basins was approved and work is beginning on these basins. West Plains was selected as one of five participant zip codes able to utilize funds from a \$58 million grant aimed meeting affordable housing needs left after the April 2017 flood. The City is also working to find available funding for a new railroad overpass at Independence Ave. and Luna Dr. With everything going on, FY2020 will require close monitoring to ensure funds are spread efficiently and equitably to the City departments.

Voters passed an increase to the Hotel/Motel tax at the beginning of FY2020. These tax revenues will fund tourism and economic development for the City. The anticipated impact of this tax was reflect in the FY2020 budget.

For business-type activities, the City Utilities is moving forward on a multi-year plan to upgrade our metering system in order to create efficiencies in our Utility administration. City Utilities entered into long-term power purchase agreement that involves an external entity building a large solar farm on the old landfill site owed by the City. Land was acquired to move forward with expansions to our electrical network. Planning efforts are being performed to identify the best implementation for future electric substation and network needs. City Utilities is also in the initial planning phases of identifying future water treatment and wastewater treatment needs and determining the best approach going forward to meet these future needs. The City will continue to review our needs and the service capacities of all facilities to in order to provide the needed utility services our citizens have come to depend on.

Contacting the City's Financial Management

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

City of West Plains
1910 Holiday Lane, PO Box 710
West Plains, Missouri 65775
(417) 256-7176

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

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

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF NET POSITION
March 31, 2019

	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	\$ 2,414,291	\$ 17,698,994	\$ 20,113,285	\$ 120,252	\$ 464,585	\$ 156,570	\$ 166,021	\$ 5,579	\$ -
Investments - unrestricted	-	-	-	394,271	-	-	-	-	-
Taxes receivable	1,138,425	-	1,138,425	-	-	-	-	-	-
Utilities receivable, net	-	2,244,357	2,244,357	-	-	-	-	-	-
Other accounts receivable	176,996	69,973	246,969	-	63,371	-	-	-	-
Court fines receivable, net	60,006	-	60,006	-	-	-	-	-	-
Intergovernmental receivable	719,911	-	719,911	-	-	-	-	-	-
Internal balances	36,741	(36,741)	-	-	-	-	-	-	-
Inventory	77,982	1,828,508	1,906,490	-	-	-	-	-	-
Prepaid expenses	136,813	78,868	215,681	-	-	-	-	-	-
Noncurrent									
Restricted cash and cash equivalents	5,830,424	1,555,023	7,385,447	-	-	-	-	-	-
Restricted investments	495,500	588,416	1,083,916	-	-	-	-	-	-
MODAG receivable	31,953	-	31,953	-	-	-	-	-	-
Net pension asset	2,139,503	453,145	2,592,648	-	-	-	-	-	-
Capital assets:									
Non-depreciable	5,311,853	929,908	6,241,761	-	-	-	-	-	-
Depreciable, net	34,095,146	43,449,560	77,544,706	-	2,767,249	204,098	6,549,558	29,600	-
TOTAL ASSETS	52,665,544	68,860,011	121,525,555	514,523	3,295,205	360,668	6,715,579	35,179	-
DEFERRED OUTFLOWS OF RESOURCES									
Deferred pension outflows	593,956	476,743	1,070,699	-	-	-	-	-	-
Deferred charge on debt refunding	-	162,790	162,790	-	-	-	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	593,956	639,533	1,233,489	-	-	-	-	-	-

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF NET POSITION (continued)
March 31, 2019

	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	444,277	1,426,256	1,870,533	-	31,505	8,301	39,176	10,276	31,098
Accrued expenses	79,154	86,506	165,660	-	-	-	-	-	-
Accrued interest payable	25,258	35,478	60,736	-	-	-	-	-	-
Court bonds payable	5,449	-	5,449	-	-	-	-	-	-
Deposits payable	3,975	626,806	630,781	-	-	-	-	-	-
Other payables	57,071	-	57,071	-	-	-	-	-	-
Current maturities of long-term debt	897,306	925,000	1,822,306	-	-	-	2,961,748	-	-
	1,512,490	3,100,046	4,612,536	-	31,505	8,301	3,000,924	10,276	31,098
Noncurrent									
Compensated absences payable	253,062	194,335	447,397	-	-	-	-	-	-
Certificates of participation payable	4,166,069	2,240,013	6,406,082	-	-	-	-	-	-
Lease purchases payable	67,351	-	67,351	-	-	-	-	-	-
Revenue bonds payable	-	2,997,957	2,997,957	-	-	-	-	-	-
Bond anticipation notes payable	-	-	-	-	1,894,804	-	-	-	-
	4,486,482	5,432,305	9,918,787	-	1,894,804	-	-	-	-
TOTAL LIABILITIES	5,998,972	8,532,351	14,531,323	-	1,926,309	8,301	3,000,924	10,276	31,098
DEFERRED INFLOW OF RESOURCES									
Deferred pension inflows	856,649	441,488	1,298,137	-	-	-	-	-	-
NET POSITION									
Net investment in capital assets	34,343,624	38,379,288	72,722,912	-	872,445	204,098	3,587,810	29,600	-
Restricted	6,076,601	1,516,633	7,593,234	-	-	-	-	-	-
Unrestricted	5,983,654	20,629,784	26,613,438	514,523	496,451	148,269	126,845	(4,697)	(31,098)
TOTAL NET POSITION	\$ 46,403,879	\$ 60,525,705	\$ 106,929,584	\$ 514,523	\$ 1,368,896	\$ 352,367	\$ 3,714,655	\$ 24,903	\$ (31,098)

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF ACTIVITIES
Year Ended March 31, 2019

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	Ramscur Farm	
		for	Grants and	Grants and				Public	Community	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	\$ (946,014)	\$ 104,394	\$ -	\$ -	\$ (841,620)	\$ -	\$ (841,620)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Safety	(18,882)	-	277,064	-	258,182	-	258,182	-	-	-	-	-	-	
Information technology	(41,878)	-	-	-	(41,878)	-	(41,878)	-	-	-	-	-	-	
Engineering	(252,152)	-	-	-	(252,152)	-	(252,152)	-	-	-	-	-	-	
Building official	(109,837)	43,139	-	-	(66,698)	-	(66,698)	-	-	-	-	-	-	
City attorney	(102,258)	-	-	-	(102,258)	-	(102,258)	-	-	-	-	-	-	
Court	(111,875)	-	-	-	(111,875)	-	(111,875)	-	-	-	-	-	-	
Police	(1,948,680)	301,572	397,548	-	(1,249,560)	-	(1,249,560)	-	-	-	-	-	-	
Animal control	(65,537)	1,330	860	-	(63,347)	-	(63,347)	-	-	-	-	-	-	
Emergency management	(92,721)	-	20,893	-	(71,828)	-	(71,828)	-	-	-	-	-	-	
Fire	(1,065,882)	-	-	316,666	(749,216)	-	(749,216)	-	-	-	-	-	-	
Airport	(457,727)	193,498	-	230,012	(34,217)	-	(34,217)	-	-	-	-	-	-	
Street	(3,184,713)	2,510	-	281,574	(2,900,629)	-	(2,900,629)	-	-	-	-	-	-	
Cemetery	(77,081)	12,650	70	-	(64,361)	-	(64,361)	-	-	-	-	-	-	
Construction	(159,529)	-	-	-	(159,529)	-	(159,529)	-	-	-	-	-	-	
Shop	(101,029)	-	-	-	(101,029)	-	(101,029)	-	-	-	-	-	-	
Health	(19,806)	477	-	-	(19,329)	-	(19,329)	-	-	-	-	-	-	
City hall complex	(222,708)	-	-	-	(222,708)	-	(222,708)	-	-	-	-	-	-	
City beautification	(4,098)	-	-	-	(4,098)	-	(4,098)	-	-	-	-	-	-	
Economic development	(141,819)	-	-	-	(141,819)	-	(141,819)	-	-	-	-	-	-	
Tourist development	(154,367)	3,523	499	-	(150,345)	-	(150,345)	-	-	-	-	-	-	
Parks and recreation	(883,906)	175,257	-	-	(708,649)	-	(708,649)	-	-	-	-	-	-	
Golf	(366,004)	261,621	-	-	(104,383)	-	(104,383)	-	-	-	-	-	-	
Transit	(210,135)	27,845	-	228,889	46,599	-	46,599	-	-	-	-	-	-	
Library	(611,201)	38,153	5,576	3,448	(564,024)	-	(564,024)	-	-	-	-	-	-	
Civic center	(484,251)	313,875	-	-	(170,376)	-	(170,376)	-	-	-	-	-	-	
Galloway park department	(9,759)	940	300	-	(8,519)	-	(8,519)	-	-	-	-	-	-	
Senior citizens	(19,251)	-	-	-	(19,251)	-	(19,251)	-	-	-	-	-	-	
Other	(339,776)	-	-	-	(339,776)	-	(339,776)	-	-	-	-	-	-	
Debt service	(7,018)	-	-	-	(7,018)	-	(7,018)	-	-	-	-	-	-	
TOTAL GOVERNMENTAL ACTIVITIES	(12,209,894)	1,480,784	702,810	1,060,589	(8,965,711)	-	(8,965,711)	-	-	-	-	-	-	

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF ACTIVITIES (continued)
Year Ended March 31, 2019

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	(1,650,790)	2,149,298	-	-	-	498,508	498,508	-	-	-	-	-	-
Sewer	(1,530,854)	1,623,383	-	-	-	92,529	92,529	-	-	-	-	-	-
Electric	(15,253,639)	16,328,380	-	-	-	1,074,741	1,074,741	-	-	-	-	-	-
Refuse	(2,589,979)	2,730,068	219,684	-	-	359,773	359,773	-	-	-	-	-	-
Storm water engineering	(58,248)	1,194	-	-	-	(57,054)	(57,054)	-	-	-	-	-	-
Fiber	(96,031)	25,175	-	-	-	(70,856)	(70,856)	-	-	-	-	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	(21,179,541)	22,857,498	219,684	-	-	1,897,641	1,897,641	-	-	-	-	-	-
TOTAL PRIMARY GOVERNMENT	\$ (33,389,435)	\$ 24,338,282	\$ 922,494	\$ 1,060,589	(8,965,711)	1,897,641	(7,068,070)	-	-	-	-	-	-
Component Units													
West Plains Public Library Foundation	\$ (8,482)	\$ -	\$ 9,500	\$ -	-	-	-	1,018	-	-	-	-	-
South 160 Community Improvement District	(170,132)	-	-	-	-	-	-	-	(170,132)	-	-	-	-
63 ByPass Community Improvement District	(6,876)	-	-	-	-	-	-	-	-	(6,876)	-	-	-
Southern Hills Community Improvement District	(268,256)	-	-	-	-	-	-	-	-	-	(268,256)	-	-
Ozark Hills Community Improvement District	(1,708)	-	-	-	-	-	-	-	-	-	-	(1,708)	-
Ramseur Farm Community Improvement District	(1,562)	-	-	-	-	-	-	-	-	-	-	-	(1,562)
TOTAL COMPONENT UNITS	\$ (457,016)	\$ -	\$ 9,500	\$ -	-	-	-	1,018	(170,132)	(6,876)	(268,256)	(1,708)	(1,562)
General Revenues:													
Sales taxes					6,920,824	-	6,920,824	-	369,928	29,615	561,599	14,291	-
Ad valorem taxes					820,429	-	820,429	-	-	-	-	-	-
Motor vehicle and gas taxes					482,760	-	482,760	-	-	-	-	-	-
Other taxes					439,298	-	439,298	-	-	-	-	-	-
Franchise taxes					2,369,100	-	2,369,100	-	-	-	-	-	-
Interest					172,727	450,147	622,874	12,754	-	-	-	-	-
Other revenue					191,877	64,814	256,691	7,232	-	-	-	-	-
Unrealized (loss) on investments					-	-	-	(4,075)	-	-	-	-	-
Total General Revenues					11,397,015	514,961	11,911,976	15,911	369,928	29,615	561,599	14,291	-
Changes in Net Position					2,431,304	2,412,602	4,843,906	16,929	199,796	22,739	293,343	12,583	(1,562)
Net Position, Beginning 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)
Net Position, End of year					\$ 46,403,879	\$ 60,525,705	\$ 106,929,584	\$ 514,523	\$ 1,368,896	\$ 352,367	\$ 3,714,655	\$ 24,903	\$ (31,098)

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
BALANCE SHEET – GOVERNMENTAL FUNDS
March 31, 2019

	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	\$ 2,351,742	\$ -	\$ 62,549	\$ -	\$ 2,414,291
Taxes receivable	1,138,425	-	-	-	1,138,425
Other accounts receivable	176,996	-	-	-	176,996
Court fines receivable, net	60,006	-	-	-	60,006
Intergovernmental receivable	719,911	-	-	-	719,911
Due from other funds	35,208	1,772	-	-	36,980
Inventory	77,982	-	-	-	77,982
Prepaid expenses	136,813	-	-	-	136,813
MODAG receivable	31,953	-	-	-	31,953
Restricted cash and cash equivalents	5,168,150	1,959	-	660,315	5,830,424
Restricted investments	495,500	-	-	-	495,500
TOTAL ASSETS	\$ 10,392,686	\$ 3,731	\$ 62,549	\$ 660,315	\$ 11,119,281
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 381,728	\$ -	62,549	\$ -	\$ 444,277
Accrued expenses	79,154	-	-	-	79,154
Court bonds payable	5,449	-	-	-	5,449
Due to other funds	-	-	-	239	239
Deposits payable	3,975	-	-	-	3,975
Other payables	57,071	-	-	-	57,071
TOTAL LIABILITIES	527,377	-	62,549	239	590,165
Deferred Inflow of Resources					
Deferred revenue	74,526	-	-	-	74,526
Fund Balances					
Nonspendable-not in spendable form:					
Inventory	77,982	-	-	-	77,982
Prepaid Items	136,813	-	-	-	136,813
Restricted for:					
Economic development	88,582	-	-	-	88,582
Parks and recreation	819	-	-	-	819
Fire	1,184	-	-	-	1,184
Streets	1,680,609	-	-	-	1,680,609
Cemetery perpetual care	126,785	-	-	-	126,785
Library	4,541	-	-	-	4,541
Capital improvements	3,011,906	-	-	-	3,011,906
Debt service	498,368	3,731	-	660,076	1,162,175
Assigned for:					
Capital improvements	500,000	-	-	-	500,000
Unassigned	3,663,194	-	-	-	3,663,194
TOTAL FUND BALANCES	9,790,783	3,731	-	660,076	10,454,590
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 10,392,686	\$ 3,731	\$ 62,549	\$ 660,315	\$ 11,119,281

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF
NET POSITION
March 31, 2019

Fund balance - total governmental funds	\$ 10,454,590
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Governmental capital assets	115,876,860
Less accumulated depreciation	<u>(76,469,861)</u>
	39,406,999
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	2,139,503
Deferred outflows due to pensions	593,956
Deferred inflows due to pensions	<u>(856,649)</u>
	1,876,810
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(25,258)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(5,383,788)
Adjustment of unavailable revenue	<u>74,526</u>
Net position of governmental activities	<u><u>\$ 46,403,879</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, 2019

	General Fund	Tax Increment Financing #1 Fund	Tax Increment Financing #2 Fund	Tax Increment Financing #3 Fund	Total Governmental Funds
REVENUES					
Taxes	\$ 10,570,132	\$ 35,151	\$ 303,913	\$ 123,214	\$ 11,032,410
Licenses and permits	97,905	-	-	-	97,905
Intergovernmental revenues	1,752,179	-	-	-	1,752,179
Charges for services	1,403,615	-	-	-	1,403,615
Miscellaneous	375,732	93	-	-	375,825
TOTAL REVENUES	14,199,563	35,244	303,913	123,214	14,661,934
EXPENDITURES					
Current					
Administrative	947,988	-	-	-	947,988
Safety	18,013	-	-	-	18,013
Information technology	42,091	-	-	-	42,091
Engineering	260,411	-	-	-	260,411
Building official	113,156	-	-	-	113,156
City attorney	103,047	-	-	-	103,047
Court	112,969	-	-	-	112,969
Police	1,855,382	-	-	-	1,855,382
Animal control	55,192	-	-	-	55,192
Emergency management	44,819	-	-	-	44,819
Fire	1,222,429	-	-	-	1,222,429
Airport	562,346	-	-	-	562,346
Street	4,808,313	-	-	-	4,808,313
Cemetery	73,009	-	-	-	73,009
Construction	163,867	-	-	-	163,867
Shop	92,843	-	-	-	92,843
Health	19,806	-	-	-	19,806
City hall complex	115,821	-	-	-	115,821
City beautification	4,098	-	-	-	4,098
Economic development	141,819	-	-	-	141,819
Tourist development	150,844	-	-	-	150,844
Parks and recreation	762,379	-	-	-	762,379
Golf	442,322	-	-	-	442,322
Transit	229,642	-	-	-	229,642
Library	570,346	-	-	-	570,346
Civic center	724,242	-	-	-	724,242
Galloway park department	9,759	-	-	-	9,759
Senior citizens	19,251	-	-	-	19,251
Other	-	35,151	303,913	712	339,776
Debt Service					
Principal and interest	931,596	-	-	-	931,596
TOTAL EXPENDITURES	14,597,800	35,151	303,913	712	14,937,576

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL
FUNDS (continued)
Year Ended March 31, 2019

	General Fund	Tax Increment Financing #1 Fund	Tax Increment Financing #2 Fund	Tax Increment Financing #3 Fund	Total Governmental Funds
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(398,237)	93	-	122,502	(275,642)
OTHER FINANCING SOURCES					
Lease purchase proceeds	<u>85,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,575</u>
TOTAL OTHER FINANCING SOURCES	<u>85,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,575</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(312,662)	93	-	122,502	(190,067)
FUND BALANCE, April 1	<u>10,103,445</u>	<u>3,638</u>	<u>-</u>	<u>537,574</u>	<u>10,644,657</u>
FUND BALANCE, March 31	<u>\$ 9,790,783</u>	<u>\$ 3,731</u>	<u>\$ -</u>	<u>\$ 660,076</u>	<u>\$ 10,454,590</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, 2019

Net change in fund balances - total governmental funds \$ (190,067)

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	4,540,088
Depreciation	<u>(2,822,786)</u>
	1,717,302

Some revenues reported in the governmental funds represent current financial resources
 and are recognized in the Statement of Activities when earned. (20,736)

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:

Capital lease proceeds	(85,575)
Repayment of principal on COPs and leases	933,755
Accrued interest payable	<u>(9,177)</u>
	839,003

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

Change in compensated absences	17,246
Change in pension related costs	<u>68,556</u>
	<u>85,802</u>

Change in net position of governmental activities	<u><u>\$ 2,431,304</u></u>
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CITY OF WEST PLAINS, MISSOURI
STATEMENT OF NET POSITION – ENTERPRISE FUND
March 31, 2019

ASSETS	Utility Fund	
	March 31,	
	2019	2018
Current Assets		
Cash and cash equivalents	\$ 17,698,994	\$ 16,419,939
Utilities receivable, net	2,244,357	2,137,988
Other accounts receivable	69,973	188,949
Inventory	1,828,508	1,605,568
Prepaid expenses	78,868	76,854
TOTAL CURRENT ASSETS	21,920,700	20,429,298
Restricted Assets		
Cash and cash equivalents	1,555,023	1,520,017
Investments	588,416	588,416
Property, Plant and Equipment	82,251,248	80,393,248
Less accumulated depreciation	(37,871,780)	(36,106,476)
TOTAL PROPERTY, PLANT AND EQUIPMENT	44,379,468	44,286,772
Net Pension Asset	453,145	-
TOTAL ASSETS	68,896,752	66,824,503
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension outflows	476,743	855,767
Deferred charge on debt refunding	162,790	203,402
TOTAL DEFERRED OUTFLOWS OF RESOURCES	639,533	1,059,169
LIABILITIES		
Current Liabilities		
Accounts payable	1,426,256	1,335,606
Accrued expenses	86,506	74,882
Accrued interest payable	35,478	38,966
Due to other funds	36,741	40,239
Meter deposits payable	626,806	569,073
Current maturities of long-term debt	925,000	910,000
TOTAL CURRENT LIABILITIES	3,136,787	2,968,766
Long-Term Liabilities		
Revenue bonds payable	2,997,957	3,929,435
Certificates of participation payable	2,240,013	2,242,741
Net pension liability	-	255,717
Compensated absences payable	194,335	201,837
TOTAL LONG-TERM LIABILITIES	5,432,305	6,629,730
TOTAL LIABILITIES	8,569,092	9,598,496
DEFERRED INFLOW OF RESOURCES		
Deferred pension inflows	441,488	172,073
NET POSITION		
Net investment in capital assets	38,379,288	37,407,998
Restricted	1,516,633	1,539,360
Unrestricted	20,629,784	19,165,745
TOTAL NET POSITION	\$ 60,525,705	\$ 58,113,103

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – ENTERPRISE FUND
Year Ended March 31, 2019

	Utility Fund	
	Year Ended March 31,	
	2019	2018
OPERATING REVENUES		
Charges for services		
Electric	\$ 16,328,380	\$ 15,375,356
Water	2,149,298	2,127,993
Sewer	1,623,383	1,806,389
Refuse	2,730,068	2,822,800
Stormwater	1,194	500
Fiber	25,175	7,768
TOTAL OPERATING REVENUES	22,857,498	22,140,806
OPERATING EXPENSES		
Electric		
Wages and benefits	704,211	776,464
Franchise fees	1,844,036	1,497,627
Engineering	60	-
Purchased power	9,864,017	9,421,455
Utilities	9,442	10,618
Other operating expenses	863,230	868,397
Depreciation	963,431	948,278
Water		
Wages and benefits	370,091	411,526
Engineering	225	71,484
Utilities	157,062	158,188
Other operating expenses	244,505	302,886
Depreciation	492,288	532,947
Sewer		
Wages and benefits	420,167	460,934
Utilities	105,116	104,589
Other operating expenses	214,521	190,306
Depreciation	404,431	434,286
Refuse		
Wages and benefits	987,933	982,539
Landfill service	811,786	915,532
Utilities	10,626	9,341
Other operating expenses	428,732	565,597
Depreciation	254,247	245,691
Engineering		
Wages and benefits	161,095	151,928
Other operating expenses	-	2,846
Shop		
Wages and benefits	80,702	72,616

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – ENTERPRISE FUND
(continued)
Year Ended March 31, 2019

	Utility Fund	
	Year Ended March 31,	
	2019	2018
Storm Water Engineering		
Depreciation	255	3,059
Fiber		
Wages and benefits	1,337	40,780
Utilities	31,887	15,081
Other operating expenses	14,244	35,169
Depreciation	48,563	21,357
Information Technology		
Wages and benefits	97,842	82,849
Administration and Warehouse		
Wages and benefits	706,602	663,631
Insurance	227,630	196,245
Utilities	69,504	60,391
Other operating expenses	265,502	254,533
Depreciation	2,509	4,426
TOTAL OPERATING EXPENSES	<u>20,857,829</u>	<u>20,513,596</u>
OPERATING INCOME	1,999,669	1,627,210
NONOPERATING REVENUES (EXPENSES)		
Interest income	450,147	262,678
Other revenue	284,498	298,374
Interest expense	(263,556)	(283,281)
(Loss) on inventory	(58,156)	(12,999)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>412,933</u>	<u>264,772</u>
NET INCOME	2,412,602	1,891,982
NET POSITION, April 1	<u>58,113,103</u>	<u>56,221,121</u>
NET POSITION, March 31	<u>\$ 60,525,705</u>	<u>\$ 58,113,103</u>

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF CASH FLOWS – ENTERPRISE FUND
Year Ended March 31, 2019

	Utility Fund	
	Year Ended March 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 22,927,838	\$ 21,909,823
Cash paid to suppliers	(15,355,923)	(14,853,863)
Cash paid to employees	(3,584,944)	(3,406,488)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,986,971	3,649,472
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Repayment of loans (to) from other funds	(3,498)	(884)
Proceeds from operating grants	284,498	298,374
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	281,000	297,490
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(2,258,419)	(2,112,929)
Payment of principal on long-term debt	(910,000)	(1,090,000)
Payment of interest expense	(235,638)	(257,907)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(3,404,057)	(3,460,836)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investments	450,147	262,678
Maturity (purchase) of investments	-	99,622
NET CASH PROVIDED BY INVESTING ACTIVITIES	450,147	362,300
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,314,061	848,426
CASH AND CASH EQUIVALENTS, Beginning of year	17,939,956	17,091,530
CASH AND CASH EQUIVALENTS, End of year	19,254,017	17,939,956
LESS RESTRICTED CASH AND CASH EQUIVALENTS	1,555,023	1,520,017
UNRESTRICTED CASH AND CASH EQUIVALENTS	\$ 17,698,994	\$ 16,419,939
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 1,999,669	\$ 1,627,210
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,165,723	2,190,044
(Increase) decrease in:		
Receivables	12,607	(254,846)
Inventory	(281,096)	(158,433)
Prepaid expenses	(2,014)	(26,076)
Net pension asset	(708,862)	(493,089)
Deferred pension outflows	379,024	648,320
Increase (decrease) in:		
Accounts payable	90,650	51,711
Compensated absences payable	(7,502)	23,235
Accrued expenses	11,624	15,555
Meter deposits payable	57,733	23,863
Deferred pension inflows	269,415	1,978
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 3,986,971	\$ 3,649,472

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, 2018, 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, 2019, \$201,309 was uninsured and uncollateralized.

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, 2019

NOTE C – INVESTMENTS

Primary Government

The City categorizes its investments within the fair value hierarchy as discussed in Note A. As of March 31, 2019, 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, 2019, 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 \$394,271 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, 2019

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	1,415,368	1,680,609
Capital improvement tax	2,300,359	2,300,359
Capital projects	500,000	-
Economic development	56,629	88,582
Galloway park donations	819	819
Fire alarms	1,184	1,184
Library	4,541	4,541
Police seized funds	38,626	-
Court bonds	5,449	-
Deposits held	3,975	-
2012 COP reserves	498,368	498,368
2015 COP proceeds	711,547	711,547
	<u>\$ 5,663,650</u>	<u>\$ 5,412,794</u>
Special Revenue Funds		
Reserved/restricted for debt service	<u>\$ 662,274</u>	<u>\$ 663,807</u>
Enterprise Fund		
2011 bond reserves	\$ 1,212,446	\$ 1,212,446
1996 bond reserves	55,547	55,547
2014 bond reserves	4,699	4,699
2010 COP reserves	213,894	213,894
Service deposits	626,806	-
Landfill closure	30,047	30,047
	<u>\$ 2,143,439</u>	<u>\$ 1,516,633</u>

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2019

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	<u>\$ 3,704,876</u>	<u>\$ 1,460,519</u>	<u>\$ 2,244,357</u>

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	<u>\$ 118,758</u>	<u>\$ 58,752</u>	<u>\$ 60,006</u>

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>2018</u>
Real estate	\$ 121,999,510
Personal property	<u>39,003,216</u>
TOTAL	<u>\$ 161,002,726</u>
Tax Rate Per \$100 of Assessed Valuation	<u>2018</u>
General	\$.3180
Library	<u>.2000</u>
	<u>\$.5180</u>

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2019

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

The legal debt margin at March 31, 2019, was computed as follows:

	<u>General Obligation Bonds</u>		
	<u>Ordinary (1)</u>	<u>Additional (2)</u>	<u>Total</u>
Constitutional Debt Limit	\$ 16,100,273	\$ 16,100,273	\$ 32,200,545
General Obligation Bonds Payable	-	-	-
LEGAL DEBT MARGIN	<u>\$ 16,100,273</u>	<u>\$ 16,100,273</u>	<u>\$ 32,200,545</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>\$ 31,953</u>

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2019

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, 2019, are as follows:

Year Ending March 31,	Principal	Interest	Total
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>\$ 3,420,000</u>	<u>\$ 418,226</u>	<u>\$ 3,838,226</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, 2019

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, 2019, are as follows:

Year Ending March 31,	Principal	Interest	Total
2020	\$ 490,000	\$ 10,780	\$ 500,780

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, 2019, are due as follows:

Year Ending March 31,	Principal	Interest	Interest Subsidy	Total
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>\$ 952,130</u>	<u>\$ (428,459)</u>	<u>\$ 2,733,671</u>

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2019

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, 2019, is as follows:

	Balance March 31, 2018	Additions	Retirements	Balance March 31, 2019	Amount due within one year
Revenue Bonds					
Series 2011	3,850,000	-	430,000	3,420,000	435,000
Series 2014	970,000	-	480,000	490,000	490,000
Premium	19,435	-	6,478	12,957	-
	<u>4,839,435</u>	<u>-</u>	<u>916,478</u>	<u>3,922,957</u>	<u>925,000</u>
Certificates of Participation					
Series 2010	2,210,000	-	-	2,210,000	-
Premium	32,741	-	2,728	30,013	-
	<u>2,242,741</u>	<u>-</u>	<u>2,728</u>	<u>2,240,013</u>	<u>-</u>
Compensated Absences	<u>201,837</u>	<u>-</u>	<u>7,502</u>	<u>194,335</u>	<u>-</u>
TOTAL	<u>\$ 7,284,013</u>	<u>\$ -</u>	<u>\$ 926,708</u>	<u>\$ 6,357,305</u>	<u>\$ 925,000</u>

NOTE I – LONG-TERM LIABILITIES – GOVERNMENTAL ACTIVITIES

Long-term liabilities for governmental activities at March 31, 2019, 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, 2019

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, 2019, are listed in the following table:

Year Ending March 31,	Principal	Interest	Total
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>\$ 2,350,000</u>	<u>\$ 191,910</u>	<u>\$ 2,541,910</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, 2019, are listed in the following table:

Year Ending March 31,	Principal	Interest	Total
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>\$ 2,625,000</u>	<u>\$ 168,704</u>	<u>\$ 2,793,704</u>

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2019

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 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%.

On February 12, 2018, the City entered into a lease purchase agreement to finance the purchase of golf carts. The agreement requires monthly payments of \$1,036 and final payment of \$28,800, which includes interest at 4.80%

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

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

Year Ending March 31,	Kubota Tractor	Ford Trucks	Case Backhoe	Golf Equipment	Three Police Vehicles	Golf Carts
2020	\$ 7,446	\$ 12,237	\$ 12,873	\$ 11,211	\$ 26,182	\$ 12,435
2021	-	-	-	-	-	12,435
2022	-	-	-	-	-	12,435
2023	-	-	-	-	-	12,435
2024	-	-	-	-	-	39,163
TOTAL MINIMUM LEASE PAYMENTS	7,446	12,237	12,873	11,211	26,182	88,903
LESS AMOUNT REPRESENTING INTEREST	(187)	(307)	(324)	(240)	(559)	(12,578)
PRINCIPAL BALANCE MARCH 31, 2019	<u>\$ 7,259</u>	<u>\$ 11,930</u>	<u>\$ 12,549</u>	<u>\$ 10,971</u>	<u>\$ 25,623</u>	<u>\$ 76,325</u>

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2019

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, 2019, is as follows:

	Balance March 31, 2018	Additions	Retirements	Balance March 31, 2019	Amount due within one year
Certificates of Participation					
Series 2012	\$ 2,715,000	\$ -	\$ 365,000	\$ 2,350,000	\$ 370,000
Series 2015	3,065,000	-	440,000	2,625,000	450,000
Premium on Series 2015	12,914	-	1,845	11,069	-
	<u>5,792,914</u>	-	<u>806,845</u>	<u>4,986,069</u>	<u>820,000</u>
Capital Lease Obligations					
Kubota tractor	14,337	-	7,078	7,259	7,259
Ford trucks	23,562	-	11,632	11,930	11,930
Case backhoe	24,784	-	12,235	12,549	12,549
Six police vehicles	50,901	-	50,901	-	-
Golf equipment	21,708	-	10,737	10,971	10,971
Three police vehicles	50,700	-	25,077	25,623	25,623
Golf carts	-	85,575	9,250	76,325	8,974
	<u>185,992</u>	<u>85,575</u>	<u>126,910</u>	<u>144,657</u>	<u>77,306</u>
Compensated absences payable	<u>270,308</u>	-	<u>17,246</u>	<u>253,062</u>	<u>-</u>
TOTAL	<u><u>\$ 6,249,214</u></u>	<u><u>\$ 85,575</u></u>	<u><u>\$ 951,001</u></u>	<u><u>\$ 5,383,788</u></u>	<u><u>\$ 897,306</u></u>

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2019

NOTE K – CAPITAL ASSETS

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

Primary Government

	Balance March 31, 2018	Additions	Deletions	Balance March 31, 2019
Governmental Activities				
Non-Depreciable Capital Assets:				
Construction in progress	\$ 1,894,731	\$ 655,677	\$ 160,989	\$ 2,389,419
Land	2,922,434	-	-	2,922,434
Total Non-depreciable Capital Assets	<u>\$ 4,817,165</u>	<u>\$ 655,677</u>	<u>\$ 160,989</u>	<u>\$ 5,311,853</u>
Depreciable Capital Assets:				
Building and improvements	\$ 22,467,154	\$ 47,483	\$ -	\$ 22,514,637
Machinery and equipment	5,046,538	135,360	-	5,181,898
Vehicles	3,921,154	189,061	-	4,110,215
Infrastructure	74,639,578	3,148,710	-	77,788,288
Land improvements	445,183	524,786	-	969,969
Total Depreciable Capital Assets	106,519,607	<u>\$ 4,045,400</u>	<u>\$ -</u>	110,565,007
Less Accumulated Depreciation	73,647,075	<u>\$ 2,822,786</u>	<u>\$ -</u>	76,469,861
Total Depreciable Capital Assets, net	<u>\$ 32,872,532</u>			<u>\$ 34,095,146</u>

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2019

NOTE K – CAPITAL ASSETS (continued)

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

Administration	\$ 10,757
Information technology	2,828
Engineering	4,576
Police	45,908
Animal control	11,495
Emergency management	49,015
Fire	227,492
Airport	176,512
Street	1,631,299
Cemetery	5,971
Shop	11,184
City hall complex	109,798
Tourist development	7,399
Parks and recreation	147,987
Golf	19,353
Transit	48,223
Library	50,079
Civic center	262,910
	<u>\$ 2,822,786</u>

	Balance March 31, 2018	Additions	Deletions	Balance March 31, 2019
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	19,888,255	268,929	-	20,157,184
Equipment	1,143,294	71,992	-	1,215,286
Transportation equipment	332,638	-	-	332,638
Total Depreciable Capital Assets	21,466,231	<u>\$ 340,921</u>	<u>\$ -</u>	21,807,152
Less Accumulated Depreciation	9,411,536	<u>\$ 494,797</u>	<u>\$ -</u>	9,906,333
Depreciable Capital Assets, net	12,054,695			11,900,819

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2019

NOTE K – CAPITAL ASSETS (continued)

	Balance March 31, 2018	Additions	Deletions	Balance March 31, 2019
Electric				
Non-Depreciable Capital Assets:				
Land	76,662	\$ -	\$ -	76,662
Construction in progress	-	3,600	-	3,600
Total Non-Depreciable Capital Assets	76,662	\$ 3,600	\$ -	80,262
Depreciable Capital Assets:				
Buildings and improvements	248,053	\$ 2,387	\$ -	250,440
Plant	25,211,457	867,186	-	26,078,643
Equipment	3,304,188	281,987	-	3,586,175
Transportation equipment	2,210,769	-	-	2,210,769
Total Depreciable Capital Assets	30,974,467	\$ 1,151,560	\$ -	32,126,027
Less Accumulated Depreciation	15,960,062	\$ 963,431	\$ -	16,923,493
Depreciable Capital Assets, net	15,014,405			15,202,534
Sewer				
Depreciable Capital Assets:				
Buildings and improvements	82,633	\$ -	\$ -	82,633
Plant	21,678,776	209,813	-	21,888,589
Equipment	1,092,096	31,244	49,985	1,073,355
Transportation equipment	361,687	-	-	361,687
Total Depreciable Capital Assets	23,215,192	\$ 241,057	\$ 49,985	23,406,264
Less Accumulated Depreciation	8,270,509	\$ 404,685	\$ 49,985	8,625,209
Depreciable Capital Assets, net	14,944,683			14,781,055
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, 2019

NOTE K – CAPITAL ASSETS (continued)

	Balance March 31, 2018	Additions	Deletions	Balance March 31, 2019
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	1,007,466	29,168	66,703	969,931
Transportation equipment	1,762,671	229,893	283,731	1,708,833
Total Depreciable Capital Assets	3,573,093	\$ 259,061	\$ 350,434	3,481,720
Less Accumulated Depreciation	2,425,447	\$ 254,247	\$ 350,434	2,329,260
Depreciable Capital Assets, net	1,147,646			1,152,460
Fiber				
Non-Depreciable Capital Assets:				
Construction in progress	405,674	\$ 262,220	\$ -	667,894
Total Non-Depreciable Capital Assets	405,674	\$ 262,220	\$ -	667,894
Depreciable Capital Assets:				
Infrastructure	219,497	\$ -	\$ -	219,497
Equipment	263,115	-	-	263,115
Total Depreciable Capital Assets	482,612	\$ -	\$ -	482,612
Less Accumulated Depreciation	21,357	\$ 48,563	\$ -	69,920
Depreciable Capital Assets, net	461,255			412,692
Total Capital Assets, net	\$ 44,286,772			\$ 44,379,468

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2019

NOTE K – CAPITAL ASSETS (continued)

Component Units

	Balance March 31, 2018	Additions	Deletions	Balance March 31, 2019
South 160 Community				
Improvement District				
Depreciable Capital Assets:				
Infrastructure	\$ 3,603,981	\$ 25,310	\$ -	\$ 3,629,291
Total Depreciable Capital Assets	3,603,981	\$ 25,310	\$ -	3,629,291
Less Accumulated Depreciation	789,962	\$ 72,080	\$ -	862,042
Depreciable Capital Assets, net	<u>\$ 2,814,019</u>			<u>\$ 2,767,249</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	40,481	\$ 4,992	\$ -	45,473
Depreciable Capital Assets, net	<u>\$ 209,090</u>			<u>\$ 204,098</u>
Southern Hills Community				
Improvement District				
Depreciable Capital Assets:				
Infrastructure	\$ 6,269,211	\$ 897,987	\$ -	\$ 7,167,198
Total Depreciable Capital Assets	6,269,211	\$ 897,987	\$ -	7,167,198
Less Accumulated Depreciation	492,255	\$ 125,385	\$ -	617,640
Depreciable Capital Assets, net	<u>\$ 5,776,956</u>			<u>\$ 6,549,558</u>
Ozark Hills Community				
Improvement District				
Depreciable Capital Assets:				
Infrastructure	\$ 20,000	\$ 10,000	\$ -	\$ 30,000
Total Depreciable Capital Assets	20,000	\$ 10,000	\$ -	30,000
Less Accumulated Depreciation	-	\$ 400	\$ -	400
Depreciable Capital Assets, net	<u>\$ 20,000</u>			<u>\$ 29,600</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>2018 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, 2018, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Retirees and beneficiaries	98	23	22	143
Inactive, nonretired members	43	19	19	81
Active members	148	25	16	189
	<u>289</u>	<u>67</u>	<u>57</u>	<u>413</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 13.4% (General), 11.0% (Police), and 2.8% (Fire) of annual covered payroll.

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

Actuarial Assumptions. The total pension liability in the February 28, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increase	3.25% to 6.55% including wage inflation 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, 2018, 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, 2019

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%	5.16%
Fixed Income	26.00%	2.86%
Real Assets	21.00%	3.23%
Strategic Assets	10.00%	5.59%

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

Changes in the Net Pension (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	\$ 22,669,397	\$ 22,195,847	\$ 473,550
Changes for the year:			
Service cost	506,883	-	506,883
Interest	1,626,612	-	1,626,612
Difference between expected and actual experiences	28,794	-	28,794
Contributions - employer	-	705,516	(705,516)
Net investment income	-	2,681,846	(2,681,846)
Benefits paid, including refunds	(981,939)	(981,939)	-
Administrative expenses	-	(24,160)	24,160
Other changes	-	96,537	(96,537)
Net changes	1,180,350	2,477,800	(1,297,450)
Balances at end of year	23,849,747	24,673,647	(823,900)

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2019

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	5,481,426	5,715,353	(233,927)
Changes for the year:			
Service cost	108,964	-	108,964
Interest	389,039	-	389,039
Difference between expected and actual experiences	23,268	-	23,268
Contributions - employer	-	113,757	(113,757)
Contributions - employee	-	33,560	(33,560)
Net investment income	-	815,562	(815,562)
Benefits paid, including refunds	(343,811)	(343,811)	-
Administrative expenses	-	(4,951)	4,951
Other changes	-	49,577	(49,577)
Net changes	177,460	663,694	(486,234)
Balances at end of year	5,658,886	6,379,047	(720,161)
<i>Fire Division</i>			
Balances at beginning of year	3,114,053	3,897,806	(783,753)
Changes for the year:			
Service cost	76,968	-	76,968
Interest	222,477	-	222,477
Difference between expected and actual experiences	(78,434)	-	(78,434)
Contributions - employer	-	10,541	(10,541)
Net investment income	-	461,627	(461,627)
Benefits paid, including refunds	(169,391)	(169,391)	-
Administrative expenses	-	(4,182)	4,182
Other changes	-	17,859	(17,859)
Net changes	51,620	316,454	(264,834)
Balances at end of year	3,165,673	4,214,260	(1,048,587)
Total Plan Balances at end of year	\$ 32,674,306	\$ 35,266,954	\$ (2,592,648)

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2019

NOTE L – EMPLOYEE PENSION PLAN (continued)

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

	Net Pension (Asset) Liability
Governmental Activities	\$ (2,139,503)
Business-Type Activities	<u>(453,145)</u>
	<u>\$ (2,592,648)</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	\$ 27,265,768	\$ 23,849,747	\$ 21,042,790
Fiduciary net position	<u>24,673,647</u>	<u>24,673,647</u>	<u>24,673,647</u>
Net Pension (Asset) Liability	2,592,121	(823,900)	(3,630,857)
<i>Police Division</i>			
Total pension liability	6,511,199	5,658,886	4,964,970
Fiduciary net position	<u>6,379,047</u>	<u>6,379,047</u>	<u>6,379,047</u>
Net Pension (Asset) Liability	132,152	(720,161)	(1,414,077)
<i>Fire Division</i>			
Total pension liability	3,612,704	3,165,673	2,798,430
Fiduciary net position	<u>4,214,260</u>	<u>4,214,260</u>	<u>4,214,260</u>
Net Pension (Asset) Liability	<u>(601,556)</u>	<u>(1,048,587)</u>	<u>(1,415,830)</u>
Total Net Pension (Asset) Liability	<u>\$ 2,122,717</u>	<u>\$ (2,592,648)</u>	<u>\$ (6,460,764)</u>

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2019

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, 2019, the employer recognized pension expense of \$617,571 in the general division, \$61,877 in the police division, and \$30,215 in the fire division. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
<i>General Division</i>			
Differences in experiences	\$ 23,514	\$ (219,356)	\$ (195,842)
Assumption changes	301,652	-	301,652
Differences in earnings	-	(583,350)	(583,350)
Contributions subsequent to the measurement date*	541,639	-	541,639
	<u>866,805</u>	<u>(802,706)</u>	<u>64,099</u>
<i>Police Division</i>			
Differences in experiences	66,426	(6,891)	59,535
Assumption changes	38,902	-	38,902
Differences in earnings	-	(310,120)	(310,120)
Contributions subsequent to the measurement date*	89,211	-	89,211
	<u>194,539</u>	<u>(317,011)</u>	<u>(122,472)</u>
<i>Fire Division</i>			
Differences in experiences	2,983	(61,485)	(58,502)
Differences in earnings	-	(116,935)	(116,935)
Contributions subsequent to the measurement date*	6,372	-	6,372
	<u>9,355</u>	<u>(178,420)</u>	<u>(169,065)</u>
	<u>\$ 1,070,699</u>	<u>\$ (1,298,137)</u>	<u>\$ (227,438)</u>

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2019

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	\$ 593,956	\$ (856,649)	\$ (262,693)
Business-Type Activities	476,743	(441,488)	35,255
	<u>\$ 1,070,699</u>	<u>\$ (1,298,137)</u>	<u>\$ (227,438)</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
2019	\$ 158,387	\$ 49,711	\$ 1,309	\$ 209,407
2020	(41,411)	(40,274)	(36,991)	(118,676)
2021	(382,151)	(143,388)	(92,274)	(617,813)
2022	(214,759)	(77,732)	(47,481)	(339,972)
2023	2,394	-	-	2,394
Total	<u>\$ (477,540)</u>	<u>\$ (211,683)</u>	<u>\$ (175,437)</u>	<u>\$ (864,660)</u>

Payable to the Pension Plan

The City had \$73,091 of outstanding amounts of contributions to the pension plan required for the year ended March 31, 2019.

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2019

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, 2019, consisted of the following:

	General Fund	Tax Increment Financing #1 Funds	Tax Increment Financing #3 Funds	Utility Fund
Internal balances	<u>\$ 35,208</u>	<u>\$ 1,772</u>	<u>\$ (239)</u>	<u>\$ (36,741)</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, 2019, 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, 2019, 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, 2019, 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, 2018	Additions	Amortization	Balance March 31, 2019
Utility Fund	\$ 203,402	\$ -	\$ 40,612	\$ 162,790

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, 2023. Principal and interest payments are due monthly, with interest at 4.50% per annum.

Activity for the year ended March 31, 2019, is summarized below:

	Balance March 31, 2018	Additions	Retirements	Balance March 31, 2019
Bond Anticipation Notes	\$ 2,006,084	\$ -	\$ 111,280	\$ 1,894,804

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 August 10, 2019. Principal and interest payments are due monthly, with interest at 5.25% per annum.

On August 27, 2018, the Southern Hills Community Improvement District signed a promissory note with West Plains Bank and Trust Company not to exceed \$900,150. The note calls for monthly interest payments at 5.25% and outstanding principal upon maturity on August 27, 2019.

Activity for the year ended March 31, 2019, is summarized below:

	Balance March 31, 2018	Additions	Retirements	Balance March 31, 2019
Tax Revenue Note	\$ 2,224,677	\$ 2,583,996	\$ 2,435,683	\$ 2,372,990
Note Payable	271,611	817,297	500,150	588,758
	<u>\$ 2,496,288</u>	<u>\$ 3,401,293</u>	<u>\$ 2,935,833</u>	<u>\$ 2,961,748</u>

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2019

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 \$4,339,006. Principal and interest paid for the current year and total customer net revenues were \$1,049,493 and \$4,165,392, 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 \$5,335,614.

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, 2019. The total principal remaining to be paid on the lease is \$2,372,990 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, 2019, consists of the following:

Court fines	\$ 60,006
Other	<u>14,520</u>
	<u>\$ 74,526</u>

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, 2019, the City has paid the developer \$351,911, leaving a remaining balance of \$148,089.

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 – TAX ABATEMENTS

The amount of foregone tax revenues for the year ending March 31, 2019, consisted of the following:

Tax Abatement Program	Type of Tax Abated	Amount of Taxes Abated
Tax Increment Financing Districts	Sales tax	\$ 379,330
Tax Increment Financing Districts	Property tax	82,947
Urban Redevelopment (Chapter 353)	Property tax	20,765
Chapter 100	Property tax	9,451
Enhanced Enterprise Zone	Property tax	3,108
		<u>\$ 495,601</u>

NOTE W – 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, 2019

Missouri Local Government Employees Retirement System (LAGERS)

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
TOTAL PENSION LIABILITY				
Service Cost	\$ 692,815	\$ 663,466	\$ 613,175	\$ 609,092
Interest on the total pension liability	2,238,128	2,136,011	1,974,093	1,896,741
Difference between expected and actual experience	(26,372)	(90,032)	(152,545)	(254,854)
Changes of assumptions	-	-	921,055	-
Benefit payments including refunds	<u>(1,495,141)</u>	<u>(1,141,753)</u>	<u>(1,152,319)</u>	<u>(1,218,617)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	1,409,430	1,567,692	2,203,459	1,032,362
TOTAL PENSION LIABILITY, BEGINNING	<u>31,264,876</u>	<u>29,697,184</u>	<u>27,493,725</u>	<u>26,461,363</u>
TOTAL PENSION LIABILITY, ENDING	32,674,306	31,264,876	29,697,184	27,493,725
PLAN FIDUCIARY NET POSITION				
Contributions - employer	829,814	802,330	762,050	805,190
Contributions - employee	33,560	-	-	-
Pension plan net investment income	3,959,035	3,498,043	(81,000)	569,364
Benefit payments, including refunds	(1,495,141)	(1,141,753)	(1,152,319)	(1,218,617)
Pension plan administrative expense	(33,293)	(31,353)	(30,620)	(33,181)
Other	<u>163,973</u>	<u>(70,304)</u>	<u>(24,709)</u>	<u>(390,217)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	3,457,948	3,056,963	(526,598)	(267,461)
PLAN FIDUCIARY NET POSITION, BEGINNING	<u>31,809,006</u>	<u>28,752,043</u>	<u>29,278,641</u>	<u>29,546,102</u>
PLAN FIDUCIARY NET POSITION, ENDING	<u>35,266,954</u>	<u>31,809,006</u>	<u>28,752,043</u>	<u>29,278,641</u>
EMPLOYER NET PENSION (ASSET) LIABILITY	<u>\$ (2,592,648)</u>	<u>\$ (544,130)</u>	<u>\$ 945,141</u>	<u>\$ (1,784,916)</u>
Plan fiduciary net position as a percentage of the total pension liability	107.93%	101.74%	96.82%	106.49%
Covered employee payroll	\$ 6,378,809	\$ 6,420,240	\$ 5,965,732	\$ 5,504,066
Employer's net pension (asset) liability as a percentage of covered employee payroll	-40.64%	-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, 2019

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution	\$ 844,082	\$ 824,495	\$ 790,499	\$ 781,831	\$ 837,386	\$ 853,049	\$ 884,583	\$ 853,244	\$ 855,379	\$ 633,329
Contributions in relation to the actuarially determined contribution	<u>835,198</u>	<u>816,501</u>	<u>790,501</u>	<u>781,831</u>	<u>837,386</u>	<u>853,050</u>	<u>811,750</u>	<u>757,941</u>	<u>696,716</u>	<u>629,137</u>
Contribution deficiency (excess)	<u>\$ 8,884</u>	<u>\$ 7,994</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 72,833</u>	<u>\$ 95,303</u>	<u>\$ 158,663</u>	<u>\$ 4,192</u>
Covered-employee payroll	\$ 6,606,970	\$ 6,449,818	\$ 6,302,408	\$ 6,170,112	\$ 5,708,368	\$ 5,736,923	\$ 5,576,949	\$ 5,525,375	\$ 5,420,202	\$ 5,291,505
Contributions as a percentage of covered-employee payroll	12.64%	12.66%	12.54%	12.67%	14.67%	14.87%	14.56%	13.72%	12.85%	11.89%

CITY OF WEST PLAINS, MISSOURI
NOTES TO SCHEDULE OF CONTRIBUTIONIS
Year Ended March 31, 2019

Valuation Date: February 28, 2018

Notes: The roll-forward of total pension liability from February 28, 2018 to June 30, 2018, reflects expected service cost and interest reduced by actual benefit payments 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, 2019

	Year Ended March 31,				2018 Actual
	2019			Variance With Final Budget	
	Original Budget	Final Budget	Actual		
REVENUES					
Taxes					
Ad valorem taxes, penalties and interest	\$ 809,000	\$ 809,000	\$ 820,429	\$ 11,429	\$ 832,988
Surtax	83,500	83,500	76,554	(6,946)	87,989
Motor vehicle sales tax	147,000	147,000	161,051	14,051	160,919
Sales tax	3,200,000	3,200,000	3,245,072	45,072	3,101,002
Capital improvement sales tax	1,551,000	1,551,000	1,640,102	89,102	1,566,277
Transportation sales tax	1,500,000	1,500,000	1,573,370	73,370	1,503,494
State motor fuel tax	315,000	315,000	321,709	6,709	323,359
Franchise taxes	2,020,000	2,020,000	2,369,100	349,100	2,001,611
Hotel/motel taxes	80,000	80,000	99,518	19,518	104,307
Other taxes	137,000	137,000	263,227	126,227	17,183
	<u>9,842,500</u>	<u>9,842,500</u>	<u>10,570,132</u>	<u>727,632</u>	<u>9,699,129</u>
Licenses and Permits					
Liquor	18,250	18,250	17,082	(1,168)	17,513
Building permits	15,000	15,000	24,503	9,503	12,694
Business licenses	32,000	32,000	35,970	3,970	33,185
Other	8,250	8,250	20,350	12,100	8,295
	<u>73,500</u>	<u>73,500</u>	<u>97,905</u>	<u>24,405</u>	<u>71,687</u>
Intergovernmental Revenues					
Federal	1,331,536	1,331,536	1,430,796	99,260	1,208,786
State	2,000	2,000	321,222	319,222	9,379
Other	3,000	3,000	161	(2,839)	11,921
	<u>1,336,536</u>	<u>1,336,536</u>	<u>1,752,179</u>	<u>415,643</u>	<u>1,230,086</u>
Charges for Services					
Parks and recreation	114,600	114,600	100,762	(13,838)	111,566
Cemetery	23,200	23,200	12,650	(10,550)	14,125
Transit	31,900	31,900	27,845	(4,055)	30,877
Rental income	201,600	201,600	205,696	4,096	204,875
Concessions	135,170	135,170	138,432	3,262	122,838
Fuel sales	155,000	155,000	158,146	3,146	156,282
Golf	225,500	225,500	243,528	18,028	225,235
Fines and forfeitures	216,800	216,800	182,595	(34,205)	220,360
Civic Center	138,500	138,500	158,336	19,836	169,879
Other	118,100	118,100	175,625	57,525	172,851
	<u>1,360,370</u>	<u>1,360,370</u>	<u>1,403,615</u>	<u>43,245</u>	<u>1,428,888</u>
Miscellaneous					
Reimbursements	1,000	1,000	12,843	11,843	2,915
Interest	43,200	43,200	172,635	129,435	94,245
Donations and other contributions	8,900	8,900	11,220	2,320	7,431
Sale of property	8,500	8,500	25,587	17,087	19,910
Other	4,300	4,300	153,447	149,147	9,983
	<u>65,900</u>	<u>65,900</u>	<u>375,732</u>	<u>309,832</u>	<u>134,484</u>
TOTAL REVENUES	12,678,806	12,678,806	14,199,563	1,520,757	12,564,274

CITY OF WEST PLAINS, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (continued)
 Year Ended March 31, 2019

	Year Ended March 31,				2018 Actual
	2019			Variance With Final Budget	
	Original Budget	Final Budget	Actual		
EXPENDITURES					
Current					
Administrative	862,598	862,598	947,988	(85,390)	1,050,007
Safety	19,313	19,313	18,013	1,300	18,182
Information technology	84,849	84,849	42,091	42,758	110,163
Engineering	340,619	340,619	260,411	80,208	365,805
Building official	129,839	129,839	113,156	16,683	111,177
City attorney	108,150	108,150	103,047	5,103	99,774
Court	505,893	505,893	112,969	392,924	114,631
Police	1,996,876	1,996,876	1,855,382	141,494	1,925,125
Animal control	62,478	62,478	55,192	7,286	55,848
Emergency management	52,264	52,264	44,819	7,445	39,456
Fire	1,308,779	1,308,779	1,222,429	86,350	1,099,461
Airport	589,990	589,990	562,346	27,644	314,129
Street	5,262,867	5,262,867	4,808,313	454,554	2,422,069
Cemetery	133,132	133,132	73,009	60,123	97,007
Construction	156,355	156,355	163,867	(7,512)	156,912
Shop	98,336	98,336	92,843	5,493	85,795
Health	25,000	25,000	19,806	5,194	25,064
City hall complex	103,556	103,556	115,821	(12,265)	126,461
City beautification	6,200	6,200	4,098	2,102	8,286
Economic development	133,560	133,560	141,819	(8,259)	143,173
Tourist development	178,556	178,556	150,844	27,712	180,184
Parks and recreation	648,313	648,313	762,379	(114,066)	1,092,413
Golf	366,744	366,744	442,322	(75,578)	422,395
Transit	161,349	161,349	229,642	(68,293)	159,700
Library	623,011	623,011	570,346	52,665	586,328
Civic center	748,010	748,010	724,242	23,768	695,169
Galloway park department	18,398	18,398	9,759	8,639	17,892
Senior citizens	23,100	23,100	19,251	3,849	27,126
Debt Service					
Principal and interest	929,722	929,722	931,596	(1,874)	930,413
TOTAL EXPENDITURES	<u>15,677,857</u>	<u>15,677,857</u>	<u>14,597,800</u>	<u>1,080,057</u>	<u>12,480,145</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(2,999,051)	(2,999,051)	(398,237)	2,600,814	84,129
OTHER FINANCING SOURCES					
Lease purchase proceeds	-	-	85,575	85,575	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>85,575</u>	<u>85,575</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(2,999,051)	(2,999,051)	(312,662)	2,686,389	84,129
FUND BALANCE, April 1	<u>10,103,445</u>	<u>10,103,445</u>	<u>10,103,445</u>	-	<u>10,019,316</u>
FUND BALANCE, March 31	<u>\$ 7,104,394</u>	<u>\$ 7,104,394</u>	<u>\$ 9,790,783</u>	<u>\$ 2,686,389</u>	<u>\$ 10,103,445</u>

CITY OF WEST PLAINS, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – TAX INCREMENT FINANCING #1 FUND
 Year Ended March 31, 2019

	Year Ended March 31,				
	2019				2018
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
REVENUES					
Taxes					
Sales taxes	\$ -	\$ -	\$ 35,151	\$ 35,151	\$ 31,568
Miscellaneous					
Interest	-	-	93	93	124
TOTAL REVENUES	-	-	35,244	35,244	31,692
EXPENDITURES					
Current					
Capital outlay	-	-	35,151	(35,151)	31,568
TOTAL EXPENDITURES	-	-	35,151	(35,151)	31,568
EXCESS OF REVENUES OVER EXPENDITURES	-	-	93	93	124
FUND BALANCE, April 1	3,638	3,638	3,638	-	3,514
FUND BALANCE, March 31	\$ 3,638	\$ 3,638	\$ 3,731	\$ 93	\$ 3,638

CITY OF WEST PLAINS, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – TAX INCREMENT FINANCING #2 FUND
 Year Ended March 31, 2019

	Year Ended March 31,				2018
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
REVENUES					
Taxes					
Sales taxes	\$ -	\$ -	\$ 303,913	\$ 303,913	\$ 292,987
TOTAL REVENUES	-	-	303,913	303,913	292,987
EXPENDITURES					
Current					
Capital outlay	-	-	303,913	(303,913)	292,987
TOTAL EXPENDITURES	-	-	303,913	(303,913)	292,987
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, 2019

	Year Ended March 31,				2018
	2019			Variance With Final Budget	
	Original Budget	Final Budget	Actual		
REVENUES					
Taxes					
Sales taxes	\$ -	\$ -	\$ 123,214	\$ 123,214	\$ 118,159
TOTAL REVENUES	-	-	123,214	123,214	118,159
EXPENDITURES					
Current					
Miscellaneous	-	-	712	(712)	711
TOTAL EXPENDITURES	-	-	712	(712)	711
EXCESS OF REVENUES OVER EXPENDITURES	-	-	122,502	122,502	117,448
FUND BALANCE, April 1	537,574	537,574	537,574	-	420,126
FUND BALANCE, March 31	\$ 537,574	\$ 537,574	\$ 660,076	\$ 122,502	\$ 537,574

CITY OF WEST PLAINS, MISSOURI
NOTE TO BUDGETARY COMPARISON SCHEDULES
Year Ended March 31, 2019

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, 2019

	Utility Fund					
	Electric	Water	Sewer	Refuse	Fiber	Total
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 12,023,617	\$ 2,399,798	\$ 2,182,373	\$ 1,093,206	\$ -	\$ 17,698,994
Utilities receivable, net	1,603,268	211,038	159,516	268,063	2,472	2,244,357
Other accounts receivable	49,986	6,580	4,973	8,357	77	69,973
Inventory	1,332,844	495,664	-	-	-	1,828,508
Prepaid expenses	23,660	14,196	14,197	26,815	-	78,868
TOTAL CURRENT ASSETS	15,033,375	3,127,276	2,361,059	1,396,441	2,549	21,920,700
Restricted Assets						
Cash and cash equivalents	-	587,543	937,433	30,047	-	1,555,023
Investments	-	-	588,416	-	-	588,416
TOTAL RESTRICTED ASSETS	-	587,543	1,525,849	30,047	-	2,143,439
Property, Plant and Equipment						
Less accumulated depreciation	(16,941,058)	(9,906,333)	(8,625,209)	(2,329,260)	(69,920)	(37,871,780)
TOTAL PROPERTY, PLANT AND EQUIPMENT	15,282,796	12,067,571	14,781,055	1,167,460	1,080,586	44,379,468
Net Pension Asset	222,041	58,909	58,909	108,755	4,531	453,145
TOTAL ASSETS	30,538,212	15,841,299	18,726,872	2,702,703	1,087,666	68,896,752
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension outflow	224,069	61,977	66,744	114,418	9,535	476,743
Deferred charge on debt refunding	-	162,790	-	-	-	162,790
TOTAL DEFERRED OUTFLOWS OF RESOURCES	224,069	224,767	66,744	114,418	9,535	639,533
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts payable	1,198,055	71,313	42,788	99,838	14,262	1,426,256
Accrued expenses	35,982	10,754	11,821	27,532	417	86,506
Accrued interest payable	-	7,044	28,434	-	-	35,478
Internal balances	36,741	-	-	-	-	36,741
Meter deposits payable	-	313,403	313,403	-	-	626,806
Current maturities of long-term debt	-	490,000	435,000	-	-	925,000
TOTAL CURRENT LIABILITIES	1,270,778	892,514	831,446	127,370	14,679	3,136,787
Long-Term Liabilities						
Revenue bonds payable	-	12,957	2,985,000	-	-	2,997,957
Certificates of Participation payable	-	2,240,013	-	-	-	2,240,013
Compensated absences payable	54,763	21,288	44,963	73,321	-	194,335
TOTAL LONG-TERM LIABILITIES	54,763	2,274,258	3,029,963	73,321	-	5,432,305
TOTAL LIABILITIES	1,325,541	3,166,772	3,861,409	200,691	14,679	8,569,092
DEFERRED INFLOW OF RESOURCES						
Deferred pension inflows	207,499	57,393	61,808	105,957	8,831	441,488
Net Assets						
Net investment in capital assets	15,282,796	9,487,391	11,361,055	1,167,460	1,080,586	38,379,288
Restricted	-	274,140	1,212,446	30,047	-	1,516,633
Unrestricted	13,946,445	3,080,370	2,296,898	1,312,966	(6,895)	20,629,784
TOTAL NET POSITION	\$ 29,229,241	\$ 12,841,901	\$ 14,870,399	\$ 2,510,473	\$ 1,073,691	\$ 60,525,705

CITY OF WEST PLAINS, MISSOURI
DEPARTMENTAL STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
ENTERPRISE FUND
Year Ended March 31, 2019

	Utility Fund					Total
	Electric	Water	Sewer	Refuse	Fiber	
OPERATING REVENUES						
Charges for services						
Electric	\$ 16,328,380	\$ -	\$ -	\$ -	\$ -	\$ 16,328,380
Water	-	2,149,298	-	-	-	2,149,298
Sewer	-	-	1,624,577	-	-	1,624,577
Refuse	-	-	-	2,730,068	-	2,730,068
Fiber	-	-	-	-	25,175	25,175
TOTAL OPERATING REVENUES	16,328,380	2,149,298	1,624,577	2,730,068	25,175	22,857,498
OPERATING EXPENSES						
Wages and benefits	1,468,301	438,814	482,370	1,123,473	17,022	3,529,980
Franchise fees	1,844,036	-	-	-	-	1,844,036
Engineering	60	225	-	-	-	285
Purchased power	9,864,017	-	-	-	-	9,864,017
Landfill service	-	-	-	811,786	-	811,786
Utilities	60,202	161,627	109,248	19,630	32,930	383,637
Insurance	166,243	14,953	13,533	29,489	3,412	227,630
Other operating expenses	1,057,131	261,944	230,307	463,128	18,225	2,030,735
Depreciation	963,431	494,797	404,685	254,247	48,563	2,165,723
TOTAL OPERATING EXPENSES	15,423,421	1,372,360	1,240,143	2,701,753	120,152	20,857,829
OPERATING INCOME (LOSS)	904,959	776,938	384,434	28,315	(94,977)	1,999,669
NONOPERATING REVENUES (EXPENSES)						
Interest income	135,164	80,570	116,689	117,724	-	450,147
Other revenue	207,774	18,688	16,915	36,857	4,264	284,498
Interest expense	-	(114,553)	(149,003)	-	-	(263,556)
Loss on inventory	(61,303)	(4,213)	(2,640)	10,000	-	(58,156)
TOTAL NONOPERATING REVENUES (EXPENSES)	281,635	(19,508)	(18,039)	164,581	4,264	412,933
NET INCOME (LOSS)	1,186,594	757,430	366,395	192,896	(90,713)	2,412,602
NET POSITION, April 1	28,349,056	12,084,471	14,504,004	2,317,577	857,995	58,113,103
Equity Reclassification	(306,409)	-	-	-	306,409	-
NET POSITION, March 31	<u>\$ 29,229,241</u>	<u>\$ 12,841,901</u>	<u>\$ 14,870,399</u>	<u>\$ 2,510,473</u>	<u>\$ 1,073,691</u>	<u>\$ 60,525,705</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, 2019, 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 September 5, 2019.

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.

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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
September 5, 2019



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

Report on Compliance for Each Major Federal Program

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, 2019. 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.

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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, 2019.

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
September 5, 2019

CITY OF WEST PLAINS, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended March 31, 2019

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 JUSTICE</u>				
Missouri Department of Public Safety				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-JAG-022	\$ -	\$ 103,318
		2017-JAG-018	-	264,126
		2017-LLEBG-102	-	9,900
Direct			-	377,344
Bulletproof Vest Partnership	16.XXX	N/A	-	7,000
TOTAL U.S. DEPARTMENT OF JUSTICE			-	384,344
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Missouri State Emergency Management Agency				
Emergency Management Performance Grants	97.042	EMK-2018-EP-APP-00003-110	-	17,371
Disaster Relief - Public Assistance	97.036	FEMA-4317-DR-MO	-	618,666
Direct				
Assistance to Firefighters Grant	97.044	EMW-2016-FO-06328	-	316,667
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			-	952,704
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Highway Safety Cluster				
Missouri Department of Transportation				
State and Community Highway Safety	20.600	19-PT-02-138	-	2,182
		18-PT-02-117	-	2,694
University of Central Missouri				
State and Community Highway Safety		19-PT-02-67	-	240
			-	5,116
Missouri Department of Transportation				
Alcohol Open Container Requirements	20.607	18-154-AL-147	-	3,000
		19-154-AL-149	-	1,510
			-	4,510
Missouri Highways and Transportation Commission				
Formula Grants for Rural Areas	20.509	TSTOAG18WP1	-	78,639
		MO-34-X017	-	51,249
			-	129,888
Missouri Department of Transportation				
Airport Improvement Program	20.106	17-104C-1	-	242,420
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	STBG-TAP-6600(916)	-	281,574
		STP-6604(902)	-	96,495
			-	378,069
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			-	760,003
<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 2019	-	5,353
		Fiscal Year 2018	-	1,785
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			-	7,138
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 2,104,189

CITY OF WEST PLAINS, MISSOURI
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended March 31, 2019

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, 2019. 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, 2019.

CITY OF WEST PLAINS, MISSOURI
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended March 31, 2019

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 no
- Significant deficiency(ies) identified: yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified: yes 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 no

Identification of major federal programs:

CFDA Number(s)

97.036

Name of Federal Program or Cluster

Disaster Grants – Public Assistance

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

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, 2019

There were no prior audit findings.