**City Council Agenda**
**Monday, March 23, 2020**
**7:00 P.M.**
**200 S. Holden**
**Warrensburg, MO 64093**
***Due to COVID-19 concerns the meeting will be broadcast to an established public area in the Police Training Room at the Police Station, 102 B S. Holden St. This action will assist in maintaining social distancing measures and minimizing group size. The meeting can also be observed live on the City's YouTube Channel, https://www.youtube.com/channel/UCjsAGFHVRHqVKq3EFHYOzww**

1. **7:00 P.M. Call To Order Regular City Council Meeting**
2. **Roll Call**
3. **Approval Of City Council Minutes**

   3.I. City Council Minutes 3/9/2020

   Documents:

   CITY.COUNCIL.MEETING.MARCH 9.2020.PDF

4. **Adoption Of Agenda**
5. **1st/2nd Reading Ordinance**

   5.I. Ordinance Ratifying State Of Emergence Declaration For COVID-19
   *An ordinance of the City of Warrensburg ratifying the Declaration of Emergency of the City Manager dated March 17, 2020, ratifying regulations adopted thereunder, and extending the duration of the Emergency Declaration pending further action by the City Council.*

   Presented by Harold Stewart, City Manager

   Documents:

   ORDINANCE STATE OF EMERGENCY DECLARATION 3-23-2020.PDF

6. **Other Business**

   6.I. Fiscal Year 2019 Audit Report And Presentation

Present summary of Fiscal Year 2019 Audit Report

Documents:

AUDIT REPORT CITY OF WARRENSBURG CLIENT WITH LETTERS.PDF
2019 CITY OF WARRENSBURG AUDIT SUMMARY PRESENTATION SLIDES.PDF

7. **Appearances To The Council Not Listed On The Agenda**

8. **Mayoral Appointment/S**

9. **Miscellaneous Matters From The Mayor And/Or City Council**

10. **City Manager Report**

    **Documents:**

    CM REPORT BY CM MAR 20.PDF

11. **Director Of Finance Report**

    **Documents:**

    DOF REPORT 3-23-20.PDF

12. Closed Session After Regular Session

    *The City Council will meet in the Council Chambers, at 200 South Holden, Warrensburg, for Executive Session*

    Vote to close part of this meeting pursuant to Section 610.021 of the Revised Statutes of Missouri, relating to:

    (1) Legal actions, causes of action or litigation involving the City and any confidential or privileged communication between the City and its representatives and its attorneys.

    (2) Leasing, purchase or sale of real estate where public knowledge might adversely affect the amount paid in the transaction.

    (3) Hiring, firing, disciplining or promoting of particular employees by a public governmental body when personal information about the employee is discussed or recorded.

    (12) Documents or any documents related to a negotiated contract until a contract is executed, or all proposals are rejected.

    (13) Individually identifiable personnel records, performance ratings or records pertaining to employees or applicants for employment

# CITY COUNCIL MEETING OF MARCH 9, 2020

A meeting of the Warrensburg City Council was held on March 9, 2020, at the Municipal Center, 102 S. Holden. Roll was called, Present were: Brooks, Jacobs, Holmberg, Allen, Lund. Absent: none.

The minutes of the February 24, 2020, City Council meeting were considered. Jacobs moved to approve the minutes of the February 24, 2020, City Council meeting. Yes: Brooks, Jacobs, Holmberg, Allen, Lund. No: none.

The adoption of the agenda was considered. Allen moved to adopt the agenda. Yes: Brooks, Jacobs, Holmberg, Allen, Lund. No: none.

Under Presentations, Dr. Scott Patrick, Superintendent of Schools for the Warrensburg R-VI District, presented information concerning the school's request for a funding increase. Patrick explained the School District is asking for a 10-cent increase, from 72 cents to 82 cents for the debt service levy, and Patrick said this increase will generate over 17 million dollars for additions and renovations.

Patrick said as an example, the tax increase for a home worth $154,000 would be approximately $ 23.00 per year. Patrick said this is an increase in taxes, but it is not intended to be a huge increase for property owners.

Patrick said the Facility committee, which includes parents and staff, presented the Board of Education with recommendations regarding future facility needs. He said that included additional space, classrooms, and an activities complex. Patrick said student enrollment continues to grow each year, and the middle school now has more students than it is equipped to handle. He said they believe the enrollment trend will continue.

Patrick added safety and security is also important as additional space is added. He said they want to be able to provide secure entryways in all facilities. He said high-wind shelters are necessary and have been added to this project.

Patrick said at the high school, restrooms, six classrooms, and an elevator would be added to the lower level. He said an Activities Center would be added at the high school which would include a 2,000-seat stadium. Patrick said with this levy, Phase I of the Activities Center would be constructed, with an alternative plan if there is extra money. He said if there is no extra money, a capital campaign will begin for those wishing to donate. Patrick said if the Activities Center was on-site, it would prevent the students from leaving the school.

Patrick said the Campaign Committee met this morning, and to contact them if interested in helping, and Patrick encouraged others to vote. Patrick said the completion date for the Activities Center is scheduled for August of 2021, if everything goes as planned. He also added in another 5 years there will most likely be the need for an additional facility, and at this time he is not sure but believes a new elementary school may be needed.

Mayor Lund thanked Scott Patrick for coming to tonight's meeting and making this presentation. He said this could be a huge economic development project for Warrensburg's future.

Bill No. 3-1-20 being for an Ordinance Approving and Accepting the Final Plat of 311 Broad Street Addition, a Subdivision in the City of Warrensburg, Missouri, Located at 311 Broad Street was read for the first time by title. Community Development Director Barbara Carroll said this is for property located on Broad Street. She said the property was rezoned from R2 to R4 for potential redevelopment of multi-family housing. Carroll said there was a fire at the property in June of last year, and this property was sold after the fire. She said this takes three lots and combines them into one. Carroll said City staff recommends approval as well as the Planning and Zoning, subject to conditions listed in this ordinance. Jacobs moved said bill be passed to second reading by title. Carried unanimously. Said bill was read a second time. Roll was called for the adoption or rejection of said bill as follows: Yes: Brooks, Jacobs, Holmberg, Allen, Lund. No: none. Said bill was declared duly adopted and given Ordinance No. 5571.

Bill No. 3-2-20 being for an Ordinance Authorizing the City Manager and City Clerk to Execute a Contract with SAK Construction LLC, for the 2020 Sanitary Sewer Main Lining Project, in the City of Warrensburg, Missouri, was read for the first time by title. Assistant City Manager Danielle Dulin said SAK Construction was the low bidder on this project. She said most of this project will be done in the Broadview addition, but some work will also be done around Warrensburg. Dulin said there will also be work on the manhole rehabilitation project. Allen moved said bill be passed to second reading by title. Carried unanimously. Said bill was read a second time. Roll was called for the adoption or rejection of said bill as follows: Yes: Brooks, Jacobs, Holmberg, Allen, Lund. No: none. Said bill was declared duly adopted and given Ordinance No. 5572.

In Other Business was Discussion of Journey House Parking Options. Carroll said this was discussed two weeks ago with the McDaniels. She said there are still several parking options for consideration before this homeless shelter can open. Carroll said the first option was to use the three, possibly four available parking spaces at Compton Park (west of the Police Department Building), on Madison Street, or the Journey House could purchase a hang tag for parking south of the safety center on University of Central Missouri (UCM) property. Carroll said either of these options would require authorization from the Mayor and City Council. Carroll said the parking could be provided on-site in the rear, but that would most likely require an application for a variance.

Council Member Allen asked what the City's requirements are for parking, how many spaces are required. Carroll said four spaces for a ten-bed facility, six spaces for a twenty-bed facility. When asked about the cost, Carroll said the variance request cost is $500. After further discussion of parking requirements and other possible solutions, the cost of the hang tags, the variance, and sharing parking solutions with neighbors and UCM will be explored further as options.

Mayor Lund read a Resolution of the Council of the City of Warrensburg Accepting a Proposal Prepared by Mike Keith Insurance for Workers' Compensation Insurance for 2020-2021. Human Resources Director Greg McCullough said this insurance will expire on April 1, 2020. He said there was a presentation by Mike Keith for City Manager, the Finance Director, and himself on March 3, 2020. McCullough said there is an increase of $34,683 year over year. He said the expense constant remained the same at $200, the second injury fund showed a decrease of $559, the MO Admn/Prem Tax showed a decrease of $349 and the dividends showed an increase of $53 for the total increase in premium of $34,683. Holmberg moved to approve. Yes: Brooks, Jacobs, Holmberg, Allen, Lund. No: none. Carried unanimously and given Resolution No. 2181.

Assistant City Manager Danielle Dulin gave a Presentation of the 2020 Street Maintenance Program. She said the last few weeks she has been driving with different members of the Public Works staff and learning more about Warrensburg's streets. Dulin said the age of the streets was taken into consideration, and she said some streets were marked off because the asphalt overlay will be used on those streets. Dulin said they are also trying to coordinate the department's activities with the other utilities. She said the Gas Company has provided a five-year maintenance plan as well as the Water Company.

Dulin explained the asphalt overlay program and the areas that will be treated. She said this will add an additional 10-15 years on these streets. Dulin explained the streets where the polymer overcoat will be used and said with the help of the Community Development team a map has been put together. Dulin said there will also be sewer lining replacements in some areas. She said with this polymer overcoat, they hope to extend the life of these roads another 5 to 7 years. Dulin said the total cost of this project will be around $384,000. She said there is money remaining after these repairs, and some patching and crack-filling will be done, as well as pavement markings.

Council member Allen mentioned the condition of Maguire Street and asked about future repairs and improvements. Stewart explained this is a huge expense and will most likely need to be a future ballot issue. He said he would recommend a Pavement Management Indexing Study for future reference. Stewart said this could be used to measure the highest priorities of replacement needs.

Mayor Lund read a Resolution of the City Council of the City of Warrensburg, Missouri, Establishing Fees for Application and Issuance of Suspensions of Section 3-14 Under Sections 3-14(C) and (D) for Open Containers in Public Places by title. Stewart said he included various fees which have not been adopted in the past. He said having Federal Emergency Management Agency (FEMA) fees available would be helpful.

Council member Allen asked what businesses have used the open container license in the past besides Main Street. City Counselor Doug Harris said there have been beer gardens and downtown festivals put on by non-profit organizations. Stewart said in this instance, a community event is being held were alcohol is sold and carried out in a wide area. He said there have been unruly circumstances and safety issues during these events.

Council member Holmberg said he does not want to flip-flop on this issue from what he has said previously, but the City is trying to bring people downtown and he believes the proposed expense of 25 per cent is excessive. Holmberg said he would prefer no fee or a flat fee.

Jill Purvis, Main Street Executive Director, said they use this type of license for concerts and Burg Fest. She said Main Street does not make any money when on the concerts because they do not run the bar. Purvis said this is the first year the open container license has been used for this event. She said the fee presented by the City for what is involved with this event is probably too low because applying for the license takes time and many documents are required. Purvis said if approved for the open container license, many volunteers must be available to help with exits to prevent any problems with drinking outside the approved area. She said it can become very complex and expensive. There was discussion of a reasonable percentage, and Holmberg moved to amend the Resolution to approve a fee of 10 percent. Yes: Brooks, Jacobs, Holmberg, Allen, Lund. Carried unanimously and given Resolution No. 2182.

In Mayoral appointments, Mayor Lund said he would like to recommend Dorothy Arvizu and

Vicki Martins as appointments to the Diversity and Inclusion Commission. Allen moved to approve the appointments. Yes: Brooks, Jacobs, Holmberg, Allen, Lund. No: none. Carried unanimously.

In the City Manager's Report, Stewart said he has been anxious to hear about the decision about on-line sales taxes. He said he received a call from a concerned citizen about the coronavirus. Stewart said with spring break near he expressed concerns about an outbreak. He said at this time the risk is considered low for this area. Stewart said City staff will continue to monitor and will devise a plan if necessary.

As there was no further business, the meeting was adjourned.

_____
Casey Lund, Mayor

Attest:

_____
Cindy Gabel, City Clerk

**Bill No._____** **Ordinance No._____**

**AN ORDINANCE OF THE CITY OF WARRENSBURG RATIFYING THE DECLARATION OF EMERGENCY OF THE CITY MANAGER DATED MARCH 17, 2020, RATIFYING REGULATIONS ADOPTED THEREUNDER, AND EXTENDING THE DURATION OF THE EMERGENCY DECLARATION PENDING FURTHER ACTION BY THE CITY COUNCIL.**

WHEREAS, Chapter 7, Section 7.2, of the Code of Ordinances of the City of Warrensburg, Missouri grants the City Manager the authority to declare an emergency whenever a disaster is imminent or actually occurs with the city, and the safety and welfare of the inhabitants is jeopardized; and,

WHEREAS, in December 2019, a novel coronavirus, now designated COVID-19, was detected in Wuhan, China; and,

WHEREAS, symptoms of COVID-19 include fever, cough, and shortness of breath, and can range from mild to severe illness, and presents significant risk of death to persons with depressed immune systems, certain pre-existing conditions, and the elderly; and,

WHEREAS, on January 30, 2020, the World Health Organization (WHO) Director General declared the outbreak of COVID-19, as a Public Health Emergency of International Concern, advising countries to prepare for the containment, detection, isolation and case management, contact tracing and prevention of onward spread of the disease; and,

WHEREAS, on March 5, 2020, the WHO Director General urged aggressive preparedness and activation of emergency plans to aggressively change the trajectory of this epidemic; and,

WHEREAS, on March 11, 2020, the WHO declared COVID-19 a global pandemic; and,

WHEREAS, the Center of Disease Control (CDC) is closely monitoring the growing number of COVID-19 cases that have spread into the United States, and,

WHEREAS, on March 13, 2020, Governor Michael L. Parson declared a State of Emergency for the State of Missouri; and,

WHEREAS, on March 16, 2020, the Johnson County Commissioners declared a State of Emergency for Johnson County, Missouri; and,

WHEREAS the continued spread of COVID-19 constitutes a natural calamity and presents an imminent threat of widespread illness which could overwhelm local health care resources, increasing the risk of death in the community, which requires emergency action; and,

WHEREAS, the proclamation of a state of emergency provides the City the ability to take measures to reduce the possibility of exposure to disease, control the risk, and promote the health and safety of Warrensburg residents; and,

WHEREAS, the City wishes to employ all means available under the law to protect life, health, safety, and property to limit the development, contraction and spread of COVID-19 creating this emergency; and,

WHEREAS, pursuant to Section 77.530 RSMo, the Council is empowered to take measures designed to prevent and abate the spread of contagious disease within the City, and the Council finds and declares the provisions of this Ordinance to be essential to the carrying out of that power,

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF WARRENSBURG, MISSOURI AS FOLLOWS:**

Section One. The Declaration of Emergency of the City Manager dated March 17, 2020, and attached hereto, is ratified and adopted by the City Council of the City of Warrensburg.

Section Two. The regulations adopted by the March 17, 2020 declaration of emergency are hereby ratified and extended for the term that this ordinance is in force as follows:

1. That public interactions and public meetings place the community at risk of further spread of illness and to alleviate this, all time limits imposed by City Code or applicable law, either actions required to be taken by the City or filed with the City, are tolled pending the lifting of the emergency and resumption of normal operations. This does not apply to State law deadlines.
2. Applications for zoning, plats, and variances, which trigger the need for public meetings, will not be accepted by the City until the emergency is lifted, and meetings of subunits of the City, other than the City Council and Park Board, are suspended.
3. Fingerprinting services provided by the Police Department are suspended until the emergency is lifted.
4. Interactions between the general public and City Staff will be limited to phone or email contact where possible for the protection of both the public and the staff.
5. Purchases of emergency supplies and materials will be done in accordance with emergency purchase procedures.

Section Three. The State of Emergency declared by the City Manager and the regulations adopted thereunder are hereby extended until lifted by further action of the City Council.

Section Four. This ordinance and the regulations adopted hereunder shall be in immediate force and effect from and after passage of this ordinance.

Read two times and passed by title in open session this ___ day of March, 2020.

_____

Casey Lund, Mayor

Attest:

_____

Cindy Gabel, City Clerk

# City of Warrensburg, Missouri

BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2019

KPM
CPAS & ADVISORS

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# Independent Auditors' Report

Honorable Mayor and City Council
City of Warrensburg
Warrensburg, Missouri

**Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the discretely presented component unit of the City of Warrensburg, Missouri, as of and for the year ended September 30, 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 the 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 the *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 of the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the discretely presented component unit as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Warrensburg, Missouri's basic financial statements. The Combining Statement of Fiduciary Net Position and the Combining Statement of Changes in Fiduciary Net Position are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Statement of Fiduciary Net Position and the Combining Statement of Changes in Fiduciary Net Position 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 Combining Statement of Fiduciary Net Position and the Combining Statement of Changes in Fiduciary Net Position are 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 March 20, 2020, on our consideration of the City of Warrensburg, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Warrensburg, Missouri's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
March 20, 2020

# Management’s Discussion and Analysis

The management's discussion and analysis of the City of Warrensburg's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2019. Please read it in conjunction with the City's financial statements, which begin on page 17.

## Financial Highlights

- The Net Position of the City's governmental activities increased by $2,486,249 for the year as a result of current year activities. The net position of the City's business activities increased $713,049 for the year.
- The assets and deferred outflow of resources of the City exceeded its liabilities and deferred inflow of resources as of September 30, 2019, by $60.8 million (net position). Of this amount, $13.0 million was unrestricted and may be used to meet future obligations of the City.
- Total long-term liabilities of the City decreased by $3,550,316.

## Using this Annual Report

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

## Government-Wide Financial Statements

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

## Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds rather than the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes 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 statements.
- Proprietary Funds: When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

## Notes to the Basic Financial Statements

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

## Government-Wide Financial Analysis

### Net Position

The following table presents the condensed Statement of Net Position for the City as of September 30, 2019 and 2018, as restated:

| | Governmental Activities | Business-Type Activities | Total September 30, 2019 | Total September 30, 2018 |
|---|---|---|---|---|
| **Assets** | | | | |
| Current and other assets | $ 11,725,707 | $ 4,124,760 | $ 15,850,467 | $ 16,698,682 |
| Capital assets | 49,804,083 | 24,948,052 | 74,752,135 | 74,741,304 |
| Net pension asset | 4,852,482 | 290,370 | 5,142,852 | 5,082,551 |
| **Total Assets** | 66,382,272 | 29,363,182 | 95,745,454 | 96,522,537 |
| **Deferred Outflow of Resources** | | | | |
| Deferred outflow of resources | 291,507 | 19,114 | 310,621 | 481,885 |
| **Liabilities** | | | | |
| Other liabilities | 4,034,320 | 1,598,968 | 5,633,288 | 6,063,705 |
| Long-term liabilities outstanding | 17,407,415 | 11,090,821 | 28,498,236 | 32,048,552 |
| **Total Liabilities** | 21,441,735 | 12,689,789 | 34,131,524 | 38,112,257 |
| **Deferred Inflow of Resources** | | | | |
| Deferred inflow of resources | 1,031,172 | 61,925 | 1,093,097 | 1,260,009 |
| **Net Position** | | | | |
| Net investment in capital assets | 31,340,156 | 12,612,231 | 43,952,387 | 42,369,167 |
| Restricted | 3,151,886 | 767,247 | 3,919,133 | 4,686,632 |
| Unrestricted | 9,708,830 | 3,251,104 | 12,959,934 | 10,576,357 |
| **Total Net Position** | $ 44,200,872 | $ 16,630,582 | $ 60,831,454 | $ 57,632,156 |

Total net position of the City increased $3,199,298 for the year due to current year activity. Total liabilities for the City have decreased by $3,965,440. Net capital assets for the governmental activities totaled $49.8 million as of September 30, 2019.

**Change in Net Position**

| | Governmental Activities | Business-Type Activities | Total Year Ended September 30, 2019 | Total Year Ended September 30, 2018 |
|---|---|---|---|---|
| **Revenues** | | | | |
| Program Revenues | | | | |
| Charges for services | $ 1,649,214 | $ 4,599,673 | $ 6,248,887 | $ 6,036,492 |
| Operating grants and contributions | 167,439 | - | 167,439 | 80,190 |
| Capital grants and contributions | 187,751 | - | 187,751 | 551,867 |
| General Revenues | | | | |
| Property taxes | 2,330,854 | - | 2,330,854 | 2,152,710 |
| Sales taxes | 7,816,714 | - | 7,816,714 | 7,791,205 |
| Motor vehicle taxes | 762,824 | - | 762,824 | 761,479 |
| Other taxes | 368,870 | - | 368,870 | 331,858 |
| Franchise fees | 2,550,153 | - | 2,550,153 | 2,672,389 |
| Interest | 242,917 | 339,965 | 582,882 | 840,950 |
| Other revenue | 73,717 | - | 73,717 | 60,612 |
| Gain on disposal of assets | 502,943 | - | 502,943 | 24,964 |
| Transfers | 667,000 | (667,000) | - | - |
| **Total Revenues, Gains, and Transfers** | 17,320,396 | 4,272,638 | 21,593,034 | 21,304,716 |
| **Expenses** | | | | |
| General government | 681,791 | - | 681,791 | 490,262 |
| Finance | 536,736 | - | 536,736 | 439,976 |
| Other support services | 514,926 | - | 514,926 | 400,623 |
| Information technology | 625,293 | - | 625,293 | 456,713 |
| Municipal court | 164,287 | - | 164,287 | 143,433 |
| Buildings and grounds | 309,806 | - | 309,806 | 419,965 |
| Public safety and health | 5,139,962 | - | 5,139,962 | 5,437,819 |
| Community development | 906,866 | - | 906,866 | 731,874 |
| Transportation | 2,446,870 | - | 2,446,870 | 3,036,300 |
| Cemetery | 121,790 | - | 121,790 | 144,430 |
| Parks and recreation | 2,776,682 | - | 2,776,682 | 2,770,218 |
| Debt service | 609,138 | 490,252 | 1,099,390 | 2,281,008 |
| Sewer | - | 3,069,337 | 3,069,337 | 3,271,889 |
| **Total Expenses** | 14,834,147 | 3,559,589 | 18,393,736 | 20,024,510 |
| **Increase in Net Assets** | $ 2,486,249 | $ 713,049 | $ 3,199,298 | $ 1,280,206 |

## Governmental Activities

Governmental activities increased the net position of the City by $2,486,249. Total tax revenues for the City were $13.8 million, which represents 80% of the financing of these activities. Program revenues for the functions totaled $2.0 million or 12% of the funding. The following table shows the cost of the City's programs as well as each program's 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 Warrensburg's Governmental Activities**

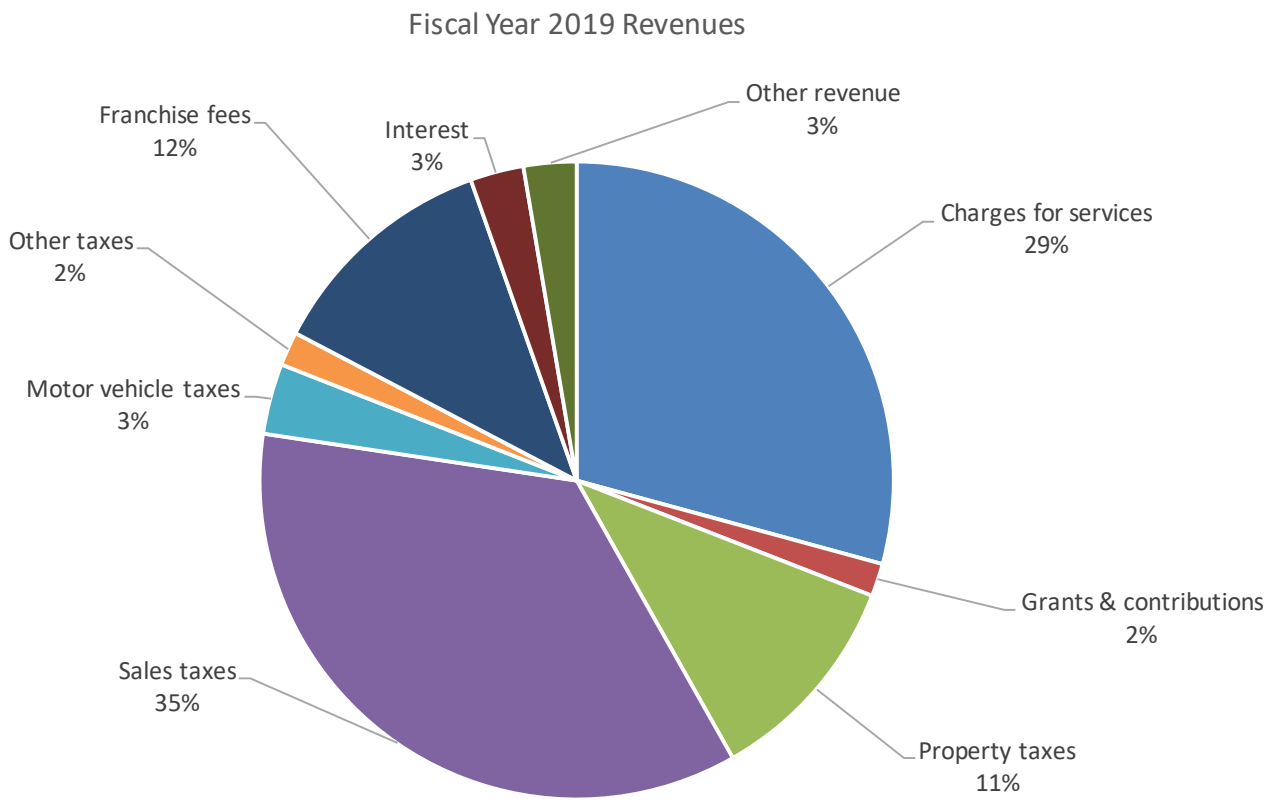
| | Total Cost of Services | Net Cost of Services |
|---|---|---|
| General government | $ 681,791 | $ 401,355 |
| Finance | 536,736 | 536,736 |
| Other support services | 514,926 | 514,926 |
| Information technology | 625,293 | 625,293 |
| Municipal court | 164,287 | (199,388) |
| Buildings and grounds | 309,806 | 309,806 |
| Public safety and health | 5,139,962 | 5,065,468 |
| Community development | 906,866 | 906,866 |
| Transportation | 2,446,870 | 2,361,629 |
| Cemetery | 121,790 | (49,024) |
| Parks and recreation | 2,776,682 | 1,746,938 |
| Debt Service | 609,138 | 609,138 |
| | $ 14,834,147 | $ 12,829,743 |

**Business-Type Activities**

Business-type activities increased the City's net position by $713,049. Last year the business-type activities increased $447,551.

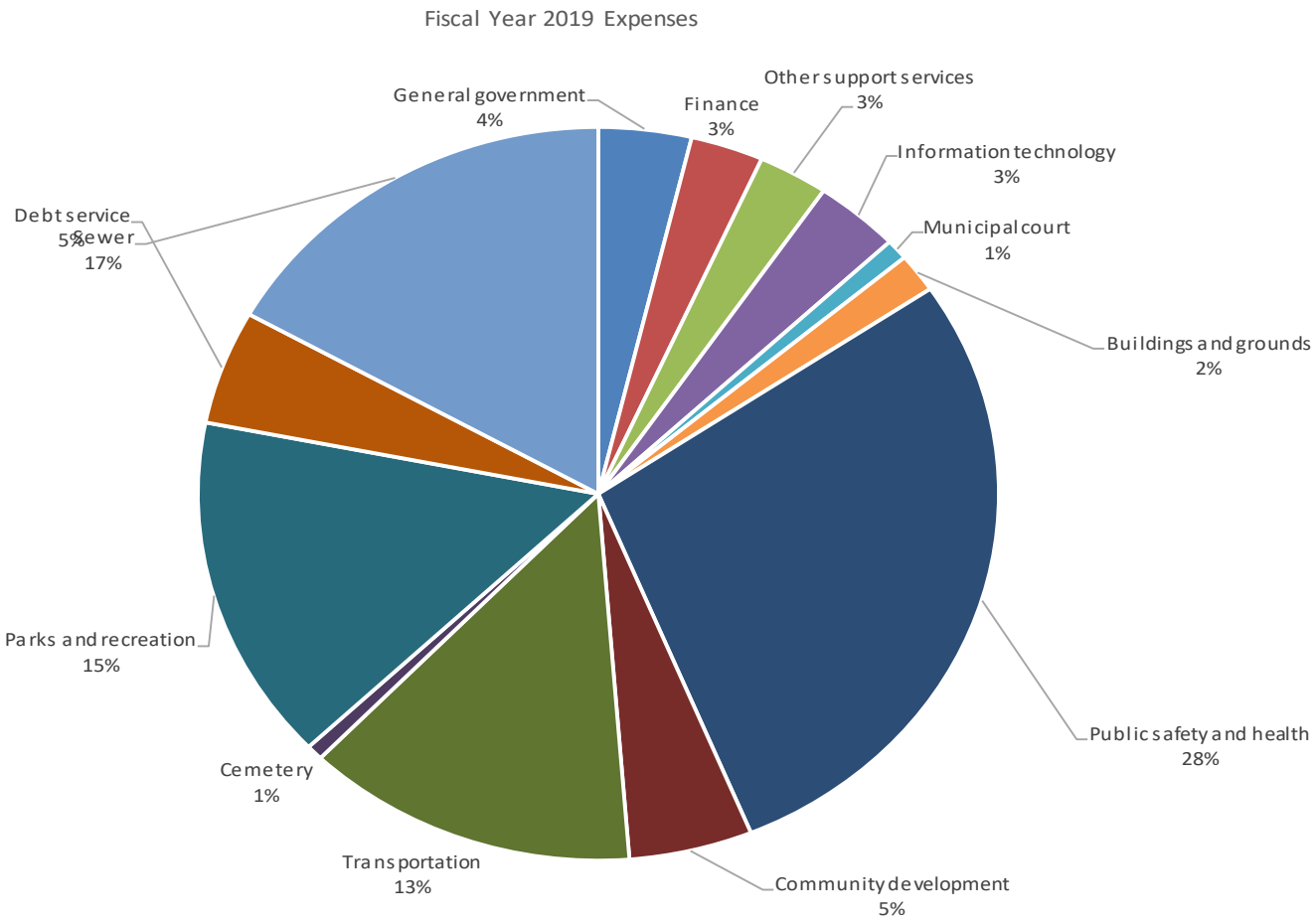
## Financial Analysis of the City's Funds

The pie chart below illustrates the City of Warrensburg's revenue sources as percentages for the fiscal year 2019. The City saw an increase in revenues from fiscal year 2018 to fiscal year 2019, with the most important difference being property taxes. Property tax revenue increased $178,144 from $2,152,710 in fiscal year 2018 to $2,330,854 in fiscal year 2019. Sales tax revenue also saw a slight increase of $25,509. Changes in revenue continue to shift the proportions of revenue collections. Historically, Sales tax has been consistently over 50% of total revenue that is now down to 35%. Franchise fees continue to see a decline while charges for services saw an increase compared to fiscal year 2018.



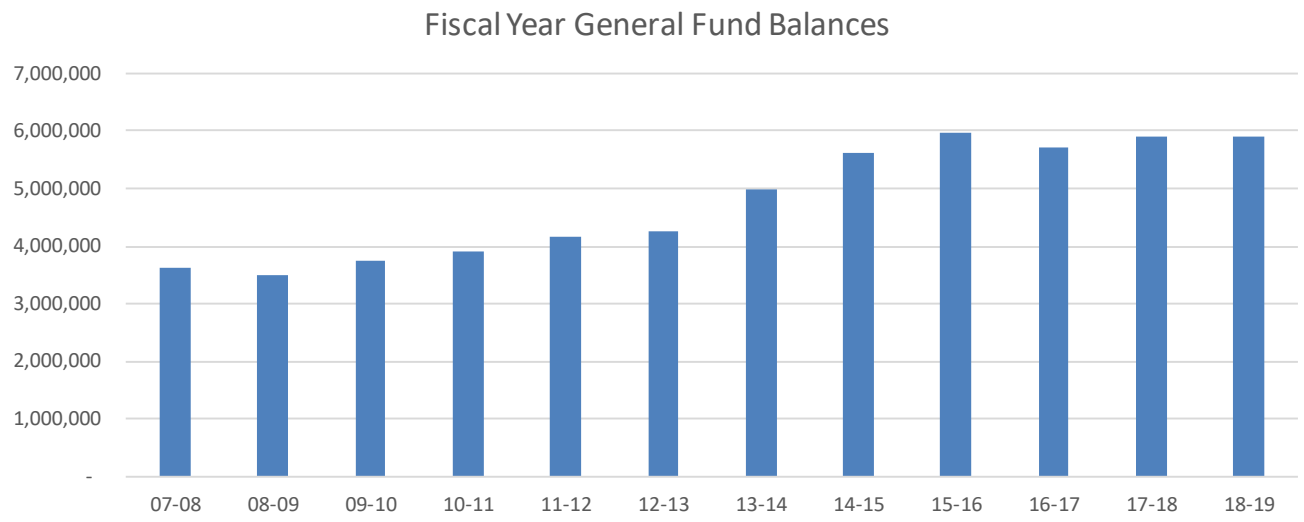

The City of Warrensburg saw an overall decrease in expenses in fiscal year 2019. Most of the divisions saw increases in operating expense. Decreases in Building and Grounds, Public Safety, Transportation capital, Debt Service and Water Pollution Control provided for the overall decrease in expense compared to 2018.

Implementation of the findings of the recent Wage & Benefit Study brought employee wages to the 50th percentile (the average) of comparable communities. This represents the increase in most of the divisions operating costs and will continue to impact the City's budget for FY20 and future budgets. Departments have done a great job this year making this matter a priority and balancing their budgets.




The combined fund balances of the City's governmental funds as of September 30, 2019, were $9.1 million. The General Fund increased by $39,017. The Park Fund increased by $111,757. The Tri-Centennial Fund increased by $431. The Capital Improvement Transportation Fund decreased by $14,991. The Capital Improvement Half-Cent Fund increased by $118,181. The Debt Service Fund decreased by $1. The Neighborhood Improvement Fund increased by $254,713. The Tax Increment Financing Fund increased by $4,332. The Capital Improvement Bond Fund decreased by $1,327,248 .

The following bar graph provides a view of the City of Warrensburg's ending General Fund balances, and displays the recent historical performance of the General Fund.




## General Fund Budgetary Highlights

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

- The original revenue budget of $9,176,876 was amended to $9,193,876 during the year.
- The total original budgeted expenditures of $10,711,146 were decreased by $70,166 to $10,640,980. Most of this increase was from an increase in transportation and public safety and health.

## Capital Asset and Debt Administration

### Capital Assets

Capital assets of the governmental activities were $49.8 million (net of accumulated depreciation) as of September 30, 2019. This represents an increase of $1.0 million from the prior year due to the current year purchase of capital assets and improvements. Net capital assets for business-type activities were $24.9 million as of September 30, 2019. This represents a decrease of $1.1 million from the prior year due primarily to current year provisions for depreciation.

### Debt

Total debt and long-term obligations of the governmental activities as of September 30, 2019, was $19.4 million, which is an decrease of $2.3 million.

Total debt and long-term obligations of the business-type activities as of September 30, 2019, was $12.3 million, which is down by $1.2 million from the prior year due to the payments made on the City's Certificates of Participation and revenue bonds.

## Economic Factors and Next Year's Budget

The City continues to experience stability in overall General Fund revenues, which is a positive. Overall revenue has plateaued, and staff does not anticipate any significant increase or decrease in the upcoming fiscal year. Some revenue streams have declined, with the most significant one being franchise fees. Given the significant dependence of the City on sales tax revenues it is imperative that a constant focus is applied to sustaining growth in this revenue stream. Efforts such as the "Love What's Local" campaign become increasingly important. The real driver, however, will be to increase population and discretionary income levels within the city limits and local region. Conversation also needs to continue with State and Federal elected officials regarding the disparity between online and local sales transactions.

Ideally the City would diversify its revenues streams to decrease dependency upon sales tax, particularly stronger property tax revenues. However, the Missouri legislature's enactment of the Hancock Amendment has made doing so more difficult. It is recommended that the Council consider placing significant infrastructure and capital purchase on the ballot for citizens to vote property tax increases to pay for these community needs. Examples of projects and capital purchases include the Maguire Street Corridor, storm water infrastructure, Public Safety apparatus and technology.

In fiscal year 2017, the City joined the Missouri Securities Investment Program (MOSIP). This has allowed the City to earn interest above what is currently offered by the City's banking institution, while maintaining compliance with state approved investments for municipalities.

Sewer rate increases in 2017 had the desired effect on generating revenues needed to stabilize the financial viability of the Sewer Utility. Additional increases are needed to provide the appropriate revenues to fund Sewer Capital Projects and maintain financial solvency.

After three years of extensive capital purchases and projects undertaken by the City, there has been a shift in focus for fiscal year 2020. Although capital projects where limited within this year's budget, there are a few significate expenditures. The demolition of a dilapidated Street Department storage building on West Culton street will take place sometime in the spring of 2020, leaving a prime lot in the downtown portion of the City. There will also be a refresh of the servers in City Hall. This refresh takes place every four years to update the City's virtual infrastructure.

The City also plans to do extensive upgrades to its wastewater plants, and some of that work will begin in fiscal year 2020. To address the reliability of phone and internet networks, which are a necessary tool for the operation of the plant, the City will have fiber installed to the facility. There will also be new SCADA components installed along with the replacement of Ultraviolet components and Sequencing Batch Reactor blowers that aid in the treatment of the City's wastewater.

## Contacting the City's Financial Management

The City's financial statements are designed to present users with a general overview of the City's finances and to demonstrate the City's accountability. Any questions regarding the report or request for additional information should be directed to:

Finance Director
102 South Holden St.
Warrensburg, Missouri
64093
(660-747-9131).

# City of Warrensburg

Statement of Net Position

September 30, 2019

| | Primary Government | | | Component Unit |
|---|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Total | Warrensburg Convention and Visitors Bureau |
| **Assets** | | | | |
| Cash and cash equivalents - unrestricted | $ 6,296,629 | $ 2,292,034 | $ 8,588,663 | $ 222,977 |
| Investments - unrestricted | 1,741,224 | 439,628 | 2,180,852 | |
| Taxes receivable, net | 1,642,065 | - | 1,642,065 | - |
| Utilities receivable, net | - | 463,944 | 463,944 | - |
| Other accounts receivable, net | 22,855 | - | 22,855 | - |
| Special assessments receivable, net | 523,078 | - | 523,078 | - |
| Court fines receivable, net | 2,579 | - | 2,579 | - |
| Accrued interest receivable | 22,279 | 5,887 | 28,166 | - |
| Inventory | 12,405 | - | 12,405 | - |
| Prepaid expenses | 189,601 | 33,460 | 223,061 | - |
| Restricted cash and cash equivalents | 388,473 | 249,285 | 637,758 | - |
| Restricted investments | 884,519 | 640,522 | 1,525,041 | - |
| Net pension asset | 4,852,482 | 290,370 | 5,142,852 | - |
| Capital Assets: | | | | |
| Non-depreciable | 5,056,297 | 392,583 | 5,448,880 | - |
| Depreciable, net | 44,747,786 | 24,555,469 | 69,303,255 | - |
| **Total Assets** | 66,382,272 | 29,363,182 | 95,745,454 | 222,977 |
| **Deferred Outflow of Resources** | | | | |
| Deferred pension outflow | 291,507 | 19,114 | 310,621 | - |
| **Total Deferred Outflow of Resources** | 291,507 | 19,114 | 310,621 | - |

See accompanying notes to the financial statements.

# City of Warrensburg

Statement of Net Position

September 30, 2019

| | Governmental Activities | Business-Type Activities | Total | Warrensburg Convention and Visitors Bureau |
|---|---|---|---|---|
| **Liabilities** | | | | |
| Current | | | | |
| Accounts payable | 1,185,737 | 115,911 | 1,301,648 | 12,054 |
| Accrued expenses | 182,167 | 16,650 | 198,817 | - |
| Unearned revenue | 122,091 | - | 122,091 | - |
| Court bonds payable | 9,328 | - | 9,328 | - |
| Accrued interest payable | 77,055 | 98,849 | 175,904 | - |
| Arbitrage payable | - | 122,558 | 122,558 | - |
| Current maturities of long-term debt | 2,457,942 | 1,245,000 | 3,702,942 | - |
| | 4,034,320 | 1,598,968 | 5,633,288 | 12,054 |
| **Noncurrent** | | | | |
| Capital leases payable | 395,953 | - | 395,953 | - |
| Neighborhood improvement bonds payable | 2,238,000 | - | 2,238,000 | - |
| Certificates of participation payable | 11,204,060 | - | 11,204,060 | - |
| Revenue bonds payable, net | - | 11,056,423 | 11,056,423 | - |
| General obligation bonds payable, net | 3,075,000 | - | 3,075,000 | - |
| Compensated absences payable | 494,402 | 34,398 | 528,800 | - |
| | 17,407,415 | 11,090,821 | 28,498,236 | - |
| **Total Liabilities** | 21,441,735 | 12,689,789 | 34,131,524 | 12,054 |
| **Deferred Inflow of Resources** | | | | |
| Deferred pension inflow | 1,031,172 | 61,925 | 1,093,097 | - |
| **Total Deferred Inflow of Resources** | 1,031,172 | 61,925 | 1,093,097 | - |
| **Net Position** | | | | |
| Net investment in capital assets | 31,340,156 | 12,612,231 | 43,952,387 | - |
| Restricted | 3,151,886 | 767,247 | 3,919,133 | - |
| Unrestricted | 9,708,830 | 3,251,104 | 12,959,934 | 210,923 |
| **Total Net Position** | $ 44,200,872 | $ 16,630,582 | $60,831,454 | $ 210,923 |

See accompanying notes to the financial statements.

# City of Warrensburg

Statement of Activities

Year Ended September 30, 2019

| | | Program Revenues | | | Net (Expenses), Revenues and Changes in Net Position | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Primary Government | | | Component Unit |
| Functions/Programs | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total | Warrensburg Convention and Visitors Bureau |
| Primary Government | | | | | | | | |
| Governmental Activities | | | | | | | | |
| General government | $ (681,791) | $ 227,877 | $ 52,559 | $ - | $ (401,355) | $ - | $ (401,355) | $ - |
| Finance | (536,736) | - | - | - | (536,736) | - | (536,736) | - |
| Other support services | (514,926) | - | - | - | (514,926) | - | (514,926) | - |
| Information technology | (625,293) | - | - | - | (625,293) | - | (625,293) | - |
| Municipal court | (164,287) | 363,675 | - | - | 199,388 | - | 199,388 | - |
| Buildings and grounds | (309,806) | - | - | - | (309,806) | - | (309,806) | - |
| Public safety and health | (5,139,962) | 59,444 | 15,050 | - | (5,065,468) | - | (5,065,468) | - |
| Community development | (906,866) | - | - | - | (906,866) | - | (906,866) | - |
| Transportation | (2,446,870) | - | 85,241 | - | (2,361,629) | - | (2,361,629) | - |
| Cemetery | (121,790) | 161,914 | 8,900 | - | 49,024 | - | 49,024 | - |
| Parks and recreation | (2,776,682) | 836,304 | 5,689 | 187,751 | (1,746,938) | - | (1,746,938) | - |
| Debt service | (609,138) | - | - | - | (609,138) | - | (609,138) | - |
| **Total Governmental Activities** | (14,834,147) | 1,649,214 | 167,439 | 187,751 | (12,829,743) | - | (12,829,743) | - |
| Business-Type Activities | | | | | | | | |
| Sewer | (3,559,589) | 4,599,673 | - | - | - | 1,040,084 | 1,040,084 | - |
| **Total Business-Type Activities** | (3,559,589) | 4,599,673 | - | - | - | 1,040,084 | 1,040,084 | - |
| **Total Primary Government** | $ (18,393,736) | $ 6,248,887 | $ 167,439 | $ 187,751 | (12,829,743) | 1,040,084 | (11,789,659) | - |

See accompanying notes to the financial statements.

# City of Warrensburg

Statement of Activities

Year Ended September 30, 2019

| | | Program Revenues | | | Net (Expenses), Revenues and Changes in Net Position | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Primary Government | | | Component Unit |
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total | Warrensburg Convention and Visitors Bureau |
| Component Unit | | | | | | | | |
| Warrensburg Convention and Visitors Bureau | $ (167,949) | $ 171,701 | $ 6,043 | $ - | - | - | - | 9,795 |
| **General Revenues** | | | | | | | | |
| Property taxes | | | | | 2,330,854 | - | 2,330,854 | - |
| Sales taxes | | | | | 7,816,714 | - | 7,816,714 | - |
| Motor vehicle taxes | | | | | 762,824 | - | 762,824 | - |
| Other taxes | | | | | 368,870 | - | 368,870 | - |
| Franchise fees | | | | | 2,550,153 | - | 2,550,153 | - |
| Interest | | | | | 242,917 | 339,965 | 582,882 | 5,147 |
| Other revenue | | | | | 73,717 | - | 73,717 | 413 |
| Gain on disposal of assets | | | | | 502,943 | - | 502,943 | - |
| **Transfers** | | | | | 667,000 | (667,000) | - | - |
| **Total General Revenues and Transfers** | | | | | 15,315,992 | (327,035) | 14,988,957 | 5,560 |
| Changes in Net Position | | | | | 2,486,249 | 713,049 | 3,199,298 | 15,355 |
| Net Position, Beginning of year, as restated | | | | | 41,714,623 | 15,917,533 | 57,632,156 | 195,568 |
| **Net Position, End of year** | | | | | $ 44,200,872 | $ 16,630,582 | $ 60,831,454 | $ 210,923 |

See accompanying notes to the financial statements.

# City of Warrensburg

Balance Sheet – Governmental Funds

September 30, 2019

| | | Special Revenue Funds | | | | Debt Service Funds | | | Capital Projects Fund | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | General Fund | Park Fund | Tri-Centennial Fund | Capital Improvement Transportation Fund | Capital Improvement Half-Cent Fund | Debt Service Fund | Neighborhood Improvement Fund | Tax Increment Financing Fund | Capital Improvement Bond Fund | Vehicle Fund | Total Governmental Funds |
| **Assets** | | | | | | | | | | | |
| Cash and cash equivalents | $ 4,001,888 | $ 790,536 | $ 11,310 | $ 36,033 | $ 283,806 | $ 159,984 | $ 359,735 | $ 6,245 | $ - | $ - | $ 5,649,537 |
| Investments | 1,045,959 | 288,600 | 3,563 | 146,055 | 115,352 | - | - | - | - | - | 1,599,529 |
| Taxes receivable, net | 1,007,222 | 209,423 | - | 126,407 | 281,324 | - | - | - | 17,689 | - | 1,642,065 |
| Other accounts receivables | - | 22,855 | - | - | - | - | - | - | - | - | 22,855 |
| Special assessments receivable, net | - | - | - | - | - | - | 523,078 | - | - | - | 523,078 |
| Court fines receivable, net | 2,579 | - | - | - | - | - | - | - | - | - | 2,579 |
| Due from other funds | 145,000 | - | - | - | - | - | - | - | - | - | 145,000 |
| Accrued interest receivable | 13,663 | 3,717 | 45 | 1,378 | 1,475 | - | - | - | - | 180 | 20,458 |
| Inventory | 12,405 | - | - | - | - | - | - | - | - | - | 12,405 |
| Prepaid expenses | 167,296 | 22,305 | - | - | - | - | - | - | - | - | 189,601 |
| Restricted cash and cash equivalents | 35,848 | 277 | - | - | - | 2,282 | 260,938 | - | 22,509 | 66,619 | 388,473 |
| Restricted investments | - | - | - | - | - | - | - | - | 884,519 | | 884,519 |
| **Total Assets** | $ 6,431,860 | $ 1,337,713 | $ 14,918 | $ 309,873 | $ 681,957 | $ 162,266 | $ 1,143,751 | $ 6,245 | $ 924,717 | $ 66,799 | $ 11,080,099 |
| **Liabilities, Deferred Inflow of Resources, and Fund Balances** | | | | | | | | | | | |
| Liabilities | | | | | | | | | | | |
| Accounts payable | $ 325,669 | $ 97,897 | $ - | $ 6,941 | $ 87,867 | $ - | $ - | $ 1,893 | $ 494,458 | $ - | $ 1,014,725 |
| Accrued expenses | 160,824 | 21,343 | - | - | - | - | - | - | - | - | 182,167 |
| Court bonds payable | 9,328 | - | - | - | - | - | - | - | - | - | 9,328 |
| Due to other funds | - | - | - | - | - | 145,000 | - | - | - | - | 145,000 |
| Unearned revenue | 26,520 | 95,571 | - | - | - | - | - | - | - | - | 122,091 |
| **Total Liabilities** | 522,341 | 214,811 | - | 6,941 | 87,867 | 145,000 | - | 1,893 | 494,458 | | 1,473,311 |

See accompanying notes to the financial statements.

# City of Warrensburg

Balance Sheet – Governmental Funds

September 30, 2019

| | | Special Revenue Funds | | | | Debt Service Funds | | | Capital Projects Fund | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | General Fund | Park Fund | Tri-Centennial Fund | Capital Improvement Transportation Fund | Capital Improvement Half-Cent Fund | Debt Service Fund | Neighborhood Improvement Fund | Tax Increment Financing Fund | Capital Improvement Bond Fund | Vehicle Fund | Total Governmental Funds |
| Deferred Inflow of Resources | | | | | | | | | | | |
| Deferred inflows - special assessments | - | - | - | - | - | - | 523,078 | - | - | - | 523,078 |
| **Fund Balances** | | | | | | | | | | | |
| Nonspendable: | | | | | | | | | | | |
| Inventory | 12,405 | - | - | - | - | - | - | - | - | - | 12,405 |
| Prepaid expenses | 167,296 | 22,305 | - | - | - | - | - | - | - | - | 189,601 |
| Restricted for: | | | | | | | | | | | |
| Debt Service | - | - | - | - | - | 17,266 | 620,673 | 4,352 | - | - | 642,291 |
| Capital improvements | - | - | - | 302,932 | 594,090 | - | - | - | 430,259 | 66,799 | 1,394,080 |
| Tri-centennial | - | - | 14,918 | - | - | - | - | - | - | - | 14,918 |
| Parks and recreation | - | 1,100,597 | - | - | - | - | - | - | - | - | 1,100,597 |
| Unassigned | 5,729,818 | - | - | - | - | - | - | - | - | - | 5,729,818 |
| **Total Fund Balances** | 5,909,519 | 1,122,902 | 14,918 | 302,932 | 594,090 | 17,266 | 620,673 | 4,352 | 430,259 | 66,799 | 9,083,710 |
| **Total Liabilities, Deferred Inflow of Resources, and Fund Balances** | $ 6,431,860 | $ 1,337,713 | $ 14,918 | $ 309,873 | $ 681,957 | $ 162,266 | $ 1,143,751 | $ 6,245 | $ 924,717 | $ 66,799 | $ 11,080,099 |

See accompanying notes to the financial statements.

# City of Warrensburg

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

September 30, 2019

| | |
|---|---|
| Fund balance - total governmental funds | $ 9,083,710 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds: | |
| Governmental capital assets | 96,600,800 |
| Less accumulated depreciation | (46,796,717) |
| | 49,804,083 |
| The net pension asset is not available to pay for the current-period expenditures, and therefore, is not reported in the funds. The following is the detail of the net effect of these differences in the treatment of the net pension asset and related deferred items: | |
| Net pension asset | 4,852,482 |
| Deferred outflows due to pension | 291,507 |
| Deferred inflows due to pension | (1,031,172) |
| | 4,112,817 |
| Internal Service Funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position | 619,596 |
| Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due | (77,055) |
| Deferred inflows - special assessments | 523,078 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds | (19,865,357) |
| **Net position of governmental activities** | $ 44,200,872 |

See accompanying notes to the financial statements.

# City of Warrensburg

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

Year Ended September 30, 2019

| | | Special Revenue Funds | | | | Debt Service Funds | | | Capital Projects Fund | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | General Fund | Park Fund | Tri-Centennial Fund | Capital Improvement Transportation Fund | Capital Improvement Half-Cent Fund | Debt Service Fund | Neighborhood Improvement Fund | Tax Increment Financing Fund | Capital Improvement Bond Fund | Vehicle Fund | Total Governmental Funds |
| **Revenues** | | | | | | | | | | | |
| Taxes | $ 8,204,567 | $ 1,808,084 | $ - | $ 762,823 | $ 1,862,859 | $ - | $ 76,323 | $ 149,409 | $ 1,041,307 | $ - | $ 13,905,372 |
| Licenses and permits | 227,877 | - | - | - | - | - | - | - | - | - | 227,877 |
| Intergovernmental revenues | 1,200 | 81,161 | - | 85,241 | - | - | - | - | - | - | 167,602 |
| Charges for services | 216,608 | 836,304 | - | - | - | - | - | - | - | - | 1,052,912 |
| Fines and forfeitures | 368,425 | - | - | - | - | - | - | - | - | - | 368,425 |
| Interest income | 148,565 | 32,470 | 431 | 10,686 | 14,674 | 802 | - | - | 34,338 | 951 | 242,917 |
| Miscellaneous | 133,124 | 118,768 | - | 5,566 | - | - | - | - | - | 3,847 | 261,305 |
| **Total Revenues** | 9,300,366 | 2,876,787 | 431 | 864,316 | 1,877,533 | 802 | 76,323 | 149,409 | 1,075,645 | 4,798 | 16,226,410 |
| **Expenditures** | | | | | | | | | | | |
| Current | | | | | | | | | | | |
| General government | 508,156 | - | - | - | - | - | 100 | - | - | - | 508,256 |
| Finance | 487,372 | - | - | - | - | - | - | - | - | - | 487,372 |
| Other support services | 506,941 | - | - | - | - | - | - | - | - | - | 506,941 |
| Information technology | 589,904 | - | - | - | - | - | - | - | - | - | 589,904 |
| Municipal court | 156,261 | - | - | - | - | - | - | - | - | - | 156,261 |
| Buildings and grounds | 303,403 | - | - | - | - | - | - | - | - | - | 303,403 |
| Public safety and health | 5,385,059 | - | - | - | - | - | - | - | - | - | 5,385,059 |
| Community development | 708,242 | - | - | - | - | - | - | 145,077 | - | - | 853,319 |
| Transportation | 1,795,752 | - | - | - | - | - | - | - | - | - | 1,795,752 |
| Cemetery | 102,289 | - | - | - | - | - | - | - | - | - | 102,289 |
| Parks and recreation | - | 2,481,341 | - | - | - | - | - | - | - | - | 2,481,341 |
| Capital improvements | - | - | - | 879,307 | 173,415 | - | - | - | 1,194,894 | 67 | 2,247,683 |
| Debt Service | | | | | | | | | | | |
| Principal and interest | - | - | - | - | - | 2,697,978 | 262,384 | - | - | - | 2,960,362 |
| **Total Expenditures** | 10,543,379 | 2,481,341 | - | 879,307 | 173,415 | 2,697,978 | 262,484 | 145,077 | 1,194,894 | 67 | 18,377,942 |

See accompanying notes to the financial statements.

# City of Warrensburg

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

Year Ended September 30, 2019

| | | Special Revenue Funds | | | | Debt Service Funds | | | Capital Projects Fund | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | General Fund | Park Fund | Tri-Centennial Fund | Capital Improvement Transportation Fund | Capital Improvement Half-Cent Fund | Debt Service Fund | Neighborhood Improvement Fund | Tax Increment Financing Fund | Capital Improvement Bond Fund | Vehicle Fund | Total Governmental Funds |
| *Excess (Deficit) of Revenues over Expenditures* | (1,243,013) | 395,446 | 431 | (14,991) | 1,704,118 | (2,697,176) | (186,161) | 4,332 | (119,249) | 4,731 | (2,151,532) |
| **Other Financing Sources (Uses)** | | | | | | | | | | | |
| Sale of land | - | - | - | - | - | - | 440,875 | - | - | - | 440,875 |
| Sale of equipment | - | - | - | - | - | - | - | - | - | 62,068 | 62,068 |
| Lease proceeds | 234,580 | - | - | - | - | - | - | - | - | - | 234,580 |
| Operating transfers in (out) | 1,047,450 | (283,689) | - | - | (1,585,937) | 2,697,175 | - | - | (1,207,999) | - | 667,000 |
| **Total Other Financing Sources (Uses)** | 1,282,030 | (283,689) | - | - | (1,585,937) | 2,697,175 | 440,875 | - | (1,207,999) | 62,068 | 1,404,523 |
| *Excess (Deficit) of Revenues and Other Sources over Expenditures and other (Uses)* | 39,017 | 111,757 | 431 | (14,991) | 118,181 | (1) | 254,714 | 4,332 | (1,327,248) | 66,799 | (747,009) |
| Fund Balance, October 1 ** | 5,870,502 | 1,011,145 | 14,487 | 317,923 | 475,909 | 17,267 | 365,959 | 20 | 1,757,507 | - | 9,830,719 |
| **Fund Balance, September 30** | $ 5,909,519 | $ 1,122,902 | $ 14,918 | $ 302,932 | $ 594,090 | $ 17,266 | $ 620,673 | $ 4,352 | $ 430,259 | $ 66,799 | $ 9,083,710 |

** - as restated

See accompanying notes to the financial statements.

# City of Warrensburg

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

Year Ended September 30, 2019

| | |
|---|---|
| Net change in fund balances - total governmental funds | $ (747,009) |
| 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 by which depreciation was exceeded by capital outlays for the year. | |
| Capital outlay | 2,207,400 |
| Depreciation | (2,093,761) |
| Disposal of capital assets, net | 923,743 |
| | 1,037,382 |
| Some revenues reported in the governmental funds represent current financial resources and were recognized in the Statement of Activities when earned | (75,957) |
| 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. Also, governmental funds report the effect of issuance costs and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. In the Statement of Activities, interest is accrued on outstanding debt whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences. | |
| Lease proceeds | (234,580) |
| Repayment of principal on bonds, leases, and other debt | 2,287,043 |
| Bond premiums and discounts | 51,992 |
| Interest payable | 12,189 |
| | 2,116,644 |
| Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of the Internal Service Fund is reported with governmental activities. | 55,998 |
| Some expenditures reported in the governmental fund represent the use of current financial resources and were recognized in the Statement of Activities when incurred | 99,191 |
| **Change in net position of governmental activities** | $ 2,486,249 |

See accompanying notes to the financial statements.

# City of Warrensburg

Statement of Net Position – Proprietary Funds

September 30, 2019

| | Enterprise Fund Sewer Fund | Internal Service Fund |
|---|---|---|
| **Assets** | | |
| Current Assets | | |
| Cash and cash equivalents | $ 2,292,034 | $ 647,092 |
| Investments | 439,628 | 141,695 |
| Utilities receivable, net | 463,944 | - |
| Accrued interest receivable | 5,887 | 1,821 |
| Prepaid expenses | 33,460 | - |
| **Total Current Assets** | 3,234,953 | 790,608 |
| **Noncurrent Assets** | | |
| Net pension asset | 290,370 | - |
| **Total Noncurrent Assets** | 290,370 | - |
| **Restricted Assets** | | |
| Cash and cash equivalents | 249,285 | - |
| Investments | 640,522 | - |
| **Total Restricted Assets** | 889,807 | - |
| **Property, Plant and Equipment** | | |
| Land | 392,583 | - |
| Buildings and improvements | 19,494,721 | - |
| Sewer mains and lines | 27,214,393 | - |
| Machinery and equipment | 1,123,051 | - |
| | 48,224,748 | - |
| Less accumulated depreciation | (23,276,696) | - |
| **Total Property, Plant, and Equipment** | 24,948,052 | - |
| **Total Assets** | 29,363,182 | 790,608 |
| **Deferred Outflow of Resources** | | |
| Deferred pension outflow | 19,114 | - |
| **Total Deferred Outflow of Resources** | 19,114 | - |

See accompanying notes to the financial statements.

# City of Warrensburg

Statement of Net Position – Proprietary Funds

September 30, 2019

| | Enterprise Fund Sewer Fund | Internal Service Fund |
|---|---|---|
| **Liabilities** | | |
| Current Liabilities | | |
| Accounts payable | 115,911 | 171,012 |
| Accrued expenses | 16,650 | - |
| Accrued interest payable | 98,849 | - |
| Arbitrage payable | 122,558 | - |
| Current maturities of long-term debt | 1,245,000 | - |
| **Total Current Liabilities** | 1,598,968 | 171,012 |
| **Long-Term Liabilities** | | |
| Revenue bonds payable, net | 11,056,423 | - |
| Compensated absences payable | 34,398 | - |
| **Total Long-Term Liabilities** | 11,090,821 | - |
| **Total Liabilities** | 12,689,789 | 171,012 |
| **Deferred Inflow of Resources** | | |
| Deferred pension inflow | 61,925 | - |
| **Total Deferred Inflow of Resources** | 61,925 | - |
| **Net Position** | | |
| Net investment in capital assets | 12,612,231 | - |
| Restricted | 767,247 | - |
| Unrestricted | 3,251,104 | 619,596 |
| **Total Net Position** | $ 16,630,582 | $ 619,596 |

See accompanying notes to the financial statements.

# City of Warrensburg

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds

Year Ended September 30, 2019

| | Enterprise Fund Sewer Fund | Internal Service Fund |
|---|---|---|
| **Operating Revenues** | | |
| Charges for services | $ 4,596,018 | $ - |
| Miscellaneous | 3,655 | - |
| Premiums | - | 1,062,449 |
| **Total Operating Revenues** | 4,599,673 | 1,062,449 |
| | | |
| **Operating Revenues** | | |
| Personnel services | 741,471 | - |
| Contractual services | 107,496 | - |
| Repairs and maintenance | 201,091 | - |
| Supplies | 65,022 | - |
| Utilities | 339,611 | - |
| Education | 2,484 | - |
| Labs and testing | 17,856 | - |
| Insurance expenses | 60,400 | - |
| Depreciation | 1,488,968 | - |
| Miscellaneous | 44,938 | - |
| Insurance claims | - | 668,360 |
| Insurance administration fees | - | 359,085 |
| **Total Operating Expenses** | 3,069,337 | 1,027,445 |
| | | |
| Operating Income | 1,530,336 | 35,004 |
| | | |
| **Nonoperating Revenues (Expenses)** | | |
| Interest income | 339,965 | 20,994 |
| Interest expense | (490,252) | - |
| **Total Nonoperating Revenues (Expenses)** | (150,287) | 20,994 |
| | | |
| *Income Before Operating Transfers* | 1,380,049 | 55,998 |
| | | |
| Operating Transfers (Out) | (667,000) | - |
| | | |
| *Net Income* | 713,049 | 55,998 |
| | | |
| Net Position, October 1 | 15,917,533 | 563,598 |
| **Net Position, September 30** | $ 16,630,582 | $ 619,596 |

See accompanying notes to the financial statements.

# City of Warrensburg

Statement of Cash Flows – Proprietary Funds

Year Ended September 30, 2019

| | Sewer Fund | Internal Service Fund |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Cash received from customers | $ 4,587,042 | $ 1,062,449 |
| Cash paid to suppliers | (841,642) | (962,053) |
| Cash paid to employees | (717,018) | - |
| **Net Cash Provided by Operating Activities** | 3,028,382 | 100,396 |
| **Cash flows from Noncapital Financing Activities** | | |
| Operating transfer (out) | (667,000) | - |
| **Net Cash (Used) by Noncapital Financing Activities** | (667,000) | - |
| **Cash Flows from Capital and Related Financing Activities** | | |
| Purchase of fixed assets | (462,418) | - |
| Payment of bond principal | (1,220,000) | - |
| Payment of interest expense | (499,807) | - |
| **Net Cash (Used) by Capital and Related Financing Activities** | (2,182,225) | - |
| **Cash Flows from Investing Activities** | | |
| Interest received on investments | 328,502 | 19,956 |
| Purchase of investments | (18,732) | (2,766) |
| **Net Cash Provided by Investing Activities** | 309,770 | 17,190 |
| *Net Increase in Cash and Cash Equivalents* | 488,927 | 117,586 |
| **Cash and Cash Equivalents, Beginning of year** | 2,052,392 | 529,506 |
| **Cash and Cash Equivalents, End of year** | 2,541,319 | 647,092 |
| Less Restricted Cash and Cash Equivalents | (249,285) | - |
| **Unrestricted Cash and Cash Equivalents** | $ 2,292,034 | $ 647,092 |
| **Reconciliation of Operating Income to Net Cash Provided by Operating Activities:** | | |
| Operating income | $ 1,530,336 | $ 35,004 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation | 1,488,968 | - |
| (Increase) decrease in: | | |
| Utilities receivable | (12,631) | - |
| Prepaid expenses | (5,087) | - |
| Net pension asset | 15,640 | - |
| Deferred pension outflows | 13,673 | - |
| Increase (decrease) in: | | |
| Accounts payable | 289 | 65,392 |
| Accrued expenses | 2,983 | - |
| Compensated absences | 7,127 | - |
| Arbitrage payable | 2,054 | - |
| Deferred pension inflows | (14,970) | - |
| **Net Cash Provided by Operating Activities** | $ 3,028,382 | $ 100,396 |

See accompanying notes to the financial statements.

# City of Warrensburg

Combined Statement of Fiduciary Net Position – Private Purpose Trusts

September 30, 2019

| | Private-Purpose Trusts |
|---|---|
| **Assets** | |
| Cash and cash equivalents | $ 126,508 |
| Investments | 39,708 |
| Interest receivable | 81 |
| **Total Assets** | 166,297 |
| | |
| **Liabilities** | |
| Due to others | - |
| | |
| **Net Position** | |
| Unrestricted | 166,297 |
| **Total Net Position** | $ 166,297 |

See accompanying notes to the financial statements.

# City of Warrensburg

Combined Statement of Changes in Fiduciary Net Position – Private Purpose Trusts

Year Ended September 30, 2019

| | Private-Purpose Trusts |
|---|---|
| **Additions** | |
| Donations | $ 5,356 |
| **Deductions** | |
| Contributions and other | 43,600 |
| *Changes in Net Position* | (38,244) |
| Net Position, beginning of year | 204,541 |
| **Net Position, end of year** | $ 166,297 |

See accompanying notes to the financial statements.

# City of Warrensburg

Statement of Fiduciary Net Position – Agency Funds

September 30, 2019

| | Agency Funds | | |
|---|---|---|---|
| | Children's Memorial Trust | Arts Commission Fund | Public Arts Fund |
| **Assets** | | | |
| Cash and cash equivalents | $ 33,356 | $ 17,061 | $ 549 |
| Investments | 5,381 | 8,863 | 174 |
| Interest receivable | 78 | 111 | 2 |
| **Total Assets** | $ 38,815 | $ 26,035 | $ 725 |
| **Liabilities** | | | |
| Accounts payable | $ - | $ 6,000 | $ - |
| Due to others | 38,815 | 20,035 | 725 |
| **Total Liabilities** | $ 38,815 | $ 26,035 | $ 725 |

See accompanying notes to the financial statements.

## 1. Summary of Significant Accounting Policies

The City of Warrensburg, Missouri, (the City) is located in Johnson County and was incorporated in 1865, under the provisions of the State of Missouri. Warrensburg is a city of the third class and operates under a City Council-Manager form of government and 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 sewer operations.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments. 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 City has determined that the entity described in the following paragraph meets the above criteria and therefore, has been included as a component unit in the City's basic financial statements.

**Component Unit**

The Warrensburg Convention and Visitors Bureau of the City of Warrensburg is a not-for-profit corporation organized for the purpose of promoting tourism in Warrensburg. The Bureau is governed by a nine-member board appointed by the City.

**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.

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 not accounted for in other funds.

Park Fund: The Park Fund of the City is used to account for resources restricted, committed, or assigned for the parks department within the City.

Tri-Centennial Fund: The Tri-Centennial Fund is used to account for miscellaneous revenues and expenditures that are restricted, committed, or assigned for the Tri-Centennial activities.

Capital Improvement Transportation Fund: The Capital Improvement Transportation Fund is used to account for sales taxes and other resources that are restricted, committed, or assigned for the transportation capital improvements within the City.

Capital Improvement Half-Cent Fund: The Capital Improvement Half-Cent Fund is used to account for sales taxes and other resources that are restricted, committed, or assigned for the capital improvements within the City.

Neighborhood Improvement Fund: The Neighborhood Improvement Fund is used to account for proceeds that are restricted, committed, or assigned from the payment of Neighborhood Improvement Bonds.

Debt Service Fund: The Debt Service Fund is used to account for funds that are restricted, committed, or assigned from the payment of the City's governmental activities debt.

Tax Increment Financing Fund: This fund is used to account for collection and disbursement of economic activity taxes and property taxes collected on growth of assessed valuation of the redevelopment area of the TIF District.

Capital Improvement Bond Fund: This fund is used to account for collection and disbursement of proceeds of the Series 2017 General Obligation bonds.

Vehicle Fund: This fund is used to account for the acquisition and disposal of vehicles throughout various City departments.

The City reports the following major proprietary funds:

Sewer Fund: The Sewer Fund accounts for the activities and capital improvements of the City's sewer system.

Internal Service Fund: The Internal Service Fund accounts for the premiums received and claims paid under the City's hybrid cost-plus employee health insurance plan.

The City reports the following major fiduciary funds:

Fiduciary Funds: Fiduciary funds are used to report assets held in a trustee or agency capacity for others. Since by definition these assets are being held for the benefit of a third party and cannot be used to support activities or obligations for the City, these funds are not incorporated into the government-wide statements. The City is the fiduciary for four private purpose trust funds and three agency funds. The agency funds consist of the Children's Memorial Trust, the Arts Commission Fund, and the Public Arts Fund. The Children's Memorial Trust fund exists to account for funds donated to build a memorial to honor the memory of children who have died. The Arts Commission fund is used to account for funds donated to further the arts within the City. The Public Arts Fund is used to fund art in public places.

**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 one year. All land purchases are capitalized regardless of cost. All purchased fixed assets are valued at cost when historical records are available and at an estimated historical cost when no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

In conformity with GASB 34, infrastructure, such as streets and storm sewers, completed in the current year 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:

| | |
|---|---|
| Machinery and equipment | 3 to 20 years |
| Cemetery buildings | 5 to 20 years |
| Other buildings | 15 to 50 years |
| Improvements | 15 to 50 years |
| Sewer lines | 20 to 70 years |
| Other infrastructure | 20 to 50 years |

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

**Pooled Cash and Cash Equivalents**

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

**Fair Value**

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

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

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

Level 3: Inputs are significant unobservable inputs

**Inventories**

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out method. Inventory usage is recognized on the consumption method.

**Compensated Absences**

Under terms of the City's municipal code, City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation days up to the equivalent of one year's vacation (maximum of four weeks). The amount that can be accrued for sick leave is limited to 1080 hours for firefighters and 720 hours for all other employees. Employees are paid for one-half of the amount of accumulated sick leave only upon retirement from the City.

Vested or accumulated vacation leave and compensatory time is accounted for as follows:

> Governmental Funds: The accumulated liabilities for vacation and compensatory time is recorded in the governmental activities column of the government-wide financial statements.
>
> Proprietary Funds: The costs of vacation and compensatory time are accrued in the respective funds as earned by City employees and recorded in the proprietary fund financial statements and the business-type activities column of the government-wide financial statements.

**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.

**Revenue Recognition - Property Taxes**

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

**Operating Revenues and Expenses**

Operating revenues and expenses for proprietary funds generally result from providing services and producing and delivering goods and/or services in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund is charges to customers for services. All other revenues and expenses are considered nonoperating.

**Deposits and Investments**

For financial statement purposes and the statement of cash flows, the City considers all accounts subject to withdrawal by check or on demand to be cash equivalents. All other deposits and Certificates of Deposit are considered to be investments.

**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 are 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.

*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.

**Deferred Outflows/Inflows of Resources**

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

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

**Pensions**

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

**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.

## 2. Cash & Cash Equivalents

**Primary Government**

State statutes require that the City's deposits be insured or collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of September 30, 2019, all bank balances on deposit are entirely insured or collateralized.

**Warrensburg Convention and Visitors Bureau**

State statutes require that the Bureau's deposits be insured or collateralized in the name of the Bureau by the trust department of a bank that does not hold the collateralized deposits. As of September 30, 2019, all bank balances on deposit are entirely insured or collateralized.

## 3. Investments

**Primary Government**

The City categorizes its investments within the fair value hierarchy as discussed in Note 1. At September 30, 2019, the City had the following recurring investments:

| Investment Type | Maturity | Not Subject to Fair Value Hierarchy | Fair Value Level 1 | Total |
|---|---|---|---|---|
| Guaranteed Investment Contracts | 1/1/2028 | $ 640,521 | $ - | $ 640,521 |
| Missouri Securities Investment Program (MOSIP) - Certificates of Deposit | 11/18/2019 to 8/31/2020 | 2,192,000 | - | 2,192,000 |
| Missouri Securities Investment Program (MOSIP) - Cash Management Funds | N/A | 927,498 | - | 927,498 |
| | | $ 3,760,019 | $ - | $ 3,760,019 |

**Guaranteed Investment Contracts**

The City has Guaranteed Investment Contracts on deposit with United Missouri Bank. These investments are not required to be reported under fair value hierarchy. Fair market value approximates cost as the City has a pro-rata share of the fund. These deposits are held in trust accounts for the 2007 Sewer System Revenue Bonds and the reserve accounts. The City's funds are invested under the State Revolving Fund Program and are required to be collateralized in the amount of 100% of the value of the investment.

**Missouri Securities Investment Program**

City funds in the Missouri Securities Investment Program are invested in cash management funds in which the City has a pro-rata share. The funds are invested in accordance with Section 165.051 and Section 360 of the Missouri Revised Statutes and the cash management fund has a current rating of AAAm. These investments are not required to be reported under fair value hierarchy.

**Certificates of Deposit**

Certificates of deposit with maturities in excess of three months at the date of purchase are classified as investments but are considered deposits for custodial risk determination. 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 September 30, 2019, all certificates of deposit are entirely insured or collateralized with securities.

**Interest Rate Risk**

The City limits its exposure to interest rate risk. The City restricts its investments to those maturing in 5 years or less. This policy is limited to those investments made directly by the City and does not apply to investments of debt reserves made by trust account managers.

**Custodial Credit Risk**

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize the demand deposits and repurchase agreements with securities held by the financial institution's agent and in the City's name.

At September 30, 2019, the City's deposits were insured by Federal depository insurance and uninsured deposits were fully collateralized by securities held in the City's name by their financial and government obligations and, accordingly, the City was not exposed to such credit risks.

**Concentration of Credit Risk**

The City's investment policy does not limit the amount it may invest in any one issuer. At September 30, 2019, the City's only investments were amounts held in trust invested in Guaranteed Investment Contracts on deposit with United Missouri Bank. The trust agreement requires that these amounts be collateralized in the amount of 100% of the value of the investment, and, accordingly, the City was not exposed to such credit risks.

## 4. Accounts Receivable

**Primary Government**

Accounts receivable are presented net of allowance for doubtful accounts as follows:

| | Accounts Receivable | Allowance | Net Accounts Receivable |
|---|---|---|---|
| General Fund | | | |
| Ad valorem taxes receivable | $ 23,408 | $ 13,338 | $ 10,070 |
| Sales and use tax receivable | 690,203 | - | 690,203 |
| Franchise tax receivable | 281,971 | - | 281,971 |
| Lodging tax receivable | 24,978 | - | 24,978 |
| Court fines receivable | 60,851 | 58,272 | 2,579 |
| Interest receivable | 13,663 | - | 13,663 |
| | $ 1,095,074 | $ 71,610 | $ 1,023,464 |
| Park Fund | | | |
| Ad valorem taxes receivable | $ 5,894 | $ 3,000 | $ 2,894 |
| Sales and use tax receivable | 206,529 | - | 206,529 |
| Interest receivable | 3,717 | - | 3,717 |
| Other receivables | 33,217 | 10,362 | 22,855 |
| | $ 249,357 | $ 13,362 | $ 235,995 |
| Capital Improvement Transportation Fund | | | |
| Motor fuel and vehicle taxes receivable | $ 126,407 | $ - | $ 126,407 |
| Interest receivable | 1,378 | - | 1,378 |
| | $ 127,785 | $ - | $ 127,785 |
| Capital Improvement Half-Cent Fund | | | |
| Sales and use tax receivable | $ 281,324 | $ - | $ 281,324 |
| Interest receivable | 1,475 | - | 1,475 |
| | $ 282,799 | $ - | $ 282,799 |
| Neighborhood Improvement Fund | | | |
| Special assessments receivable | $ 765,167 | $ 242,089 | $ 523,078 |
| Capital Improvement Bond Fund | | | |
| Ad valorem taxes receivable | $ 17,689 | $ - | $ 17,689 |
| Vehicle Fund | | | |
| Interest receivable | $ 180 | $ - | $ 180 |
| Sewer Fund | | | |
| Utilities receivable | $ 570,966 | $ 107,022 | $ 463,944 |
| Interest receivable | 5,887 | - | 5,887 |
| | $ 576,853 | $ 107,022 | $ 469,831 |

## 5. Restricted Assets

**Primary Government**

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

| | Restricted Cash and Investments | Restricted Net Position |
|---|---|---|
| General Fund | | |
| Court bonds | $ 9,328 | $ - |
| Seizures and forfeitures | 26,520 | - |
| | $ 35,848 | $ - |
| Park Fund | | |
| Refundable deposits | $ 250 | $ - |
| 2014 Refunding Certificates of Participation Payment fund | 27 | - |
| Parks and recreation | - | 1,100,597 |
| | $ 277 | $ 1,100,597 |
| Tri-Centennial Fund | | |
| Tri-Centennial activities | $ - | $ 14,918 |
| Capital Improvement Fund | | |
| Trustee funds | $ - | $ 302,932 |
| Capital Improvement Half Cent Fund | | |
| Trustee funds | $ - | $ 594,090 |
| Debt Service Fund | | |
| Debt service reserves | $ 2,282 | $ 17,266 |
| Neighborhood Improvement Fund | | |
| Debt service reserves | $ 260,938 | $ 620,673 |
| TIF Fund | | |
| Debt service reserves | $ - | $ 4,352 |

| | Restricted Cash and Investments | Restricted Net Position |
|---|---|---|
| Capital Improvement Bond Fund | | |
| Project reserves | $ 907,028 | $ 430,259 |
| Vehicle Fund | | |
| Capital improvements | $ 66,619 | $ 66,799 |
| Sewer Fund | | |
| 2007 Revenue Bonds | | |
| Rebate account | $ 122,559 | $ - |
| Principal and interest | 640,521 | 640,521 |
| 2010 Revenue Bonds | | |
| Debt service reserve | 1 | - |
| Principal and interest | 126,726 | 126,726 |
| | $ 889,807 | $ 767,247 |

## 6. Long-Term Liabilities – Governmental Activities

Long-term liabilities of the City of Warrensburg consist of four Certificates of Participation, three capital leases, one General Obligation Bond issue, two Neighborhood Improvement Bonds payable, and compensated absences payable.

During the year ended September 30, 2017, the City entered into a lease purchase agreement to finance police RMS Software and Park fitness equipment in the amount of $369,762. In the event of default, the Lessor may declare all payments immediately due and payable or retake possession of the leased property. The agreement requires quarterly payments of $19,710, including interest at 2.47% as shown in following schedule:

| Year Ending September 30, | Direct Borrowing | | |
|---|---|---|---|
| | Principal | Interest | Total |
| 2020 | $ 74,823 | $ 4,017 | $ 78,840 |
| 2021 | 76,689 | 2,151 | 78,840 |
| 2022 | 39,058 | 362 | 39,420 |
| | $ 190,570 | $ 6,530 | $ 197,100 |

During the year ended September 30, 2017, the City entered into a lease purchase agreement to finance a Pierce Pumper Fire Truck in the amount of $344,678. In the event of default, the Lessor may declare all payments immediately due and payable or retake possession of the leased property. The agreement requires annual payments of $91,820, including interest at 3.3% as shown in following schedule:

| Year Ending September 30, | Direct Borrowing | | |
|---|---|---|---|
| | Principal | Interest | Total |
| 2020 | $ 87,243 | $ 4,577 | $ 91,820 |
| 2021 | 89,502 | 2,318 | 91,820 |
| | $ 176,745 | $ 6,895 | $ 183,640 |

During the year ended September 30, 2019, the City entered into a lease purchase agreement to finance a Johnston Street Sweeper in the amount of $234,580. In the event of default, the Lessor may declare all payments immediately due and payable or retake possession of the leased property. The agreement requires annual payments of $51,735, including interest at 3.35% as shown in the following schedule:

| Year Ending September 30, | Direct Borrowing | | |
|---|---|---|---|
| | Principal | Interest | Total |
| 2020 | $ 43,876 | $ 7,858 | $ 51,734 |
| 2021 | 45,346 | 6,389 | 51,735 |
| 2022 | 46,865 | 4,869 | 51,734 |
| 2023 | 48,435 | 3,300 | 51,735 |
| 2024 | 50,058 | 1,677 | 51,735 |
| | $ 234,580 | $ 24,093 | $ 258,673 |

These lease agreements provide for cancellation of the leases on the annual renewal date if the City should fail to appropriate funds. However, the City does not foresee exercising its option to cancel. Therefore, these leases are accounted for as noncancellable capital leases in accordance with GASB Section C20 – “Leases.”

**Series 2013 Certificates of Participation**

The City issued $8,485,000 of Series 2013 Refunding Certificates of Participation. The Certificates were issued to refund the Series 2007 Certificates of Participation which were originally used to fund various city building improvements and public safety equipment. The Certificates of Participation bear interest at 2.35% with principal and interest payments due March 1 and September 1 each year.

The total annual minimum lease payments required at September 30, 2019, are as follows:

| Year Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 2020 | $ 785,000 | $ 103,811 | $ 888,811 |
| 2021 | 865,000 | 84,894 | 949,894 |
| 2022 | 940,000 | 64,155 | 1,004,155 |
| 2023 | 1,020,000 | 41,595 | 1,061,595 |
| 2024 | 1,005,000 | 17,684 | 1,022,684 |
| | $ 4,615,000 | $ 312,139 | $ 4,927,139 |

**Series 2014 Certificates of Participation**

The City issued $655,000 of Series 2014 Certificates of Participation. The Certificates were issued to finance the Community Center roof project. The Certificates of Participation bear interest of 2.83% with principal payments due September 1 and interest payments due March 1 and September 1 each year.

The total annual minimum lease payments required at September 30, 2019, are as follows:

| Year Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 2020 | $ 69,000 | $ 10,216 | $ 79,216 |
| 2021 | 70,000 | 8,264 | 78,264 |
| 2022 | 72,000 | 6,283 | 78,283 |
| 2023 | 74,000 | 4,245 | 78,245 |
| 2024 | 76,000 | 2,150 | 78,150 |
| | $ 361,000 | $ 31,158 | $ 392,158 |

**Series 2017 Certificates of Participation**

December 12, 2017, the City issued $7,700,000 in Series 2017 Refunding Certificates of Participation for the purpose of refunding the 2009 and 2010 Certificates of Participation, which were originally issued for financing certain park projects, city buildings, and equipment purchases. The Certificates of Participation bear interest from 3.0% to 5.0% with principal payments due September 1 and interest payments due March 1 and September 1 each year.

The total annual minimum lease payments required at September 30, 2019, are as follows:

| Year Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 2020 | $ 345,000 | $ 250,075 | $ 595,075 |
| 2021 | 335,000 | 232,825 | 567,825 |
| 2022 | 340,000 | 216,075 | 556,075 |
| 2023 | 380,000 | 199,075 | 579,075 |
| 2024 | 385,000 | 183,875 | 568,875 |
| 2025 | 605,000 | 168,475 | 773,475 |
| 2026 | 660,000 | 144,275 | 804,275 |
| 2027 | 715,000 | 117,875 | 832,875 |
| 2028 | 750,000 | 96,425 | 846,425 |
| 2029 | 805,000 | 73,925 | 878,925 |
| 2030 | 350,000 | 49,775 | 399,775 |
| 2031 | 395,000 | 39,275 | 434,275 |
| 2032 | 425,000 | 26,931 | 451,931 |
| 2033 | 420,000 | 13,650 | 433,650 |
| | $ 6,910,000 | $ 1,812,531 | $ 8,722,531 |

**Neighborhood Improvements Bonds – Series 2001**

The City issued $105,000 of Series 2001 Neighborhood Improvement Bonds. The Bonds were issued to finance certain improvements to Russell Avenue. The bonds bear interest from 4.875% to 5.625% with principal payments due September 1 and interest payments due March 1 and September 1 each year. In conjunction with the issuance of these bonds, the City has agreed to assess certain Russell Avenue property owners the $105,000 cost of such improvements. The owners will be assessed $9,200 annually over the next 20 years. The special assessments received will be used for bond payments.

The total annual principal and interest payments required at September 30, 2019, are as follows:

| Year Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 2020 | $ 8,000 | $ 675 | $ 8,675 |
| 2021 | 8,000 | 225 | 8,225 |
| | $ 16,000 | $ 900 | $ 16,900 |

**Neighborhood Improvements Bonds – Series 2011**

The City issued $3,115,000 of Series 2011 Neighborhood Improvement Bonds. The Bonds were issued to retire Series 2009 Municipal Temporary Notes which were originally issued to fund improvements related to the Hawthorne Redevelopment Project. The bonds bear interest from 3.0% to 4.375% with principal payments due September 1 and interest payments due March 1 and September 1 each year. In conjunction with the issuance of these bonds, the City has agreed to assess property owners within the Hawthorne Redevelopment Project the $3,115,000 cost of such improvements. The special assessments received will be used for bond payments. During the year ended September 30, 2013, the City acquired various lots of property within the Hawthorne Development through a sheriff's tax sale. As such, the City will be absorbing a proportionate share of the debt service. The City intends to service debt principal and interest payments by using reserves created from pre-payments of special assessments by other property owners. The City-owned lots have been sold as of September 30, 2019 and the City will meet its obligation to provide for payments of principal and interest on these bonds. At September 30, 2019, special assessments receivable totaled $1,008,844.

The total annual principal and interest payments required at September 30, 2019, are as follows:

| Year Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 2020 | $ 160,000 | $ 93,575 | $ 253,575 |
| 2021 | 165,000 | 88,088 | 253,088 |
| 2022 | 170,000 | 82,225 | 252,225 |
| 2023 | 180,000 | 75,650 | 255,650 |
| 2024 | 185,000 | 68,350 | 253,350 |
| 2025 | 190,000 | 60,850 | 250,850 |
| 2026 | 200,000 | 52,925 | 252,925 |
| 2027 | 210,000 | 44,469 | 254,469 |
| 2028 | 220,000 | 35,600 | 255,600 |
| 2029 | 225,000 | 26,141 | 251,141 |
| 2030 | 235,000 | 16,078 | 251,078 |
| 2031 | 250,000 | 5,468 | 255,468 |
| | $ 2,390,000 | $ 649,419 | $ 3,039,419 |

**General Obligation Bonds – Series 2017**

The City issued $5,550,000 of Series 2017 General Obligation Bonds. The Bonds were issued to finance certain Fire Department Improvements and Street Improvements. The bonds bear interest from 2% to 5% with principal payments due September 1 and interest payments due March 1 and September 1 each year.

The total annual principal and interest payments required at September 30, 2019, are as follows:

| Year Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 2020 | $ 885,000 | $ 109,700 | $ 994,700 |
| 2021 | 930,000 | 73,400 | 1,003,400 |
| 2022 | 980,000 | 40,100 | 1,020,100 |
| 2023 | 210,000 | 22,250 | 232,250 |
| 2024 | 220,000 | 16,900 | 236,900 |
| 2025 | 235,000 | 12,350 | 247,350 |
| 2026 | 245,000 | 7,550 | 252,550 |
| 2027 | 255,000 | 2,550 | 257,550 |
| | $ 3,960,000 | $ 284,800 | $ 4,244,800 |

The following table is a summary of the changes in the Long-Term Liabilities – Governmental Activities:

| | Balance September 30, 2018 | Additions | Retirements | Balance September 30, 2019 | Amounts Due Within One Year |
|---|---|---|---|---|---|
| Direct Borrowings | | | | | |
| Capital lease - US Bancorp | $ - | $ 234,580 | $ - | $ 234,580 | $ 43,876 |
| Capital lease - PNC Equipment Finance | 261,785 | - | 85,040 | 176,745 | 87,243 |
| Capital lease - US Bank - Technology | 263,573 | - | 73,003 | 190,570 | 74,823 |
| 2001 Neighborhood Improvement Bonds | 23,000 | - | 7,000 | 16,000 | 8,000 |
| 2011 Neighborhood Improvement Bonds | 2,545,000 | - | 155,000 | 2,390,000 | 160,000 |
| 2017 General Obligation Bonds | 4,795,000 | - | 835,000 | 3,960,000 | 885,000 |
| 2013 Refunding Certificates of Participation | 5,340,000 | - | 725,000 | 4,615,000 | 785,000 |
| 2014 Certificates of Participation | 428,000 | - | 67,000 | 361,000 | 69,000 |
| 2017 Refunding Certificates of Participation | 7,250,000 | - | 340,000 | 6,910,000 | 345,000 |
| Issuance premiums | 600,758 | - | 54,257 | 546,501 | - |
| Issuance discounts | (31,706) | - | (2,265) | (29,441) | - |
| | 21,475,410 | 234,580 | 2,339,035 | 19,370,955 | 2,457,942 |
| Compensated Absences | 523,301 | - | 28,899 | 494,402 | - |
| **Total** | $ 21,998,711 | $ 234,580 | $ 2,367,934 | $ 19,865,357 | $ 2,457,942 |

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

Long-term liabilities in the Sewer Fund consists of the 2007 and 2010 Sewer System Revenue Bonds, and compensated absences.

**2007 Sewerage System Refunding and Improvement Revenue Bonds**

The City entered into an agreement with the State Environmental Improvement and Energy Resources Authority, the City issued $14.15 million in Sewerage System Refunding and Improvement Revenue Bonds, Series 2007. The bonds bear interest at 4.00% to 4.75%. In connection with the City's issuance of these revenue bonds, the City began participating in a revolving loan program established by the Missouri Department of Natural Resources (DNR). The State of Missouri manages and invests the bond proceeds on behalf of the City. As the City incurs approved capital expenditures, DNR reimburses the City for the expenditure from the bond proceeds account and deposits an additional 70% of the expenditure amount in a Bond Reserve Fund in the City's name. The interest paid on these sewer revenue bonds is offset by an interest subsidy from the State of Missouri's 70% bond reserves. Interest payments are due semi-annually on January 1 and July 1 of each year with annual principal payments due July 1 of each year. In the event of default, the DNR will have the right to take whatever action at law or in equity they deem necessary.

The annual debt service requirements to amortize the principal on the 2007 revenue bonds outstanding at September 30, 2019, are as follows:

| | Direct Placement | | | |
|---|---|---|---|---|
| Year Ending September 30, | Principal | Interest | Administrative Fee | Total |
| 2020 | $ 815,000 | $ 301,266 | $ 50,087 | $ 1,166,353 |
| 2021 | 830,000 | 265,781 | 44,268 | 1,140,049 |
| 2022 | 845,000 | 227,038 | 38,342 | 1,110,380 |
| 2023 | 865,000 | 186,425 | 32,309 | 1,083,734 |
| 2024 | 885,000 | 147,075 | 26,132 | 1,058,207 |
| 2025 | 905,000 | 106,775 | 19,814 | 1,031,589 |
| 2026 | 925,000 | 63,312 | 13,352 | 1,001,664 |
| 2027 | 945,000 | 20,672 | 6,747 | 972,419 |
| | $ 7,015,000 | $ 1,318,344 | $ 231,051 | $ 8,564,395 |

**2010 Sewerage System Revenue Bonds**

On September 30, 2015, the City had issued the maximum of $8,548,500, in the State of Missouri Direct Loan Program sewerage system revenue bonds, Series 2010, for the purpose of extending and improving the City's sewerage system. The bonds bear interest at 1.48%. The principal and interest payments are due January 1 and July 1 of each year. Bonds may be called at any time for redemption under various provisions outlined in the bond ordinance. In the event of default, the State of Missouri will have the right to take whatever action at law or in equity they deem necessary.

The annual debt service requirements to amortize the principal on the 2010 revenue bonds outstanding at September 30, 2019, are as follows:

| Year Ending September 30, | Direct Placement | | | |
|---|---|---|---|---|
| | Principal | Interest | Administrative Fee | Total |
| 2020 | $ 430,000 | $ 75,739 | $ 25,587 | $ 531,326 |
| 2021 | 438,000 | 69,345 | 23,428 | 530,773 |
| 2022 | 446,000 | 62,833 | 21,228 | 530,061 |
| 2023 | 456,000 | 56,196 | 18,985 | 531,181 |
| 2024 | 464,000 | 49,417 | 16,695 | 530,112 |
| 2025 | 474,000 | 42,513 | 14,362 | 530,875 |
| 2026 | 483,000 | 35,468 | 11,983 | 530,451 |
| 2027 | 493,000 | 28,283 | 9,555 | 530,838 |
| 2028 | 503,000 | 20,949 | 7,078 | 531,027 |
| 2029 | 513,000 | 13,468 | 4,550 | 531,018 |
| 2030 | 524,500 | 5,839 | 1,972 | 532,311 |
| | $ 5,224,500 | $ 460,050 | $ 155,423 | $ 5,839,973 |

**Changes in Long-Term Liabilities - Enterprise Funds**

The following table is a summary of the changes in the Enterprise Fund long-term liabilities for the year ended September 30, 2019:

| | Balance September 30, 2018 | Additions | Retirements | Balance September 30, 2019 | Amounts Due Within One Year |
|---|---|---|---|---|---|
| Direct Placements | | | | | |
| Revenue Bonds: | | | | | |
| Series 2007 SRF Revenue Bonds | $ 7,815,000 | $ - | $ 800,000 | $ 7,015,000 | $ 815,000 |
| Series 2010 SRF Revenue Bonds | 5,644,500 | - | 420,000 | 5,224,500 | 430,000 |
| Premium on bonds | 70,114 | - | 8,191 | 61,923 | - |
| | 13,529,614 | - | 1,228,191 | 12,301,423 | 1,245,000 |
| Compensated Absences | 27,271 | - | 7,127 | 34,398 | - |
| **Total** | $ 13,556,885 | $ - | $ 1,235,318 | $ 12,335,821 | $ 1,245,000 |

## 8. Capital Assets

Capital asset activity for the year ended September 30, 2019, was as follows:

| | Balance September 30, 2018 | Additions | Deletions | Balance September 30, 2019 |
|---|---|---|---|---|
| **Governmental Activities** | | | | |
| Non-depreciable Capital Assets: | | | | |
| Land | $ 3,055,679 | $ - | $ 114,915 | $ 2,940,764 |
| Construction in progress | 1,257,339 | 1,440,048 | 581,854 | 2,115,533 |
| **Total Non-depreciable Capital Assets** | 4,313,018 | $ 1,440,048 | $ 696,769 | 5,056,297 |
| Depreciable Capital Assets: | | | | |
| Building and improvements | 29,675,283 | $ - | $ - | 29,675,283 |
| Machinery and equipment | 9,098,511 | 2,531,102 | 335,529 | 11,294,084 |
| Infrastructure | 50,382,845 | 192,291 | - | 50,575,136 |
| **Total Depreciable Capital Assets** | 89,156,639 | $ 2,723,393 | $ 335,529 | 91,544,503 |
| Less Accumulated Depreciation | 44,702,956 | $ 2,321,994 | $ 228,233 | 46,796,717 |
| **Total Depreciable Capital Assets, Net** | 44,453,683 | | | 44,747,786 |
| **Total Capital Assets - Governmental Activities, Net** | $ 48,766,701 | | | $ 49,804,083 |

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

| | |
|---|---|
| General | $ 133,749 |
| Information Technology | 37,349 |
| Buildings and grounds | 2,267 |
| Fire | 172,448 |
| Police | 99,576 |
| Animal control | 12,022 |
| Parks | 475,651 |
| Community development | 4,460 |
| Streets | 1,369,731 |
| Cemetery | 14,741 |
| | $ 2,321,994 |

| | Balance September 30, 2018 | Additions | Deletions | Balance September 30, 2019 |
|---|---|---|---|---|
| **Business-Type Activities** | | | | |
| Sewer | | | | |
| Non-depreciable Capital Assets: | | | | |
| Land | $ 392,583 | $ - | $ - | $ 392,583 |
| **Total Non-depreciable Capital Assets** | 392,583 | $ - | $ - | 392,583 |
| Depreciable Capital Assets: | | | | |
| Buildings and improvements | 19,326,643 | $ 168,078 | $ - | 19,494,721 |
| Machinery and equipment | 1,048,586 | 108,285 | 33,820 | 1,123,051 |
| Sewer mains and lines | 27,028,338 | 186,055 | - | 27,214,393 |
| **Total Depreciable Capital Assets** | 47,403,567 | $ 462,418 | $ 33,820 | 47,832,165 |
| Less Accumulated Depreciation | 21,821,547 | $ 1,488,969 | $ 33,820 | 23,276,696 |
| Depreciable Capital Assets, Net | 25,582,020 | | | 24,555,469 |
| **Total Capital Assets - Business-Type Activities, Net** | $ 25,974,603 | | | $ 24,948,052 |

## 9. 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) 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 receive a reduced allowance.

| | 2019 Valuation |
|---|---|
| Benefit Multiplier | 1.50% for life |
| Final Average Salary | 5 Years |
| Member Contributions | 0% |

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

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

| | General | Police | Fire | Total |
|---|---|---|---|---|
| Inactive employees or beneficiaries currently receiving benefits | 41 | 14 | 15 | 70 |
| Inactive employees entitled to but not yet receiving benefits | 28 | 27 | 25 | 80 |
| Active employees | 65 | 35 | 23 | 123 |
| | 134 | 76 | 63 | 273 |

***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. Employer contribution rates are 6.5% for General, 5.0% for Police, and 2.8% for Fire of annual covered payroll.

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

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

| | |
|---|---|
| Inflation | 3.25% wage inflation; 2.50% price inflation |
| Salary Increase | 3.25% to 6.55% including wage inflation for General and Police Divisions |
| Salary Increase | 3.25% to 7.15% including wage inflation for Fire Division |
| Investment Rate of Return | 7.25%, net of investment expenses |

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

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

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

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

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Alpha | 15.00% | 3.67% |
| Equity | 35.00% | 4.78% |
| Fixed Income | 31.00% | 1.41% |
| Real Assets | 36.00% | 3.29% |
| Strategic Assets | 8.00% | 5.25% |
| Cash | 10.00% | 0.00% |
| Leverage | -35.00% | -0.51% |

***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**

| | Increase (Decrease) | | |
|---|---|---|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Pension (b) | Net Pension (Asset) (a) - (b) |
| **General Division** | | | |
| Balance at beginning of year | $ 9,753,806 | $ 11,458,596 | $ (1,704,790) |
| Changes for the year: | | | |
| Service cost | 235,225 | - | 235,225 |
| Interest | 699,944 | - | 699,944 |
| Difference between expected and actual experiences | (5,206) | - | (5,206) |
| Contributions - employer | - | 186,686 | (186,686) |
| Net investment income | - | 724,326 | (724,326) |
| Benefits paid, including refunds | (437,584) | (437,584) | - |
| Administrative expenses | - | (15,096) | 15,096 |
| Other changes | - | (37,614) | 37,614 |
| Net Changes | 492,379 | 420,718 | 71,661 |
| Balance at end of year | 10,246,185 | 11,879,314 | (1,633,129) |
| **Police Division** | | | |
| Balance at beginning of year | 7,403,424 | 8,985,079 | (1,581,655) |
| Changes for the year: | | | |
| Service cost | 132,515 | - | 132,515 |
| Interest | 532,197 | - | 532,197 |
| Difference between expected and actual experiences | 37,245 | - | 37,245 |
| Contributions - employer | - | 79,702 | (79,702) |
| Net investment income | - | 573,758 | (573,758) |
| Benefits paid, including refunds | (260,307) | (260,307) | - |
| Administrative expenses | - | (7,974) | 7,974 |
| Other changes | - | 10,906 | (10,906) |
| Net Changes | 441,650 | 396,085 | 45,565 |
| Balance at end of year | 7,845,074 | 9,381,164 | (1,536,090) |

| Fire Division | Increase (Decrease) Total Pension Liability (a) | Plan Fiduciary Net Pension (b) | Net Pension (Asset) (a) - (b) |
|---|---|---|---|
| Balance at beginning of year | 5,817,805 | 7,613,911 | (1,796,106) |
| Changes for the year: | | | |
| Service cost | 146,158 | - | 146,158 |
| Interest | 421,874 | - | 421,874 |
| Difference between expected and actual experiences | (21,683) | - | (21,683) |
| Contributions - employer | - | 37,148 | (37,148) |
| Contributions - employee | - | - | - |
| Net investment income | - | 583,251 | (583,251) |
| Benefits paid, including refunds | (143,834) | (143,834) | - |
| Administrative expenses | - | (5,675) | 5,675 |
| Other changes | - | 109,152 | (109,152) |
| Net Changes | 402,515 | 580,042 | (177,527) |
| Balance at end of year | 6,220,320 | 8,193,953 | (1,973,633) |
| **Total Plan Balances at end of year** | $ 24,311,579 | $ 29,454,431 | $ (5,142,852) |

The Net Pension (Asset) is allocated as follows:

| | Net Pension (Asset) |
|---|---|
| Governmental Activities | $ (4,852,482) |
| Business-Type Activities | (290,370) |
| | $ (5,142,852) |

***Sensitivity of the Net Pension Asset to Changes in the Discount Rate***. The following present the Net Pension Asset of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Asset 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.

| General Division | 1% Decrease 6.25% | Current Single Discount Rate Assumption 7.25% | 1% Increase 8.25% |
|---|---|---|---|
| Total Pension Liability | $ 11,707,542 | $ 10,246,185 | $ 9,043,413 |
| Plan Fiduciary Net Position | 11,879,314 | 11,879,314 | 11,879,314 |
| Net Pension Liability/(Asset) | (171,772) | (1,633,129) | (2,835,901) |
| **Police Division** | | | |
| Total Pension Liability | 9,058,308 | 7,845,074 | 6,862,791 |
| Plan Fiduciary Net Position | 9,381,164 | 9,381,164 | 9,381,164 |
| Net Pension Liability/(Asset) | (322,856) | (1,536,090) | (2,518,373) |
| **Fire Division** | | | |
| Total Pension Liability | 7,130,972 | 6,220,320 | 5,475,601 |
| Plan Fiduciary Net Position | 8,193,953 | 8,193,953 | 8,193,953 |
| Net Pension (Asset) | (1,062,981) | (1,973,633) | (2,718,352) |
| **Total Net Pension Liability/(Asset)** | $ (1,557,609) | $ (5,142,852) | $ (8,072,626) |

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

For the year ended 2019, the employer recognized pension expense of $258,735 in the general division, pension expense of $123,629 in the police division, and pension expense of $122,917 in the fire division. The employer reported deferred outflows and inflows of resources to be recognized in future expenses from the following sources:

| | Deferred Outflow of Resources | Deferred (Inflow) of Resources | Net Deferred Outflows (Inflows) of Resources |
|---|---|---|---|
| **General Division** | | | |
| Differences in experiences | $ - | $ (33,302) | $ (33,302) |
| Differences in assumptions | 58,478 | - | 58,478 |
| Excess investment returns | - | (314,981) | (314,981) |
| Contributions subsequent to the measurement date | 49,027 | - | 49,027 |
| | 107,505 | (348,283) | (240,778) |

| | Deferred Outflow of Resources | Deferred (Inflow) of Resources | Net Deferred Outflows (Inflows) of Resources |
|---|---|---|---|
| **Police Division** | | | |
| Differences in experiences | 102,070 | (97,135) | 4,935 |
| Differences in assumptions | 43,434 | - | 43,434 |
| Excess investment returns | - | (232,695) | (232,695) |
| Contributions subsequent to the measurement date | 20,560 | - | 20,560 |
| | 166,064 | (329,830) | (163,766) |
| **Fire Division** | | | |
| Differences in experiences | 6,510 | (164,226) | (157,716) |
| Differences in assumptions | 21,053 | - | 21,053 |
| Excess investment returns | - | (250,758) | (250,758) |
| Contributions subsequent to the measurement date | 9,489 | - | 9,489 |
| | 37,052 | (414,984) | (377,932) |
| **Total** | $ 310,621 | $ (1,093,097) | $ (782,476) |

Deferred outflows and inflows have been allocated as follows:

| | Deferred Outflow of Resources | Deferred (Inflow) of Resources | Net Deferred Outflows (Inflows) of Resources |
|---|---|---|---|
| Governmental Activities | $ 291,507 | $ (1,031,172) | $ (739,665) |
| Business-Type Activities | 19,114 | (61,925) | (42,811) |
| | $ 310,621 | $ (1,093,097) | $ (782,476) |

*The amount reported as deferred outflow of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Asset for the year ending September 30, 2020.

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

| Year Ending June 30, | Net Deferred Outflows and Inflows of Resources | | | |
|---|---|---|---|---|
| | General Division | Police Division | Fire Division | Total |
| 2020 | $ (10,251) | $ 37,225 | $ (92,362) | $ (65,388) |
| 2021 | (197,287) | (141,784) | (180,285) | (519,356) |
| 2022 | (100,458) | (96,169) | (104,994) | (301,621) |
| 2023 | 18,191 | 16,402 | (9,780) | 24,813 |
| 2024 | - | - | - | - |
| Thereafter | - | - | - | - |
| | $ (289,805) | $ (184,326) | $ (387,421) | $ (861,552) |

**Payable to the Pension Plan**

At September 30, 2019, the City had outstanding contributions of $137 reported as payable to the pension plan.

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

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

| | 2018 |
|---|---|
| Assessed Valuation | |
| Real estate | $ 172,055,569 |
| Personal property | 41,586,485 |
| **Total** | $ 213,642,054 |

| | 2018 |
|---|---|
| Tax Rate Per $100 of Assessed Valuation | |
| General levy | $ .3608 |
| Park levy | .1960 |
| Debt service levy | .5900 |
| **Total** | $ 1.1468 |

The legal debt margin at September 30, 2019, was computed as follows:

| | General Obligation Bonds | | |
|---|---|---|---|
| | Ordinary (1) | Additional (2) | Total |
| Constitutional debt limit | $ 21,364,205 | $ 21,364,205 | $ 42,728,410 |
| General Obligation Bonds payable | (3,960,000) | - | (3,960,000) |
| **Legal Debt Margin** | $ 17,404,205 | $ 21,364,205 | $ 38,768,410 |

(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, constructing, 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.

## 11. Unearned Revenue

Revenues from receivables not expected to be collected in time to pay current operating expenses are considered unearned until received in the governmental funds. These unearned revenues include special assessments to be collected over several years, and class fees. All of the unearned revenue at September 30, 2019, is accounted for as follows:

| | |
|---|---|
| **Park Fund** | |
| Class fees | $ 95,571 |
| | |
| **Neighborhood Improvement Fund** | |
| Special assessments | $ 523,078 |

## 12. Risk Management

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

## 13. Interfund Transfers

Interfund transfers for the year ended September 30, 2019, consisted of the following:

| | Transfers In | Transfers Out |
|---|---|---|
| General Fund | $ 1,111,748 | $ 64,298 |
| Park Fund | - | 283,689 |
| Capital Improvement Half Cent Fund | - | 1,585,937 |
| Debt Service Fund | 2,697,175 | - |
| Capital Improvement Bond Fund | - | 1,207,999 |
| Sewer Fund | - | 667,000 |
| | $ 3,808,923 | $ 3,808,923 |

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the Enterprise Funds and General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## 14. Internal Balances

Internal balances as of September 30, 2019, consisted of the following:

| | General Fund | Debt Service Fund |
|---|---|---|
| Internal Balances | $ 145,000 | $ (145,000) |

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds have not been paid or received as of September 30, 2019, balances of interfund amounts receivable or payable have been recorded within the fund financial statements

## 15. Pledged Revenues

The City has pledged future water and sewer customer revenues to repay the Series 2007 and 2010 Sewer Revenue Bonds issued to improve and expand the sewer system. The bonds are payable solely from sewer customers net revenues and are payable through 2030. Net revenues are revenues of the system less expenses of the system with the exception of depreciation. The total principal and interest remaining to be paid on the bonds is $14,017,894. Principal and interest paid for the current year and total customer net revenues were $1,396,827 and $3,019,304, respectively.

## 16. Keystone Tax Increment Financing Redevelopment Agreement

The Keystone TIF is committed to reimburse the developer for public infrastructure improvements in the Keystone Redevelopment Area. There is no debt on the City's part. However, the City is obligated to repay $2,355,801 of public infrastructure improvements to the extent that taxes are collected within this District. The City is only obligated if taxes are collected and only through the year 2038. As of September 30, 2019, the City has paid the developer $233,344, leaving a remaining balance of $2,122,457.

## 17. Conduit Debt

On June 8, 2017, the City authorized the issuance of $110,110,000 aggregate maximum principal amount of Taxable Industrial Development Revenue Bonds, Series 2017. 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. As of September 30, 2019, the full $110,110,000 had been issued.

In May 2008, the City authorized the issuance of $45,000,000 aggregate maximum principal amount of Taxable Industrial Development Revenue Bonds, Series 2008. 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. As of September 30, 2019, $43,869,147 had been issued.

## 18. Restatement

During the year ended September 30, 2019, the City elected to restate beginning fund balance and net position as follows:

| | Governmental Activities |
|---|---|
| Net Position, as previously stated September 30, 2018 | $ 41,729,916 |
| Unearned income | (27,013) |
| Accounts payable | 11,720 |
| **Net Position, as restated October 1, 2019** | $ 41,714,623 |

| | General Fund | Capital Improvement Bond Fund | Total |
|---|---|---|---|
| Fund Balance, as previously stated September 30, 2018 | $ 5,897,515 | $ 1,745,787 | $ 7,643,302 |
| Unearned income | (27,013) | - | (27,013) |
| Accounts payable | - | 11,720 | 11,720 |
| **Fund Balance, as restated October 1, 2019** | $ 5,870,502 | $ 1,757,507 | $ 7,628,009 |

# Required Supplementary Information

# City of Warrensburg

Schedule of Changes in Net Pension Asset and Related Ratios

Year Ended September 30, 2019

**Missouri Local Government Employees Retirement System (LAGERS)**

| | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|---|---|---|---|---|---|
| **Total Pension Liability** | | | | | |
| Service cost | $ 513,898 | $ 505,322 | $ 462,167 | $ 431,128 | $ 437,162 |
| Interest on the total pension liability | 1,654,015 | 1,589,103 | 1,491,584 | 1,358,800 | 1,292,940 |
| Difference between expected and actual experience | 10,356 | (378,857) | 73,407 | (53,903) | (182,349) |
| Changes of assumptions | - | - | - | 719,477 | - |
| Benefit payments | (841,725) | (807,774) | (602,357) | (674,859) | (599,217) |
| Net Change in Total Pension Liability | 1,336,544 | 907,794 | 1,424,801 | 1,780,643 | 948,536 |
| **Total Pension Liability, Beginning** | 22,975,035 | 22,067,241 | 20,642,440 | 18,861,797 | 17,913,261 |
| **Total Pension Liability, Ending** | 24,311,579 | 22,975,035 | 22,067,241 | 20,642,440 | 18,861,797 |
| **Plan Fiduciary Net Position** | | | | | |
| Contributions - employer | 303,536 | 253,688 | 267,924 | 327,108 | 436,101 |
| Contributions - employee | - | 5,374 | - | 11,176 | - |
| Pension plan net investment income | 1,881,335 | 3,180,351 | 2,744,149 | (53,020) | 478,382 |
| Benefit payments | (841,725) | (807,774) | (602,357) | (674,859) | (599,217) |
| Pension plan administrative expense | (28,745) | (19,892) | (18,628) | (18,848) | (20,132) |
| Other | 82,444 | 112,226 | 75,944 | (266,524) | 450,476 |
| Net Change in Plan Fiduciary Net Position | 1,396,845 | 2,723,973 | 2,467,032 | (674,967) | 745,610 |
| Plan Fiduciary Net Position, Beginning | 28,057,586 | 25,333,613 | 22,866,581 | 23,541,548 | 22,795,938 |
| Plan Fiduciary Net Position, Ending | 29,454,431 | 28,057,586 | 25,333,613 | 22,866,581 | 23,541,548 |
| **Employer Net Pension (Asset)** | $ (5,142,852) | $ (5,082,551) | $ (3,266,372) | $ (2,224,141) | $ (4,679,751) |
| Plan fiduciary net position as a percentage of the total pension liability | 121.15% | 122.12% | 114.80% | 110.77% | 124.81% |
| Covered employee payroll | $ 5,907,448 | $ 5,567,272 | $ 5,587,967 | $ 4,910,908 | $ 4,807,182 |
| Employer's net pension asset as a percentage of covered employee payroll | (87.06%) | (91.29%) | (58.45%) | (45.29%) | (97.35%) |

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

# City of Warrensburg

Schedule of Contributions

Year Ended September 30, 2019

## Missouri Local Government Employees Retirement System (LAGERS)

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | $ 335,095 | $ 256,773 | $ 249,997 | $ 315,514 | $ 421,140 | $ 479,472 | $ 521,963 | $ 493,031 | $ 465,772 | $ 346,129 |
| Contributions in relation to the actuarially determined contribution | 315,365 | 256,773 | 249,997 | 315,515 | 421,140 | 479,472 | 474,502 | 436,855 | 392,554 | 346,129 |
| Contribution deficiency (excess) | $ 19,730 | $ - | $ - | $ (1) | $ - | $ - | $ 47,461 | $ 56,176 | $ 73,218 | $ - |
| Covered-employee payroll | $ 6,046,527 | $ 5,638,846 | $ 5,585,361 | $ 5,178,591 | $ 4,972,607 | $ 4,921,620 | $ 4,869,803 | $ 4,975,442 | $ 5,042,751 | $ 5,109,242 |
| Contributions as a percentage of covered-employee payroll | 5.22% | 4.55% | 4.48% | 6.09% | 8.47% | 9.74% | 9.74% | 8.78% | 7.78% | 6.77% |

See accompanying notes to the required schedules.

**Valuation Date:** February 28, 2019

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

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

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

*Amortization Method:* Level Percentage of Payroll, Closed

*Remaining Amortization Period:* 15 years

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

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

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

3.25% to 7.15% including wage inflation for 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 Warrensburg

Budgetary Comparison Schedule – General Fund

Year Ended September 30, 2019

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|---|---|---|---|---|
| **Revenues** | | | | |
| Taxes | | | | |
| Ad valorem taxes | $ 755,000 | $ 755,000 | $ 764,238 | $ 9,238 |
| City sales tax | 4,515,000 | 4,515,000 | 4,595,193 | 80,193 |
| Financial institution tax | 3,600 | 3,600 | 3,573 | (27) |
| Railroad and utility tax | 37,000 | 37,000 | 33,868 | (3,132) |
| Utility franchise tax | 2,630,000 | 2,630,000 | 2,550,153 | (79,847) |
| Surtax | 32,800 | 32,800 | 28,791 | (4,009) |
| Lodging tax | 135,000 | 200,000 | 202,126 | 2,126 |
| Cigarette tax | 35,000 | 35,000 | 26,625 | (8,375) |
| | 8,143,400 | 8,208,400 | 8,204,567 | (3,833) |
| **Licenses and Permits** | | | | |
| Occupational licenses | 105,850 | 105,850 | 100,736 | (5,114) |
| Building permits | 116,390 | 116,390 | 127,141 | 10,751 |
| | 222,240 | 222,240 | 227,877 | 5,637 |
| **Intergovernmental Revenues** | | | | |
| Grants | 10,000 | 10,000 | 1,200 | (8,800) |
| | 10,000 | 10,000 | 1,200 | (8,800) |
| **Charges for Services** | | | | |
| Cemetery services | 204,716 | 204,716 | 161,914 | (42,802) |
| Animal shelter | 60,000 | 60,000 | 54,694 | (5,306) |
| | 264,716 | 264,716 | 216,608 | (48,108) |
| **Fines and Forfeitures** | | | | |
| City court fines | 349,400 | 349,400 | 363,675 | 14,275 |
| Police training fees | 3,500 | 3,500 | 4,750 | 1,250 |
| | 352,900 | 352,900 | 368,425 | 15,525 |
| **Miscellaneous** | | | | |
| Interest income | 102,020 | 102,020 | 148,565 | 46,545 |
| Other | 81,600 | 33,600 | 133,124 | 99,524 |
| | 183,620 | 135,620 | 281,689 | 146,069 |
| **Total Revenues** | 9,176,876 | 9,193,876 | 9,300,366 | 106,490 |

# City of Warrensburg

Budgetary Comparison Schedule – General Fund

Year Ended September 30, 2019

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|---|---|---|---|---|
| **Expenditures** | | | | |
| Current | | | | |
| General government | 624,287 | 603,562 | 508,156 | 95,406 |
| Finance | 501,779 | 487,011 | 487,372 | (361) |
| Other support services | 462,103 | 498,884 | 506,941 | (8,057) |
| Information technology | 588,852 | 592,114 | 589,904 | 2,210 |
| Municipal court | 171,905 | 170,381 | 156,261 | 14,120 |
| Buildings and grounds | 196,643 | 303,821 | 303,403 | 418 |
| Public safety and health | 5,367,111 | 5,271,481 | 5,385,059 | (113,578) |
| Community development | 803,551 | 760,538 | 708,242 | 52,296 |
| Transportation | 1,828,100 | 1,793,768 | 1,795,752 | (1,984) |
| Cemetery | 166,815 | 159,420 | 102,289 | 57,131 |
| **Total Expenditures** | 10,711,146 | 10,640,980 | 10,543,379 | 97,601 |
| *(Deficit) of Revenues over Expenditures* | (1,534,270) | (1,447,104) | (1,243,013) | 204,091 |
| **Other Financing Sources (Uses)** | | | | |
| Sale of equipment | 6,000 | 6,000 | - | (6,000) |
| Lease proceeds | 240,000 | 240,000 | 234,580 | (5,420) |
| Operating transfers in | 904,199 | 904,199 | 1,111,748 | 207,549 |
| Operating transfers (out) | (122,773) | (122,773) | (64,298) | 58,475 |
| **Total Other Financing Sources (Uses)** | 1,027,426 | 1,027,426 | 1,282,030 | 254,604 |
| *Excess (Deficit) of Revenues and other Sources over Expenditures and other (Uses)* | (506,844) | (419,678) | 39,017 | 458,695 |
| Fund Balance, October 1, as restated | 5,870,502 | 5,870,502 | 5,870,502 | - |
| **Fund Balance, September 30** | $ 5,363,658 | $ 5,450,824 | $ 5,909,519 | $ 458,695 |

# City of Warrensburg

Budgetary Comparison Schedule – Park Fund

Year Ended September 30, 2019

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|---|---|---|---|---|
| **Revenues** | | | | |
| Taxes | | | | |
| Ad valorem taxes | $ 418,000 | $ 418,000 | $ 424,406 | $ 6,406 |
| Sales tax | 1,323,000 | 1,323,000 | 1,349,639 | 26,639 |
| Other taxes | 34,700 | 34,700 | 34,039 | (661) |
| Intergovernmental | 90,000 | 90,000 | 81,161 | (8,839) |
| Charges for services | 794,550 | 794,550 | 836,304 | 41,754 |
| Interest income | 31,000 | 31,000 | 32,470 | 1,470 |
| Miscellaneous | 131,700 | 131,700 | 118,768 | (12,932) |
| **Total Revenues** | 2,822,950 | 2,822,950 | 2,876,787 | 53,837 |
| **Expenditures** | | | | |
| Current | | | | |
| Park | 663,199 | 663,199 | 698,201 | (35,002) |
| Park maintenance | 444,165 | 444,165 | 421,301 | 22,864 |
| Park recreation programs | 930,511 | 930,511 | 894,224 | 36,287 |
| Community center | 489,264 | 489,264 | 467,615 | 21,649 |
| **Total Expenditures** | 2,527,139 | 2,527,139 | 2,481,341 | 45,798 |
| *Excess of Revenues over Expenditures* | 295,811 | 295,811 | 395,446 | 99,635 |
| **Other Financing (Uses)** | | | | |
| Operating transfers (out) | (294,581) | (294,581) | (283,689) | 10,892 |
| **Total Other Financing (Uses)** | (294,581) | (294,581) | (283,689) | 10,892 |
| *Excess of Revenues over Expenditures and other (Uses)* | 1,230 | 1,230 | 111,757 | 110,527 |
| Fund Balance, October 1 | 1,011,145 | 1,011,145 | 1,011,145 | - |
| **Fund Balance, September 30** | $ 1,012,375 | $ 1,012,375 | $ 1,122,902 | $ 110,527 |

# City of Warrensburg

Budgetary Comparison Schedule – Tri-Centennial Fund

Year Ended September 30, 2019

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|---|---|---|---|---|
| **Revenues** | | | | |
| Interest income | $ 155 | $ 155 | $ 431 | $ 276 |
| **Total Revenues** | 155 | 155 | 431 | 276 |
| **Expenditures** | | | | |
| Tri-Centennial | - | - | - | - |
| **Total Expenditures** | - | - | - | - |
| *Excess of Revenues over Expenditures* | 155 | 155 | 431 | 276 |
| Fund Balance, October 1 | 14,487 | 14,487 | 14,487 | - |
| **Fund Balance, September 30** | $ 14,642 | $ 14,642 | $ 14,918 | $ 276 |

# City of Warrensburg

Budgetary Comparison Schedule – Capital Improvement Transportation Fund

Year Ended September 30, 2019

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|---|---|---|---|---|
| **Revenues** | | | | |
| Motor fuel and vehicle taxes | $ 846,000 | $ 846,000 | $ 762,823 | $ (83,177) |
| Intergovernmental revenues | 344,142 | 344,142 | 85,241 | (258,901) |
| Interest income | 13,000 | 13,000 | 10,686 | (2,314) |
| Miscellaneous | 1,000 | 1,000 | 5,566 | 4,566 |
| **Total Revenues** | 1,204,142 | 1,204,142 | 864,316 | (339,826) |
| **Expenditures** | | | | |
| Current | | | | |
| Capital improvements | 1,346,076 | 1,454,755 | 879,307 | 575,448 |
| **Total Expenditures** | 1,346,076 | 1,454,755 | 879,307 | 575,448 |
| *(Deficit) of Revenues over Expenditures* | (141,934) | (250,613) | (14,991) | 235,622 |
| Fund Balance, October 1 | 317,923 | 317,923 | 317,923 | - |
| **Fund Balance, September 30** | $ 175,989 | $ 67,310 | $ 302,932 | $ 235,622 |

# City of Warrensburg

Budgetary Comparison Schedule – Capital Improvement Half-Cent Fund

Year Ended September 30, 2019

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|---|---|---|---|---|
| **Revenues** | | | | |
| Sales and use tax | $ 1,820,000 | $ 1,820,000 | $ 1,862,859 | $ 42,859 |
| Interest income | 17,000 | 17,000 | 14,674 | (2,326) |
| **Total Revenues** | 1,837,000 | 1,837,000 | 1,877,533 | 40,533 |
| **Expenditures** | | | | |
| Current | | | | |
| Capital improvements | 506,362 | 177,335 | 173,415 | 3,920 |
| **Total Expenditures** | 506,362 | 177,335 | 173,415 | 3,920 |
| *Excess of Revenues over Expenditures* | 1,330,638 | 1,659,665 | 1,704,118 | 44,453 |
| **Other Financing (Uses)** | | | | |
| Operating transfers (out) | (1,589,828) | (1,589,828) | (1,585,937) | 3,891 |
| **Total Other Financing (Uses)** | (1,589,828) | (1,589,828) | (1,585,937) | 3,891 |
| *Excess (Deficit) of Revenues over Expenditures and other (Uses)* | (259,190) | 69,837 | 118,181 | 48,344 |
| Fund Balance, October 1 | 475,909 | 475,909 | 475,909 | - |
| **Fund Balance, September 30** | $ 216,719 | $ 545,746 | $ 594,090 | $ 48,344 |

## Budgets and Budgetary Accounting

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

1. Prior to October, Administration submits to the City Council a proposed operating budget for the fiscal year commencing the following October 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 August or early September to obtain taxpayers' comments on the proposed budget and tax levy.
3. Prior to October 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 Warrensburg

Combining Statement of Fiduciary Net Position

September 30, 2019

| | Private-Purpose Trusts | | | | |
|---|---|---|---|---|---|
| | Stevenson | Brown | Crissey | Anderson-Stevenson | Total |
| **Assets** | | | | | |
| Cash and cash equivalents | $ 74,828 | $ 20,126 | $ 16,838 | $ 14,716 | $ 126,508 |
| Investments | 23,471 | 6,339 | 5,282 | 4,616 | 39,708 |
| Interest receivable | - | 81 | - | - | 81 |
| **Total Assets** | 98,299 | 26,546 | 22,120 | 19,332 | 166,297 |
| **Liabilities** | | | | | |
| Due to others | - | - | - | - | - |
| **Net Position** | | | | | |
| Unrestricted | 98,299 | 26,546 | 22,120 | 19,332 | 166,297 |
| **Total Net Position** | $ 98,299 | $ 26,546 | $ 22,120 | $ 19,332 | $ 166,297 |

# City of Warrensburg

Combining Statement of Changes in Fiduciary Net Position

Year Ended September 30, 2019

| | Private-Purpose Trusts | | | | |
|---|---|---|---|---|---|
| | Stevenson | Brown | Crissey | Anderson-Stevenson | Total |
| **Additions** | | | | | |
| Donations | $ 3,393 | $ 767 | $ 638 | $ 558 | $ 5,356 |
| **Deductions** | | | | | |
| Contributions and other | 42,600 | - | - | 1,000 | 43,600 |
| Changes in Net Position | (39,207) | 767 | 638 | (442) | (38,244) |
| Net Position, beginning of year | 137,506 | 25,779 | 21,482 | 19,774 | 204,541 |
| Net Position, end of year | $ 98,299 | $ 26,546 | $ 22,120 | $ 19,332 | $ 166,297 |

# Other Reporting Requirements

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# 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 Warrensburg
Warrensburg, 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 Primary Government which includes the governmental activities, business-type activities, and each major fund of the City of Warrensburg, Missouri, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Warrensburg, Missouri's basic financial statements, and have issued our report thereon, dated March 20, 2020.

We have also audited the discretely presented component unit, Warrensburg Convention and Visitors Bureau, and issued our report dated March 20, 2020. This report does not include our testing of internal control over financial reporting or compliance and other matters that are reported for the discretely presented component unit.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Warrensburg, 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 Warrensburg, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that 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 Warrensburg, Missouri's financial statements are free from 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 Warrensburg, 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 Warrensburg, Missouri's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
March 20, 2020

KPM
CPAS & ADVISORS

Honorable Mayor and City Council
City of Warrensburg
Warrensburg, Missouri

In planning and performing our audit of the basic financial statements of the City of Warrensburg, Missouri, for the year ended September 30, 2019, we considered the City's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the 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*, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

In addition to the 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*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and recommendations regarding these matters.

**1. New Pronouncement**

The Governmental Accounting Standards Board (GASB) has issued the following pronouncement that may affect the City in future years:

GASB Statement No. 87 – Leases – This Statement establishes a single model for lease accounting. It changes the definition of a lease and requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. The effective date is for the City's year ending September 30, 2020, with earlier application encouraged.

*We Recommend:*

Management examine the new pronouncement to determine the effect this will have on future financial reporting and to ensure successful implementation on the effective dates.

**2. Bank Depository Agreements**

As a custodian of public monies, we believe the City should review certain elements of depository agreements with the City's banking institutions to ensure proper controls are in place regarding the deposits. The City has a responsibility for the safety of City monies and the depository agreements are often not reviewed and updated appropriately.

*We Recommend:*

a. The City determine that the depository agreement with the banking institution has instructions regarding when a check is valid and may be honored by the institution. If more than one signature is required on checks, then the depository agreement should reflect that requirement.

b. The City determine that the depository agreement specify the persons authorized to make wire transfers and to whom they may be made. This is necessary to prevent unauthorized wire transfers of City funds.

c. The City determine that the depository agreement has procedures for opening new accounts in order to prevent unauthorized accounts from being opened under the City name.

**3. Internal Audit Procedures**

As the City evolves, personnel, policies and procedures change. The City should periodically conduct a review of its internal control procedures to determine if any changes are necessary in order to protect the City's assets. As part of the process, the City should add periodic inspection of off-site procedures to verify that City policies and procedures are being followed routinely at satellite locations. While the situation had been corrected at the time of the audit, it was noted that during the year the Park department experienced deviations from normal City procedures and these instances resulted in extra time being spent by the accounting staff to determine what occurred and the necessary adjusting journal entries needed to correct the matter.

*We Recommend:*

The City conduct a review of its internal control procedures to determine opportunities for strengthening safeguards over the City's assets. The City may want to consider conducting reviews on cash management, computer information systems, mail distribution procedures, purchasing procedures, new vendor procedures, and other areas the City considers necessary. The City could also perform surprise visits to various facilities that collect cash to verify that appropriate controls are being exercised over the collection, recording, and depositing of cash. Random internal audit procedures serve the function of ensuring that the City's approved policies and procedures are being followed.

4. **Cybersecurity**

Cybersecurity threats are increasing and government entities of all sizes are at risk for a breach of their information systems. With this increase in risk, entities should be continually evaluating risk and taking steps necessary to ensure the security of information systems. Steps include identifying critical information systems, training employees to properly identify threats received in emails or by other means, and adopting internal communication methods other than email.

It is important that entities develop a recovery plan outlining procedures that personnel should follow once a cybersecurity breach is discovered. Additionally, entities should be aware of any insurance in place to help protect them from liabilities that can occur as the result of a breach.

*We Recommend:*

The City evaluate its cybersecurity risks and take the necessary steps to reduce the risk of cybersecurity threats to their information systems. This evaluation should be performed frequently as technology and information systems are continually changing.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with the City's administrative personnel. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We appreciate this opportunity to serve as the City of Warrensburg's independent auditors and the courtesies and assistance extended to us by the City's employees.

Respectfully submitted,

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
March 20, 2020

KPM
CPAS & ADVISORS

Honorable Mayor and City Council
City of Warrensburg
Warrensburg, Missouri

We have audited the basic financial statements of the City of Warrensburg, Missouri, for the year ended September 30, 2019, and have issued our report thereon dated March 20, 2020. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibility under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated May 3, 2019, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

**Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated May 3, 2019.

**Significant Audit Matters**

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Warrensburg, Missouri, are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018-2019. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the business-type activities' financial statements was management's estimate of the allowance for doubtful accounts is based on historical utility revenues, historical loss levels, and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Material misstatements detected as a result of audit procedures were corrected by management for the following:

- Accounts receivable
- Accrued liabilities
- Long-term debt activity
- Pension related activities
- Depreciation
- Capital assets

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 20, 2020.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

We applied certain limited procedures to Pension Schedules, the Budgetary Comparison Schedules and the Management's Discussion and Analysis, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI. With respect to the required supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This report is intended solely for the information and use of the Honorable Mayor, City Council, and management of the City of Warrensburg, Missouri, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
March 20, 2020

# City of Warrensburg, Missouri
# Audit Summary 2019

KPM

# Independent Auditors' Report

**Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the discretely presented component unit of the City of Warrensburg, Missouri, as of and for the year ended September 30, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

KPM

# Independent Auditors' Report

**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 the *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 of the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

KPM

# Independent Auditors' Report

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the discretely presented component unit as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

KPM

# Balance Sheet – Governmental Funds (pg. 21)

| | | Special Revenue Funds | | | | Debt Service Funds | | | Capital Projects Fund | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | General Fund | Park Fund | Tri-Centennial Fund | Capital Improvement Transportation Fund | Capital Improvement Half-Cent Fund | Debt Service Fund | Neighborhood Improvement Fund | Tax Increment Financing Fund | Capital Improvement Bond Fund | Vehicle Fund | Total Governmental Funds |
| **Assets** | | | | | | | | | | | |
| Cash and cash equivalents | $ 4,001,888 | $ 790,536 | $ 11,310 | $ 36,033 | $ 283,806 | $ 159,984 | $ 359,735 | $ 6,245 | $ - | $ - | $ 5,649,537 |
| Investments | 1,045,959 | 288,600 | 3,563 | 146,055 | 115,352 | - | - | - | - | - | 1,599,529 |
| Taxes receivable, net | 1,007,222 | 209,423 | - | 126,407 | 281,324 | - | - | - | 17,689 | - | 1,642,065 |
| Other accounts receivables | - | 22,855 | - | - | - | - | - | - | - | - | 22,855 |
| Special assessments receivable, net | - | - | - | - | - | - | 523,078 | - | - | - | 523,078 |
| Court fines receivable, net | 2,579 | - | - | - | - | - | - | - | - | - | 2,579 |
| Due from other funds | 145,000 | - | - | - | - | - | - | - | - | - | 145,000 |
| Accrued interest receivable | 13,663 | 3,717 | 45 | 1,378 | 1,475 | - | - | - | - | 180 | 20,458 |
| Inventory | 12,405 | - | - | - | - | - | - | - | - | - | 12,405 |
| Prepaid expenses | 167,296 | 22,305 | - | - | - | - | - | - | - | - | 189,601 |
| Restricted cash and cash equivalents | 35,848 | 277 | - | - | - | 2,282 | 260,938 | - | 22,509 | 66,619 | 388,473 |
| Restricted investments | - | - | - | - | - | - | - | - | 884,519 | | 884,519 |
| **Total Assets** | $ 6,431,860 | $ 1,337,713 | $ 14,918 | $ 309,873 | $ 681,957 | $ 162,266 | $ 1,143,751 | $ 6,245 | $ 924,717 | $ 66,799 | $ 11,080,099 |

1. Total assets decreased $1.5 million compared to last year
2. When the Capital Improvement Bond Fund activity is removed from the calculation, the City's assets increased by $249,312
3. The City also had $252,328 in grants receivable in the prior year compared to no grants receivable at 9/30/2019

KPM

# Balance Sheet – Governmental Funds (pg. 21)

| | | Special Revenue Funds | | | | Debt Service Funds | | | Capital Projects Fund | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | General Fund | Park Fund | Tri-Centennial Fund | Capital Improvement Transportation Fund | Capital Improvement Half-Cent Fund | Debt Service Fund | Neighborhood Improvement Fund | Tax Increment Financing Fund | Capital Improvement Bond Fund | Vehicle Fund | Total Governmental Funds |
| Liabilities | | | | | | | | | | | |
| Accounts payable | $ 325,669 | $ 97,897 | $ - | $ 6,941 | $ 87,867 | $ - | $ - | $ 1,893 | $ 494,458 | $ - | $ 1,014,725 |
| Accrued expenses | 160,824 | 21,343 | - | - | - | - | - | - | - | - | 182,167 |
| Court bonds payable | 9,328 | - | - | - | - | - | - | - | - | - | 9,328 |
| Due to other funds | - | - | - | - | - | 145,000 | - | - | - | - | 145,000 |
| Unearned revenue | 26,520 | 95,571 | - | - | - | - | - | - | - | - | 122,091 |
| **Total Liabilities** | 522,341 | 214,811 | - | 6,941 | 87,867 | 145,000 | - | 1,893 | 494,458 | | 1,473,311 |

1. Total liabilities decreased $686,516 compared to last year
2. When the Capital Improvement Bond Fund activity is removed from the calculation, the City's liabilities decreased by $254,477
3. General Fund liabilities increased $44,358
4. Park Fund liabilities increased $16,742
5. Capital Improvement ½ Cent Fund liabilities increased $73,155
6. Accounts payable in the Capital Improvement Transportation Fund declined by $338,732

KPM

# Balance Sheet – Governmental Funds (pg. 22)

| | | Special Revenue Funds | | | | Debt Service Funds | | | Capital Projects Fund | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | General Fund | Park Fund | Tri-Centennial Fund | Capital Improvement Transportation Fund | Capital Improvement Half-Cent Fund | Debt Service Fund | Neighborhood Improvement Fund | Tax Increment Financing Fund | Capital Improvement Bond Fund | Vehicle Fund | Total Governmental Funds |
| Deferred Inflow of Resources | | | | | | | | | | | |
| Deferred inflows - special assessments | - | - | - | - | - | - | 523,078 | - | - | - | 523,078 |
| **Fund Balances** | | | | | | | | | | | |
| Nonspendable: | | | | | | | | | | | |
| Inventory | 12,405 | - | - | - | - | - | - | - | - | - | 12,405 |
| Prepaid expenses | 167,296 | 22,305 | - | - | - | - | - | - | - | - | 189,601 |
| Restricted for: | | | | | | | | | | | |
| Debt Service | - | - | - | - | - | 17,266 | 620,673 | 4,352 | - | - | 642,291 |
| Capital improvements | - | - | - | 302,932 | 594,090 | - | - | - | 430,259 | 66,799 | 1,394,080 |
| Tri-centennial | - | - | 14,918 | - | - | - | - | - | - | - | 14,918 |
| Parks and recreation | - | 1,100,597 | - | - | - | - | - | - | - | - | 1,100,597 |
| Unassigned | 5,729,818 | - | - | - | - | - | - | - | - | - | 5,729,818 |
| **Total Fund Balances** | 5,909,519 | 1,122,902 | 14,918 | 302,932 | 594,090 | 17,266 | 620,673 | 4,352 | 430,259 | 66,799 | 9,083,710 |

1. Governmental Funds – Fund Balance decreased by a total of $747,009
2. When the Capital Improvement Bond Fund activity is removed from the calculation, the City's Governmental Fund Balances would have increased by $580,239
3. General Fund increased by $39,017 for year

KPM

# Statement of Revenues, Expenditures & Changes in Fund Balance (pg. 24)

| | | Special Revenue Funds | | | | Debt Service Funds | | | Capital Projects Fund | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | General Fund | Park Fund | Tri-Centennial Fund | Capital Improvement Transportation Fund | Capital Improvement Half-Cent Fund | Debt Service Fund | Neighborhood Improvement Fund | Tax Increment Financing Fund | Capital Improvement Bond Fund | Vehicle Fund | Total Governmental Funds |
| **Revenues** | | | | | | | | | | | |
| Taxes | $ 8,204,567 | $ 1,808,084 | $ - | $ 762,823 | $ 1,862,859 | $ - | $ 76,323 | $ 149,409 | $ 1,041,307 | $ - | $ 13,905,372 |
| Licenses and permits | 227,877 | - | - | - | - | - | - | - | - | - | 227,877 |
| Intergovernmental revenues | 1,200 | 81,161 | - | 85,241 | - | - | - | - | - | - | 167,602 |
| Charges for services | 216,608 | 836,304 | - | - | - | - | - | - | - | - | 1,052,912 |
| Fines and forfeitures | 368,425 | - | - | - | - | - | - | - | - | - | 368,425 |
| Interest income | 148,565 | 32,470 | 431 | 10,686 | 14,674 | 802 | - | - | 34,338 | 951 | 242,917 |
| Miscellaneous | 133,124 | 118,768 | - | 5,566 | - | - | - | - | - | 3,847 | 261,305 |
| **Total Revenues** | 9,300,366 | 2,876,787 | 431 | 864,316 | 1,877,533 | 802 | 76,323 | 149,409 | 1,075,645 | 4,798 | 16,226,410 |
| **Expenditures** | | | | | | | | | | | |
| Current | | | | | | | | | | | |
| General government | 508,156 | - | - | - | - | - | 100 | - | - | - | 508,256 |
| Finance | 487,372 | - | - | - | - | - | - | - | - | - | 487,372 |
| Other support services | 506,941 | - | - | - | - | - | - | - | - | - | 506,941 |
| Information technology | 589,904 | - | - | - | - | - | - | - | - | - | 589,904 |
| Municipal court | 156,261 | - | - | - | - | - | - | - | - | - | 156,261 |
| Buildings and grounds | 303,403 | - | - | - | - | - | - | - | - | - | 303,403 |
| Public safety and health | 5,385,059 | - | - | - | - | - | - | - | - | - | 5,385,059 |
| Community development | 708,242 | - | - | - | - | - | - | 145,077 | - | - | 853,319 |
| Transportation | 1,795,752 | - | - | - | - | - | - | - | - | - | 1,795,752 |
| Cemetery | 102,289 | - | - | - | - | - | - | - | - | - | 102,289 |
| Parks and recreation | - | 2,481,341 | - | - | - | - | - | - | - | - | 2,481,341 |
| Capital improvements | - | - | - | 879,307 | 173,415 | - | - | - | 1,194,894 | 67 | 2,247,683 |
| Debt Service | | | | | | | | | | | |
| Principal and interest | - | - | - | - | - | 2,697,978 | 262,384 | - | - | - | 2,960,362 |
| **Total Expenditures** | 10,543,379 | 2,481,341 | - | 879,307 | 173,415 | 2,697,978 | 262,484 | 145,077 | 1,194,894 | 67 | 18,377,942 |

1. Revenues - Taxes and Charges for Services increased by $127,825 and $132,616 respectively while Grant Revenue declined $218,424
2. Expenditures – Declined in total by $11 million, however this is primarily due to a bond refinancing in the prior year and decreases in Capital Improvement Bond Fund expenditures.

KPM

# Statement of Revenues, Expenditures & Changes in Fund Balance (pg. 25)

| | | Special Revenue Funds | | | | Debt Service Funds | | | Capital Projects Fund | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | General Fund | Park Fund | Tri-Centennial Fund | Capital Improvement Transportation Fund | Capital Improvement Half-Cent Fund | Debt Service Fund | Neighborhood Improvement Fund | Tax Increment Financing Fund | Capital Improvement Bond Fund | Vehicle Fund | Total Governmental Funds |
| *Excess (Deficit) of Revenues over Expenditures* | (1,243,013) | 395,446 | 431 | (14,991) | 1,704,118 | (2,697,176) | (186,161) | 4,332 | (119,249) | 4,731 | (2,151,532) |
| **Other Financing Sources (Uses)** | | | | | | | | | | | |
| Sale of land | - | - | - | - | - | - | 440,875 | - | - | - | 440,875 |
| Sale of equipment | - | - | - | - | - | - | - | - | - | 62,068 | 62,068 |
| Lease proceeds | 234,580 | - | - | - | - | - | - | - | - | - | 234,580 |
| Operating transfers in (out) | 1,047,450 | (283,689) | - | - | (1,585,937) | 2,697,175 | - | - | (1,207,999) | - | 667,000 |
| **Total Other Financing Sources (Uses)** | 1,282,030 | (283,689) | - | - | (1,585,937) | 2,697,175 | 440,875 | - | (1,207,999) | 62,068 | 1,404,523 |
| *Excess (Deficit) of Revenues and Other Sources over Expenditures and other (Uses)* | 39,017 | 111,757 | 431 | (14,991) | 118,181 | (1) | 254,714 | 4,332 | (1,327,248) | 66,799 | (747,009) |
| Fund Balance, October 1 ** | 5,870,502 | 1,011,145 | 14,487 | 317,923 | 475,909 | 17,267 | 365,959 | 20 | 1,757,507 | - | 9,830,719 |
| **Fund Balance, September 30** | $ 5,909,519 | $ 1,122,902 | $ 14,918 | $ 302,932 | $ 594,090 | $ 17,266 | $ 620,673 | $ 4,352 | $ 430,259 | $ 66,799 | $ 9,083,710 |

** - as restated

Revenues net of expenditures and other financing sources (uses) resulted in the changes in fund balances and ending balances noted above.

1. General Fund increased $39,017
2. Total for all Governmental Funds decreased by $747,009. If the activity in the Capital Improvement Bond Fund is excluded, the City would have shown an increase of $580,239 for the year

KPM

# Statement of Net Position – Proprietary Funds (pg. 27)

| | Enterprise Fund Sewer Fund | Internal Service Fund |
|---|---|---|
| **Assets** | | |
| Current Assets | | |
| Cash and cash equivalents | $ 2,292,034 | $ 647,092 |
| Investments | 439,628 | 141,695 |
| Utilities receivable, net | 463,944 | - |
| Accrued interest receivable | 5,887 | 1,821 |
| Prepaid expenses | 33,460 | - |
| **Total Current Assets** | 3,234,953 | 790,608 |
| **Noncurrent Assets** | | |
| Net pension asset | 290,370 | - |
| **Total Noncurrent Assets** | 290,370 | - |
| **Restricted Assets** | | |
| Cash and cash equivalents | 249,285 | - |
| Investments | 640,522 | - |
| **Total Restricted Assets** | 889,807 | - |
| **Property, Plant and Equipment** | | |
| Land | 392,583 | - |
| Buildings and improvements | 19,494,721 | - |
| Sewer mains and lines | 27,214,393 | - |
| Machinery and equipment | 1,123,051 | - |
| | 48,224,748 | - |
| Less accumulated depreciation | (23,276,696) | - |
| **Total Property, Plant, and Equipment** | 24,948,052 | - |
| **Total Assets** | 29,363,182 | 790,608 |
| **Deferred Outflow of Resources** | | |
| Deferred pension outflow | 19,114 | - |
| **Total Deferred Outflow of Resources** | 19,114 | - |

1. Sewer Fund current assets increased $516K and of that $495K was in cash and investments
2. Total assets for Sewer Fund declined $514K primarily due to deprecation of capital assets (1.5million)
3. Internal Service assets increase $91K from prior year

KPM

# Statement of Net Position – Proprietary Funds (pg. 28)

| | Enterprise Fund Sewer Fund | Internal Service Fund |
|---|---|---|
| **Liabilities** | | |
| Current Liabilities | | |
| Accounts payable | 115,911 | 171,012 |
| Accrued expenses | 16,650 | - |
| Accrued interest payable | 98,849 | - |
| Arbitrage payable | 122,558 | - |
| Current maturities of long-term debt | 1,245,000 | - |
| **Total Current Liabilities** | 1,598,968 | 171,012 |
| **Long-Term Liabilities** | | |
| Revenue bonds payable, net | 11,056,423 | - |
| Compensated absences payable | 34,398 | - |
| **Total Long-Term Liabilities** | 11,090,821 | - |
| **Total Liabilities** | 12,689,789 | 171,012 |
| **Deferred Inflow of Resources** | | |
| Deferred pension inflow | 61,925 | - |
| **Total Deferred Inflow of Resources** | 61,925 | - |
| **Net Position** | | |
| Net investment in capital assets | 12,612,231 | - |
| Restricted | 767,247 | - |
| Unrestricted | 3,251,104 | 619,596 |
| **Total Net Position** | $ 16,630,582 | $ 619,596 |

1. Sewer Fund total liabilities decreased by $1.2 million
2. Sewer Fund Net Position increased $713,049
3. Internal Service liabilities increased $65K from prior year
4. Internal Service balance increased $56K from prior year

KPM

# Statement of Revenues, Expenses & Changes in Net Position (pg. 29)

| | Enterprise Fund Sewer Fund | Internal Service Fund |
|---|---|---|
| **Operating Revenues** | $ 4,596,018 | $ - |
| Charges for services | 3,655 | - |
| Miscellaneous | - | 1,062,449 |
| Premiums | 4,599,673 | 1,062,449 |
| **Total Operating Revenues** | | |
| **Operating Revenues** | 741,471 | - |
| Personnel services | 107,496 | - |
| Contractual services | 201,091 | - |
| Repairs and maintenance | 65,022 | - |
| Supplies | 339,611 | - |
| Utilities | 2,484 | - |
| Education | 17,856 | - |
| Labs and testing | 60,400 | - |
| Insurance expenses | 1,488,968 | - |
| Depreciation | 44,938 | - |
| Miscellaneous | - | 668,360 |
| Insurance claims | - | 359,085 |
| Insurance administration fees | 3,069,337 | 1,027,445 |
| **Total Operating Expenses** | | |
| Operating Income | 1,530,336 | 35,004 |
| **Nonoperating Revenues (Expenses)** | | |
| Interest income | 339,965 | 20,994 |
| Interest expense | (490,252) | - |
| **Total Nonoperating Revenues (Expenses)** | (150,287) | 20,994 |
| *Income Before Operating Transfers* | 1,380,049 | 55,998 |
| Operating Transfers (Out) | (667,000) | - |
| *Net Income* | 713,049 | 55,998 |
| Net Position, October 1 | 15,917,533 | 563,598 |
| **Net Position, September 30** | $ 16,630,582 | $ 619,596 |

1. Sewer Fund operating revenues increased $57K
2. Operating Expenses for Sewer Fund declined $202K
3. Sewer Fund Net Income grew by $265K from prior year to $713
4. Internal Service Fund had a net income of $55,998 in the current year compared to $214,575 last year

KPM

# Management Recommendation Letter Items

1. **New Pronouncement**

The Governmental Accounting Standards Board (GASB) has issued the following pronouncement that may affect the City in future years:

GASB Statement No. 87 – Leases – This Statement establishes a single model for lease accounting. It changes the definition of a lease and requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. The effective date is for the City's year ending September 30, 2020, with earlier application encouraged.

*We Recommend:*

Management examine the new pronouncement to determine the effect this will have on future financial reporting and to ensure successful implementation on the effective dates.

KPM

# Management Recommendation Letter Items

2. **Bank Depository Agreements**

As a custodian of public monies, we believe the City should review certain elements of depository agreements with the City's banking institutions to ensure proper controls are in place regarding the deposits. The City has a responsibility for the safety of City monies and the depository agreements are often not reviewed and updated appropriately.

*We Recommend:*

a. The City determine that the depository agreement with the banking institution has instructions regarding when a check is valid and may be honored by the institution. If more than one signature is required on checks, then the depository agreement should reflect that requirement.

b. The City determine that the depository agreement specify the persons authorized to make wire transfers and to whom they may be made. This is necessary to prevent unauthorized wire transfers of City funds.

c. The City determine that the depository agreement has procedures for opening new accounts in order to prevent unauthorized accounts from being opened under the City name.

KPM

# Items of note

- Current events have led and are leading to changes in normal operating procedures:
  - Social distancing
  - Telework / remote work
  - Business disruptions
- As the situation evolves and emergency procedures are enacted in response to COVID-19, please monitor the impact on existing internal controls and make adaptations to the control processes as needed

KPM

# Management Recommendation Letter Items

3. **Internal Audit Procedures**

As the City evolves, personnel, policies and procedures change. The City should periodically conduct a review of its internal control procedures to determine if any changes are necessary in order to protect the City's assets. As part of the process, the City should add periodic inspection of off-site procedures to verify that City policies and procedures are being followed routinely at satellite locations. While the situation had been corrected at the time of the audit, it was noted that during the year the Park department experienced deviations from normal City procedures and these instances resulted in extra time being spent by the accounting staff to determine what occurred and the necessary adjusting journal entries needed to correct the matter.

*We Recommend:*

The City conduct a review of its internal control procedures to determine opportunities for strengthening safeguards over the City's assets. The City may want to consider conducting reviews on cash management, computer information systems, mail distribution procedures, purchasing procedures, new vendor procedures, and other areas the City considers necessary. The City could also perform surprise visits to various facilities that collect cash to verify that appropriate controls are being exercised over the collection, recording, and depositing of cash. Random internal audit procedures serve the function of ensuring that the City's approved policies and procedures are being followed.

KPM

# Management Recommendation Letter Items

4. **Cybersecurity**

Cybersecurity threats are increasing and government entities of all sizes are at risk for a breach of their information systems. With this increase in risk, entities should be continually evaluating risk and taking steps necessary to ensure the security of information systems. Steps include identifying critical information systems, training employees to properly identify threats received in emails or by other means, and adopting internal communication methods other than email.

It is important that entities develop a recovery plan outlining procedures that personnel should follow once a cybersecurity breach is discovered. Additionally, entities should be aware of any insurance in place to help protect them from liabilities that can occur as the result of a breach.

*We Recommend:*

The City evaluate its cybersecurity risks and take the necessary steps to reduce the risk of cybersecurity threats to their information systems. This evaluation should be performed frequently as technology and information systems are continually changing.

KPM

# Items of note

- New accounting standard for 2019-20 with GASB 84 – Fiduciary Activities
  - Establishes criteria for identifying fiduciary activities focused on:
    - Whether the government is controlling the assets of the fiduciary activity
    - The beneficiaries with whom a fiduciary relationship exists
  - Establishes 4 fiduciary funds that should be reported where applicable
    - Pension & other employee benefit trust funds
    - Investment trust funds
    - Private-purpose trust funds
    - Custodial funds (formerly agency funds)
  - This standard will apply as there are Agency Funds and Custodial Funds that are held by the City

KPM

# Items of note

- Effective for fiscal year end 2022:
  - GASB 91 Conduit Debt Obligations
    - Effective fiscal year end 2022
  - GASB is working a complete overhaul of the governmental reporting model and it is likely to happen in the next three-five years
  - Please check out gasb.org for the latest from the Governmental Accounting Standards Board on all pronouncements

KPM

# Other information

- If you have questions throughout the year, my phone number is 417-882-4300 or my email address is jcummings@kpmcpa.com
- Thank you

KPM

# CITY MANAGER REPORT

March 20, 2020

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

Dear Mayor and Council Members:

**City Manager:**
It has been an interesting last couple of weeks. COVID-19 Coronavirus has dominated the schedule as Staff collaborates with community leaders and assesses internal policies and protocols. As of the writing of this memo there has been no confirmed cases of COVID-19 in Johnson County, Missouri. Meetings and conferences are being cancelled in advance for safety and travel purposes. The Election date of April 7th has also been rescheduled by the Governor for June 2, 2020.

Meetings attended include: Emergency Management Task Force meeting; monthly radio interview; and regular communication meeting with UCM President, Roger Best.

**City Council Meetings, Study Sessions, and Executive Sessions**
Tentative future City Council agendas include the following items at this time:

1. INFRA Grant Application and Resolution of Support (Federal Funding potential for Maguire Bridge Project)
2. Rental Inspection Program Ordinance Recommendation
3. Budget Process (Council Tours and Strategic Planning Session)

**PUBLIC WORKS/INFORMATION TECHNOLOGY**
Danielle Dulin, Assistant City Manager

No report this meeting.

**COMMUNITY DEVELOPMENT**
**Director, Barbara Carroll**

No report this meeting.

**HUMAN RESOURCES**
**Director, Greg McCullough**

Human Resources Activities:

1. Positions

    a. Full-Time Management Intern – This position was posted on December 2nd and will remain posted until January 31st, 2020. We currently have 6 applications for this position. Interviews have been completed. An offer has been made and orally accepted. A conditional offer letter was mailed, returned and accepted. This internship is scheduled to begin on June 1st, 2020.
    b. Baseball and Softball Officials – This position was posted on February 11th and will remain posted until March 31st. We currently have received a total of 12 applications for this position submitted.
    c. Summer Day Camp Director – This position was reposted on February 11th and will remain posted until March 1st. The position was reposted due to no applications having been submitted during the first posting period. Interviews have been completed and an offer extended.
    d. Part Time Firefighter and Student Resident Firefighter – This position was posted beginning January 31st will remain posted until February 20th. We currently have a total of 17 applications for this position. Applications are being reviewed at the present time and interviews will begin in the near future.
    e. Water Pollution Control Operator I – This position was posted on February 10th and will remain posted until February 23rd. Interviews have been completed and an offer extended. The offer has been accepted and this individual will start employment effective on Monday, March 23rd.
    f. Part-Time Parks Maintenance Worker – This position was posted on February 28th and will remain posted until March 13th. We currently have a total of applications submitted for this position. Interviews will be the next step, however these may be postponed due to current closings as a result of the COVID 19 situation.
    g. Animal Shelter Manager and Part-Time Shelter Laborer positions – I anticipate these positions will be posted yet this week.

Other Activities:

1. Completed a total of 4 employment verifications for various purposes and I have 2 LAGERS wage certifications for upcoming retirees that are certifications for the past 10 years.
2. Kathy has onboarded approximately 2 new employees in the last two weeks. One of these Full-time employees took more time than usual as we had to complete new protocol to satisfy the Federal Motor Carrier Safety Admin guidelines for the the Clearinghouse.
3. Developed the new training materials and releases to go with satisfying the FMCSA Clearinghouse guidelines for both new employee and current employee DOT queries.
4. Completed with the help of Peggy Hostetler and Guy Parsons, several endorsement requests for both Business Auto and Inland Marine changes to our property casualty policies.
5. Completed the processing of STI and LTI paperwork for one employee. We have had several conversations regarding an STI issue and have spent considerable time going to support for our employee in this process. This has required more time than usual. This

is still true for the past two weeks and that conversation is ongoing with McInnes Group personnel and Madison National.

6. We have also completed FMLA paperwork for a total of two employees during the last two weeks.
7. We completed information announcements for all employees in regards to internal procedures to help prevent COVID 19 contraction or any respiratory illness contraction.
8. Working to analyze the impacts of the new Federal Emergency legislation for FMLA and Paid Leave as is being implemented in response to the COVID 19 crises.
9. Kathy processed all I-9 submissions and social service registrations.
10. Kathy and I completed and oversaw our Wellness screening on March 12th and will continue to implement this program. In addition, Kathy conducted two different meetings with employees to present the changes to our Wellness program and will work to get the PowerPoint slides out to all employees.
11. Rewrote our Fitness and Wellness policy due to the above changes in our program moving forward. This policy is in the process of being reviewed at the present time.
12. Completed a demo with the McInnes Group, which would allow us to move to an automated enrollment process next year for our open enrollment process for all employees. We will continue to work with McInnes Group to implement processes which will help our efficiency and costs. This system is being offered to the City through the McInnes group as a service at no cost to us. We will continue to explore this process.
13. Completed the requirements and registration process for the new DOT federally mandated FMCSA established clearinghouse for employers to report and collect information about DOT driver drug and alcohol violations. We have now completed this registration process and paid all required fees. We have also created the release form for DOT drivers to sign for the annual check through the system which is mandated and have been reviewing suggested changes to our drug and alcohol policy and will be submitting to counsel for approval in the near future. This is a priority this week and we continue to work on this quickly. This process was utilized for our recent new hire requiring a DOT license. We will also be presenting this to all current City DOT drivers next week and obtaining signatures on both releases.
14. Upon completion of presentation of Work Comp renewal to Council and receiving approval, have completed the process of getting the invoice paid.
15. Began the process to review and make changes to our Personnel Policy manual. At this point all past changes that were approved through council have been incorporated into the manual. Recent changes have been incorporated and we are working on a few additional modifications and once completed will bring to council for approval of entire manual.
16. All updates have been made to the Insperity performance evaluation system due to recent personnel changes. Department Heads are currently logging into systems to check and make sure all changes have been made. Once verified we will be good to go for the Spring evaluation in April. Training for new employees will take place in the near future.
17. Have been working with Guy Parsons to review our business auto schedule and make changes to benefit the City. These changes are to make sure all vehicles are covered and to make changes from an asset standpoint that will improve coverage and also reduce premium charges.

Upcoming Activities:

1. Continue wellness program development and implementation until meets goals of City for this program. We keep moving this forward but will require continual review for the near future.
2. Complete additional revisions to our personnel manual, take to Council for approval and publish online to our intranet for all to have access. We will also provide a form and require everyone to review manual and sign form that they have reviewed the manual.
3. Continue updating and coordinating performance evaluation system to prepare for the Spring evaluation cycle.
4. Continue to catch up on documentation on several personnel issues.
5. Continue the cleaning and reorganizing of the Human Resources file room.
6. Continue participation in the monthly LMC meetings.
7. Continue to work on revision of the City Safety Manual.

**CONVENTION AND VISITORS BUREAU**
**Director, Marcy Bryant**

## CORONAVIRUS IMPACT

Most if not all events/groups scheduled March 15, 2020 through the first of April have been cancelled/postponed. Some lodging establishments have cut hours staff due to the cancellations and low demand. We start preparing for these groups in January. We'll utilize the supplies/items for future groups if we can. We see the true impact once the lodging tax collections is reported for March and future months.

Starting Monday, March 9, the Visitor Center foot traffic has been minimal, some days we've had zero visitors. We're using this time to catch up on several projects-budget, grant applications, visitor guide content, website content, etc. Each morning and prior to leaving at night, we clean the hard surfaces in the office using disinfecting wipes.

The Visitor Center closed to the public starting Wednesday, March 18. We are answering phone calls and emails. The WCVB's part-time staff has voluntarily decided to stay home as they are in the at-risk group. We have signs on the doors directing guests to visit our website and social media platforms, along with my email and phone number.

## CALENDAR OF EVENTS

We are working to keep the calendar up to date. This has become a great resource as event organizers look to reschedule. We are tracking events that have been cancelled/postponed so we can use this information to evaluate the economic impact the coronavirus has on our community.

## WCVB MEETING CHANGE

The WCVB Board meetings have been moved to the second Thursday of the month at 10 a.m. in the Municipal Center-Council Chambers. This was decided by the board at the March WCVB Board meeting. The next meeting will be held 10 a.m. Thursday, April 9.

## MARKETING PLATFORM AND CREATIVE STRATEGY DEVELOPMENT RFP

The RFP was distributed Monday, Feb. 3. The deadline for submissions was Friday, Feb. 28. Due to the short turnaround for the March 4 WCVB Board meeting, the RFP was moved to the April 9 WCVB Board meeting for the board to review/approve.

**COMMUNITY BRAND STUDY**
I am working with the Warrensburg Economic Coalition's Marketing Committee and the UCM marketing program on evaluating the Warrensburg community's brand, creating a marketing plan and more. The committee will be working with numerous UCM marketing classes throughout this project.

The class has been broken up into teams. Each team will be creating a marketing plan with the objective of bringing awareness of the attractions/events in Warrensburg to help reduce the *"There's Nothing To Do Here"* perception. At the end of the semester the teams will present their plan to the committee members.

I've met with several students this month and returned numerous emails regarding the project. I'm excited to have the opportunity to work with the WEC Marketing Committee and the eager, excited group of UCM students.

**CANCELLED/POSTPONEMENT**
JR ROTC Event, March 11-13

NCAA Central Region Women's Basketball Game, March 13-15

Children's Literature Festival, March 15-17

Rural Missouri Emergency Management Summit, March 19-20

4-H Carnival, March 21

MO Gymnastics Competition, March 25-27

Central States Anthropology Society, March 25-28

Blaine Whitworth Go Big or Go Home 5K, March 28-Postponement Oct. 3, 2020

Sip.Shop.Stroll, March 28

Mid-Missouri Artists, Inc. Spring Fine Arts Show (postponed)

Early Optimist Taste of Johnson County-April 7 (postponed Sept. 8, 2020)

**Upcoming Meetings/Events**

WCVB Board Meeting, April 9*

*Holding this meeting will be assessed closer to time.

## Police Department
## Police Chief, Rich Lockhart

We have been very busy with COVID – 19 plans and responses. We worked with the fire department to create level 1 and level 2 response kits for our officers. Each officer has a level 1 kit and access to a level

2 kit if necessary. We provided training to the officers for the proper method for putting it on and taking it off as well as proper disposal. Additionally, we provided disinfecting supplies and instructed the officers to disinfect their vehicles at the start of their shift and anytime they transport someone.

We are attempting to handle as many report calls by phone as possible. Officers will not be responding to calls that do not require an on-site investigation. They will take the information over the phone and send the victim a case number.

We are planning for potential staffing shortages should we need to quarantine officers. I am creating pools of officers whose public contact is being limited. This includes the SRO's and detectives. These officers are still working but we are limiting their public exposure.

A number of us attended an Advanced Active Shooter Response course. We will be using the information gathered to work on a county wide response.

**Fire Department**
**Fire Chief, Robert Shaw**

No report this meeting.

**Parks Department**
**Director, Danielle Fesler**

No report this meeting.

# Director of Finance Report

March 23, 2020

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

Dear Mayor and Council Members:

The Director of Finance respectfully submits this report to augment your review of the financial information provided.

***Incode 10 Upgrade:***

The final stages to convert Utility Billing and Cash Receipting from Incode 9 to Incode 10 are being implemented. Final conversion takes place this week using current data. Carl continues frequent conversation with Tyler Technologies to manage the processes with little challenges. Originally a Tyler representative was scheduled to be on site this week. We changed that necessity to keep everyone involved safe and healthy. All remote work as been successful up to now.

***Audit Process:***

Audit report is complete and presented to Council at this meeting. Again, in order to keep everyone safe and health, the auditor did not present the report as originally planned. Mr. Jon Cummings, Auditor has offered to answer any questions by phone or come at a later time if the Council wishes to further discuss the report.

***Budget Fiscal Year 2021:***

To date there have been no photos submitted for the cover photo contest. The City website has all the information and forms to participate in this contest in the finance section. Photos will be accepted until May 29th at 5pm. Please visit the website to participate.

***Prior-Year Comparative Income Statement***

Attached for your review is a summary comparative income statement showing variances between February 2020 activity to February 2019. Additionally, it shows variances between Fiscal Year-to-Date (YTD) activities. General Fund year-to-date revenue through February 2020 reflects an increase of 3.31% compared to year-to-date February 2019.

Property tax collection is up slightly this year compared to last year along with sales tax. Franchise Taxes are down compared to last year except for Electric Franchise. The Lodging Tax reflects an increase over last year by nearly 84%.

Total year-to-date of all funds reflects revenue exceeding expenditures or expense. There are several Funds that reflect expenditures or expense exceeding revenue collected. General Fund and Capital Improvement ½ cent sales tax are two funds that currently reflect year-to-date expenditures exceeding revenue. Capital Improvement Transportation along with Water Pollution Control funds' revenue are currently exceeding expenditures.

Please keep in mind this is just a snapshot in time and a comparison to the events that were taking place this time last year.

***Attachments:***

Prior-Year Comparative Income Statement

City of Warrensburg, MO

# Prior-Year Comparative Income Statement

## Group Summary

For the Period Ending 02/29/2020

| Account Typ... | 2018-2019 Feb. Activity | 2019-2020 Feb. Activity | Feb. Variance Favorable / (Unfavorable) | Variance % | 2018-2019 YTD Activity | 2019-2020 YTD Activity | YTD Variance Favorable / (Unfavorable) | Variance % |
|---|---|---|---|---|---|---|---|---|
| **Fund: 110 - GENERAL** | | | | | | | | |
| Revenue | 626,419.73 | 699,021.00 | 72,601.27 | 11.59% | 4,233,579.83 | 4,373,705.75 | 140,125.92 | 3.31% |
| Expense | 764,082.92 | 721,496.01 | 42,586.91 | 5.57% | 4,768,022.53 | 4,727,534.02 | 40,488.51 | 0.85% |
| **Fund 110 Surplus (Deficit):** | **-137,663.19** | **-22,475.01** | **115,188.18** | **83.67%** | **-534,442.70** | **-353,828.27** | **180,614.43** | **33.79%** |
| **Fund: 210 - CAPITAL IMPROVEMENT TRAN** | | | | | | | | |
| Revenue | 149,570.07 | 63,844.81 | -85,725.26 | -57.31% | 655,712.93 | 324,797.15 | -330,915.78 | -50.47% |
| Expense | 3,560.71 | 8,738.96 | -5,178.25 | -145.43% | 196,442.18 | 46,969.95 | 149,472.23 | 76.09% |
| **Fund 210 Surplus (Deficit):** | **146,009.36** | **55,105.85** | **-90,903.51** | **-62.26%** | **459,270.75** | **277,827.20** | **-181,443.55** | **-39.51%** |
| **Fund: 215 - CAPITAL IMPROVEMENT 1/2 C** | | | | | | | | |
| Revenue | 141,144.52 | 153,698.59 | 12,554.07 | 8.89% | 735,711.78 | 754,686.33 | 18,974.55 | 2.58% |
| Expense | 508,779.09 | 520,479.74 | -11,700.65 | -2.30% | 658,472.31 | 1,038,778.57 | -380,306.26 | -57.76% |
| **Fund 215 Surplus (Deficit):** | **-367,634.57** | **-366,781.15** | **853.42** | **0.23%** | **77,239.47** | **-284,092.24** | **-361,331.71** | **-467.81%** |
| **Fund: 225 - GENERAL OBLIGATION BONDS** | | | | | | | | |
| Revenue | 10,926.12 | 58,580.47 | 47,654.35 | 436.15% | 997,343.38 | 1,039,874.46 | 42,531.08 | 4.26% |
| Expense | 930,476.36 | 948,850.00 | -18,373.64 | -1.97% | 1,728,612.82 | 1,351,402.25 | 377,210.57 | 21.82% |
| **Fund 225 Surplus (Deficit):** | **-919,550.24** | **-890,269.53** | **29,280.71** | **3.18%** | **-731,269.44** | **-311,527.79** | **419,741.65** | **57.40%** |
| **Fund: 250 - VEHICLE AND EQUIPMENT REPLACEMENT** | | | | | | | | |
| Revenue | 39.54 | 2.36 | -37.18 | -94.03% | 22,899.35 | 404.30 | -22,495.05 | -98.23% |
| Expense | 5.56 | 0.00 | 5.56 | 100.00% | 13.59 | 74,785.29 | -74,771.70 | -550,196.47% |
| **Fund 250 Surplus (Deficit):** | **33.98** | **2.36** | **-31.62** | **-93.05%** | **22,885.76** | **-74,380.99** | **-97,266.75** | **-425.01%** |
| **Fund: 310 - DEBT SERVICE** | | | | | | | | |
| Revenue | 1,515,475.90 | 1,530,475.31 | 14,999.41 | 0.99% | 1,629,656.50 | 1,720,287.71 | 90,631.21 | 5.56% |
| Expense | 1,515,475.90 | 1,528,221.89 | -12,745.99 | -0.84% | 1,629,656.50 | 1,720,287.71 | -90,631.21 | -5.56% |
| **Fund 310 Surplus (Deficit):** | **0.00** | **2,253.42** | **2,253.42** | **0.00%** | **0.00** | **0.00** | **0.00** | **0.00%** |
| **Fund: 410 - NEIGHBORHOOD IMPROVEMENT** | | | | | | | | |
| Revenue | 0.00 | 0.00 | 0.00 | 0.00% | 67,571.52 | 583,282.80 | 515,711.28 | 763.21% |
| Expense | 213,390.63 | 8,587.50 | 204,803.13 | 95.98% | 213,490.63 | 788,064.16 | -574,573.53 | -269.13% |
| **Fund 410 Surplus (Deficit):** | **-213,390.63** | **-8,587.50** | **204,803.13** | **95.98%** | **-145,919.11** | **-204,781.36** | **-58,862.25** | **-40.34%** |
| **Fund: 430 - PARK & RECREATION** | | | | | | | | |
| Revenue | 154,518.00 | 175,101.16 | 20,583.16 | 13.32% | 1,222,363.53 | 1,181,616.61 | -40,746.92 | -3.33% |
| Expense | 197,405.38 | 185,281.16 | 12,124.22 | 6.14% | 1,054,461.52 | 739,756.43 | 314,705.09 | 29.85% |
| **Fund 430 Surplus (Deficit):** | **-42,887.38** | **-10,180.00** | **32,707.38** | **76.26%** | **167,902.01** | **441,860.18** | **273,958.17** | **163.17%** |

| Account Typ... | | 2018-2019 Feb. Activity | 2019-2020 Feb. Activity | Feb. Variance Favorable / (Unfavorable) | Variance % | 2018-2019 YTD Activity | 2019-2020 YTD Activity | YTD Variance Favorable / (Unfavorable) | Variance % |
|---|---|---|---|---|---|---|---|---|---|
| **Fund: 440 - TAX INCREMENTAL FINANCING** | | | | | | | | | |
| Revenue | | 0.00 | 0.00 | 0.00 | 0.00% | 43,431.63 | 146,173.32 | 102,741.69 | 236.56% |
| Expense | | 0.00 | 0.00 | 0.00 | 0.00% | 5,647.66 | 2,708.02 | 2,939.64 | 52.05% |
| | **Fund 440 Surplus (Deficit):** | **0.00** | **0.00** | **0.00** | **0.00%** | **37,783.97** | **143,465.30** | **105,681.33** | **279.70%** |
| **Fund: 610 - WATER POLLUTION CONTROL** | | | | | | | | | |
| Revenue | | 398,257.02 | 396,973.15 | -1,283.87 | -0.32% | 1,977,432.44 | 2,182,449.89 | 205,017.45 | 10.37% |
| Expense | | 283,242.58 | 215,914.64 | 67,327.94 | 23.77% | 1,178,173.60 | 1,601,467.70 | -423,294.10 | -35.93% |
| | **Fund 610 Surplus (Deficit):** | **115,014.44** | **181,058.51** | **66,044.07** | **57.42%** | **799,258.84** | **580,982.19** | **-218,276.65** | **-27.31%** |
| **Fund: 710 - STEVENSON** | | | | | | | | | |
| Revenue | | 350.85 | 31.42 | -319.43 | -91.04% | 1,579.59 | 806.88 | -772.71 | -48.92% |
| Expense | | 0.00 | 0.00 | 0.00 | 0.00% | 600.00 | 1,600.00 | -1,000.00 | -166.67% |
| | **Fund 710 Surplus (Deficit):** | **350.85** | **31.42** | **-319.43** | **-91.04%** | **979.59** | **-793.12** | **-1,772.71** | **-180.96%** |
| **Fund: 720 - BROWN** | | | | | | | | | |
| Revenue | | 64.37 | 6.05 | -58.32 | -90.60% | 300.30 | 215.18 | -85.12 | -28.34% |
| | **Fund 720 Total:** | **64.37** | **6.05** | **-58.32** | **-90.60%** | **300.30** | **215.18** | **-85.12** | **-28.34%** |
| **Fund: 730 - ANDERSON** | | | | | | | | | |
| Revenue | | 46.89 | 3.73 | -43.16 | -92.05% | 218.74 | 155.99 | -62.75 | -28.69% |
| Expense | | 0.00 | 0.00 | 0.00 | 0.00% | 1,000.00 | 0.00 | 1,000.00 | 100.00% |
| | **Fund 730 Surplus (Deficit):** | **46.89** | **3.73** | **-43.16** | **-92.05%** | **-781.26** | **155.99** | **937.25** | **119.97%** |
| **Fund: 740 - CRISSEY** | | | | | | | | | |
| Revenue | | 53.65 | 5.04 | -48.61 | -90.61% | 250.31 | 179.34 | -70.97 | -28.35% |
| | **Fund 740 Total:** | **53.65** | **5.04** | **-48.61** | **-90.61%** | **250.31** | **179.34** | **-70.97** | **-28.35%** |
| **Fund: 750 - TRICENTENNIAL** | | | | | | | | | |
| Revenue | | 36.19 | 3.39 | -32.80 | -90.63% | 168.79 | 120.90 | -47.89 | -28.37% |
| | **Fund 750 Total:** | **36.19** | **3.39** | **-32.80** | **-90.63%** | **168.79** | **120.90** | **-47.89** | **-28.37%** |
| **Fund: 810 - CHILDREN'S MEMORIAL** | | | | | | | | | |
| Revenue | | 75.48 | 6.69 | -68.79 | -91.14% | 356.60 | 388.30 | 31.70 | 8.89% |
| Expense | | 5.81 | 208.94 | -203.13 | -3,496.21% | 1,077.46 | 7,324.49 | -6,247.03 | -579.79% |
| | **Fund 810 Surplus (Deficit):** | **69.67** | **-202.25** | **-271.92** | **-390.30%** | **-720.86** | **-6,936.19** | **-6,215.33** | **-862.21%** |
| **Fund: 820 - ARTS COMMISSION** | | | | | | | | | |
| Revenue | | 75.12 | 7.85 | -67.27 | -89.55% | 855.56 | 153.30 | -702.26 | -82.08% |
| Expense | | 5.41 | 127.99 | -122.58 | -2,265.80% | 2,780.28 | 341.83 | 2,438.45 | 87.71% |
| | **Fund 820 Surplus (Deficit):** | **69.71** | **-120.14** | **-189.85** | **-272.34%** | **-1,924.72** | **-188.53** | **1,736.19** | **90.20%** |
| **Fund: 825 - PUBLIC ARTS FUND** | | | | | | | | | |
| Revenue | | 1.76 | 0.16 | -1.60 | -90.91% | 8.20 | 5.90 | -2.30 | -28.05% |
| Expense | | 0.13 | 0.15 | -0.02 | -15.38% | 0.71 | 0.75 | -0.04 | -5.63% |
| | **Fund 825 Surplus (Deficit):** | **1.63** | **0.01** | **-1.62** | **-99.39%** | **7.49** | **5.15** | **-2.34** | **-31.24%** |
| **Fund: 830 - WCVB TOURISM BUREAU** | | | | | | | | | |
| Revenue | | 8,113.41 | 26,764.84 | 18,651.43 | 229.88% | 68,473.98 | 149,804.47 | 81,330.49 | 118.78% |

| Account Typ... | | 2018-2019 Feb. Activity | 2019-2020 Feb. Activity | Feb. Variance Favorable / (Unfavorable) | Variance % | 2018-2019 YTD Activity | 2019-2020 YTD Activity | YTD Variance Favorable / (Unfavorable) | Variance % |
|---|---|---|---|---|---|---|---|---|---|
| Expense | | 7,600.15 | 17,151.89 | -9,551.74 | -125.68% | 44,317.88 | 76,283.72 | -31,965.84 | -72.13% |
| | **Fund 830 Surplus (Deficit):** | **513.26** | **9,612.95** | **9,099.69** | **1,772.92%** | **24,156.10** | **73,520.75** | **49,364.65** | **204.36%** |
| **Fund: 900 - SELF INSURED** | | | | | | | | | |
| Revenue | | 90,443.92 | 103,699.00 | 13,255.08 | 14.66% | 505,097.24 | 484,305.61 | -20,791.63 | -4.12% |
| Expense | | 90,136.42 | 87,547.24 | 2,589.18 | 2.87% | 468,615.88 | 428,883.98 | 39,731.90 | 8.48% |
| | **Fund 900 Surplus (Deficit):** | **307.50** | **16,151.76** | **15,844.26** | **5,152.60%** | **36,481.36** | **55,421.63** | **18,940.27** | **51.92%** |
| | **Total Surplus (Deficit):** | **-1,418,554.51** | **-1,034,381.09** | **384,173.42** | **27.08%** | **211,626.65** | **337,225.32** | **125,598.67** | **59.35%** |

# Fund Summary

| Fund | 2018-2019 Feb. Activity | 2019-2020 Feb. Activity | Feb. Variance Favorable / (Unfavorable) | Variance % | 2018-2019 YTD Activity | 2019-2020 YTD Activity | YTD Variance Favorable / (Unfavorable) | Variance % |
|---|---|---|---|---|---|---|---|---|
| 110 - GENERAL | -137,663.19 | -22,475.01 | 115,188.18 | 83.67% | -534,442.70 | -353,828.27 | 180,614.43 | 33.79% |
| 210 - CAPITAL IMPROVEMENT ... | 146,009.36 | 55,105.85 | -90,903.51 | -62.26% | 459,270.75 | 277,827.20 | -181,443.55 | -39.51% |
| 215 - CAPITAL IMPROVEMENT ... | -367,634.57 | -366,781.15 | 853.42 | 0.23% | 77,239.47 | -284,092.24 | -361,331.71 | -467.81% |
| 225 - GENERAL OBLIGATION B... | -919,550.24 | -890,269.53 | 29,280.71 | 3.18% | -731,269.44 | -311,527.79 | 419,741.65 | 57.40% |
| 250 - VEHICLE AND EQUIPME... | 33.98 | 2.36 | -31.62 | -93.05% | 22,885.76 | -74,380.99 | -97,266.75 | -425.01% |
| 310 - DEBT SERVICE | 0.00 | 2,253.42 | 2,253.42 | 0.00% | 0.00 | 0.00 | 0.00 | 0.00% |
| 410 - NEIGHBORHOOD IMPRO... | -213,390.63 | -8,587.50 | 204,803.13 | 95.98% | -145,919.11 | -204,781.36 | -58,862.25 | -40.34% |
| 430 - PARK & RECREATION | -42,887.38 | -10,180.00 | 32,707.38 | 76.26% | 167,902.01 | 441,860.18 | 273,958.17 | 163.17% |
| 440 - TAX INCREMENTAL FINA... | 0.00 | 0.00 | 0.00 | 0.00% | 37,783.97 | 143,465.30 | 105,681.33 | 279.70% |
| 610 - WATER POLLUTION CON... | 115,014.44 | 181,058.51 | 66,044.07 | 57.42% | 799,258.84 | 580,982.19 | -218,276.65 | -27.31% |
| 710 - STEVENSON | 350.85 | 31.42 | -319.43 | -91.04% | 979.59 | -793.12 | -1,772.71 | -180.96% |
| 720 - BROWN | 64.37 | 6.05 | -58.32 | -90.60% | 300.30 | 215.18 | -85.12 | -28.34% |
| 730 - ANDERSON | 46.89 | 3.73 | -43.16 | -92.05% | -781.26 | 155.99 | 937.25 | 119.97% |
| 740 - CRISSEY | 53.65 | 5.04 | -48.61 | -90.61% | 250.31 | 179.34 | -70.97 | -28.35% |
| 750 - TRICENTENNIAL | 36.19 | 3.39 | -32.80 | -90.63% | 168.79 | 120.90 | -47.89 | -28.37% |
| 810 - CHILDREN'S MEMORIAL | 69.67 | -202.25 | -271.92 | -390.30% | -720.86 | -6,936.19 | -6,215.33 | -862.21% |
| 820 - ARTS COMMISSION | 69.71 | -120.14 | -189.85 | -272.34% | -1,924.72 | -188.53 | 1,736.19 | 90.20% |
| 825 - PUBLIC ARTS FUND | 1.63 | 0.01 | -1.62 | -99.39% | 7.49 | 5.15 | -2.34 | -31.24% |
| 830 - WCVB TOURISM BUREAU | 513.26 | 9,612.95 | 9,099.69 | 1,772.92% | 24,156.10 | 73,520.75 | 49,364.65 | 204.36% |
| 900 - SELF INSURED | 307.50 | 16,151.76 | 15,844.26 | 5,152.60% | 36,481.36 | 55,421.63 | 18,940.27 | 51.92% |
| **Total Surplus (Deficit):** | **-1,418,554.51** | **-1,034,381.09** | **384,173.42** | **27.08%** | **211,626.65** | **337,225.32** | **125,598.67** | **59.35%** |