

City of Warrensburg, Missouri

Basic Financial Statements
Year Ended September 30, 2022

KPM
CPAS & ADVISORS

Table of Contents

Independent Auditors' Report	4
Management's Discussion and Analysis	8
Basic Financial Statements	
Statement of Net Position	18
Statement of Activities	20
Balance Sheet – Governmental Funds	22
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	24
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Statement of Net Position – Proprietary Funds	28
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	30
Statement of Cash Flows – Proprietary Funds	31
Statement of Fiduciary Net Position – Fiduciary Funds	32
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	33
Notes to the Financial Statements	34
Required Supplementary Information	
Schedule of Changes in Net Pension Asset and Related Ratios	67
Schedule of Contributions	68
Notes to the Schedule of Contributions	69
Budgetary Comparison Schedule – General Fund	70
Budgetary Comparison Schedule – Park Fund	72
Budgetary Comparison Schedule – Tri-Centennial Fund	73
Budgetary Comparison Schedule – Capital Improvement Transportation Fund	74
Budgetary Comparison Schedule – Capital Improvement Half-Cent Fund	75
Budgetary Comparison Schedule – American Rescue Plan Act (ARPA) Fund	76
Notes to the Budgetary Comparison Schedules	77

Supplementary Information

Combining Statement of Fiduciary Net Position – Private Purpose Trusts 79

Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trusts..... 80

Other Reporting Requirements

Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*..... 82

Examination Compliance Report 84



Honorable Mayor and City Council
City of Warrensburg
Warrensburg, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the City of Warrensburg, Missouri, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the City of Warrensburg, Missouri, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Warrensburg and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

www.kpmcpa.com

1445 E. Republic Road Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343
500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison, and pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Combining Fiduciary Fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Fiduciary Fund financial statements 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 24, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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 24, 2023

Management's Discussion and Analysis

City of Warrensburg

Management's Discussion and Analysis

September 30, 2022

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, 2022. Please read it in conjunction with the City's financial statements, which begin on page 18.

Financial Highlights

- The Net Position of the City's governmental activities increased by \$3,455,338 for the year as a result of current year activities. The net position of the City's business activities increased \$786,075 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, 2022, by \$71.4 million (net position). Of this amount, \$16.4 million was unrestricted and may be used to meet future obligations of the City.
- Total long-term liabilities of the City increased by \$9,156,172.

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.

City of Warrensburg

Management's Discussion and Analysis

September 30, 2022

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.

City of Warrensburg

Management's Discussion and Analysis

September 30, 2022

Government-Wide Financial Analysis

Net Position

The following table presents the condensed Statement of Net Position for the City as of September 30, 2022 and 2021:

	Governmental Activities	Business-Type Activities	Total September 30, 2022	Total September 30, 2021
Assets				
Current and other assets	\$ 36,910,239	\$ 4,666,914	\$ 41,577,153	\$ 25,602,770
Capital assets	44,076,114	22,112,310	66,188,424	68,911,502
Net pension asset	6,814,915	437,972	7,252,887	9,645,137
Total Assets	87,801,268	27,217,196	115,018,464	104,159,409
Deferred Outflow of Resources				
Deferred outflow of resources	820,874	49,629	870,503	784,333
Liabilities				
Other liabilities	6,418,309	1,448,080	7,866,389	7,080,537
Long-term liabilities outstanding	27,195,312	7,210,154	34,405,466	25,249,294
Total Liabilities	33,613,621	8,658,234	42,271,855	32,329,831
Deferred Inflow of Resources				
Deferred inflow of resources	2,002,398	165,790	2,168,188	5,406,400
Net Position				
Net investment in capital assets	16,675,828	13,581,156	30,256,984	45,890,350
Restricted	24,007,182	796,996	24,804,178	10,880,558
Unrestricted	12,323,113	4,064,649	16,387,762	10,436,603
Total Net Position	\$ 53,006,123	\$ 18,442,801	\$ 71,448,924	\$ 67,207,511

Total net position of the City increased \$54,241,413 for the year due to current year activity. Total liabilities for the City have increased by \$9,942,024. Net capital assets for the governmental activities totaled \$44.1 million as of September 30, 2022.

City of Warrensburg

Management's Discussion and Analysis

September 30, 2022

Change in Net Position

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Year Ended September 30, 2022</u>	<u>Total Year Ended September 30, 2021</u>
Revenues				
Program Revenues				
Charges for services	\$ 1,339,090	\$ 5,298,462	\$ 6,637,552	\$ 6,422,092
Operating grants and contributions	1,029,662	-	1,029,662	47,565
Capital grants and contributions	91,444	-	91,444	423,258
General Revenues				
Property taxes	2,522,114	-	2,522,114	2,405,988
Sales taxes	9,751,476	-	9,751,476	8,949,291
Motor vehicle taxes	880,745	-	880,745	805,481
Other taxes	562,701	-	562,701	495,026
Franchise fees	2,589,156	-	2,589,156	2,423,610
Interest	341,356	232,342	573,698	445,819
Other revenue	236,350	-	236,350	172,098
Gain on disposal of assets	37,055	6,600	43,655	58,800
Transfers	820,000	(820,000)	-	-
Total Revenues, Gains, and Transfers	20,201,149	4,717,404	24,918,553	22,649,028
Expenses				
General government	1,731,487	-	1,731,487	1,194,134
Finance	486,603	-	486,603	94,015
Other support services	6,257	-	6,257	7,020
Information technology	568,136	-	568,136	499,265
Municipal court	172,306	-	172,306	96,055
Buildings and grounds	218,388	-	218,388	141,160
Public safety and health	4,826,524	-	4,826,524	6,922,867
Community development	1,118,541	-	1,118,541	361,128
Transportation	2,485,908	-	2,485,908	2,443,205
Cemetery	150,716	-	150,716	79,893
Parks and recreation	2,845,661	-	2,845,661	2,136,586
Debt service	461,822	325,800	787,622	867,870
Capital Improvements	1,673,462	-	1,673,462	-
Sewer	-	3,605,529	3,605,529	3,305,862
Total Expenses	16,745,811	3,931,329	20,677,140	18,149,060
Increase in Net Position	\$ 3,455,338	\$ 786,075	\$ 4,241,413	\$ 4,499,968

City of Warrensburg

Management's Discussion and Analysis

September 30, 2022

Governmental Activities

Governmental activities increased the net position of the City by \$3,455,338. Total tax revenues for the City were \$16.3 million, which represents 81% of the financing of these activities. Program revenues for the functions totaled \$2.5 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	\$ 1,731,487	\$ 363,468
Finance	486,603	486,603
Other support services	6,257	6,257
Information technology	568,136	568,136
Municipal court	172,306	(47,686)
Buildings and grounds	218,388	218,388
Public safety and health	4,826,524	4,818,062
Community development	1,118,541	1,118,541
Transportation	2,485,908	2,485,908
Cemetery	150,716	77,696
Parks and recreation	2,845,661	2,054,958
Debt Service	461,822	461,822
	<u>\$ 16,745,811</u>	<u>\$ 14,285,615</u>

Business-Type Activities

Business-type activities increased the City's net position by \$786,075. Last year the business-type activities increased \$968,808.

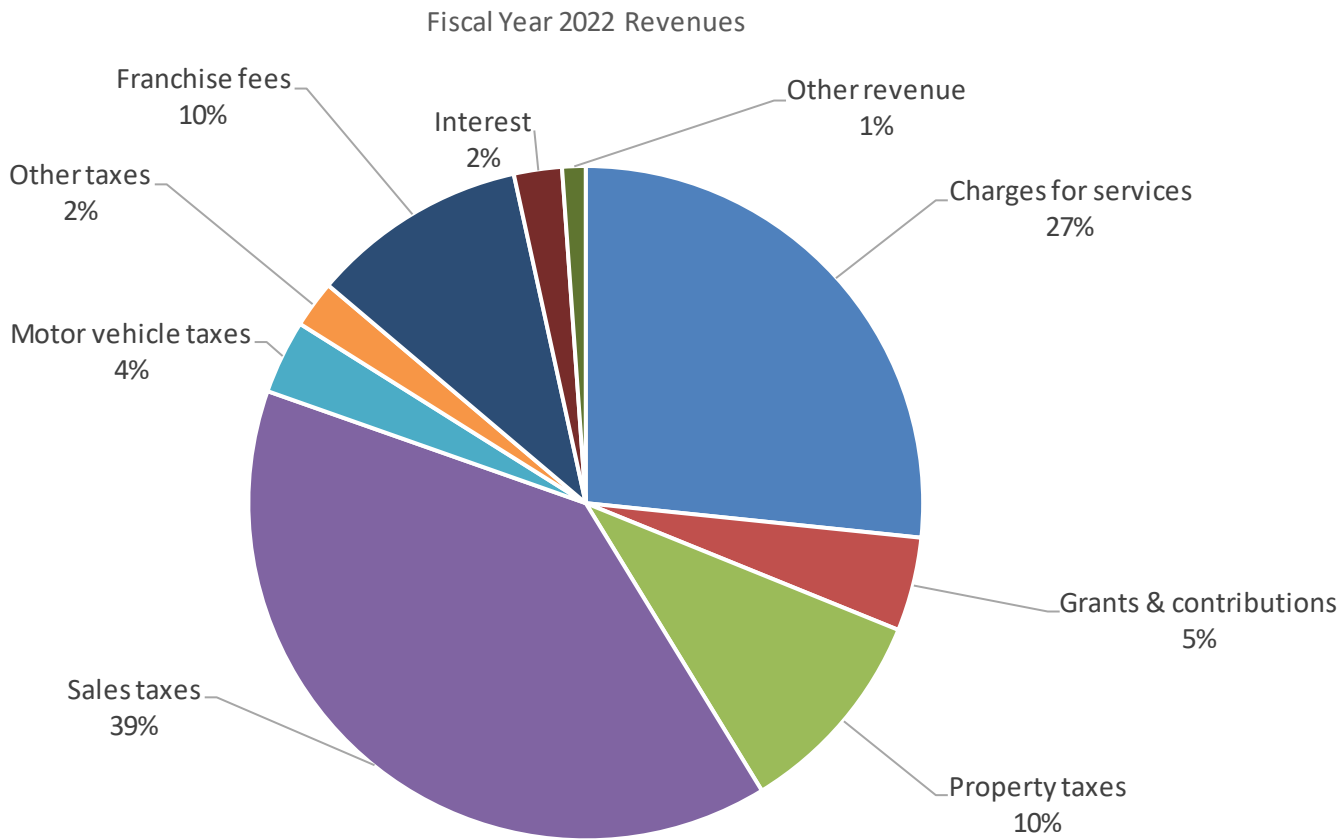
City of Warrensburg

Management's Discussion and Analysis

September 30, 2022

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 2022. The City saw an increase in revenues from fiscal year 2021 to fiscal year 2022, with the most important difference being operating grants and contributions. Charges for services increased \$215,460 from \$6,422,092 in fiscal year 2021 to \$6,637,552 in fiscal year 2022. Sales tax also saw an increase of \$802,185. Proportions of revenue collections remained consistent when compared to 2021.



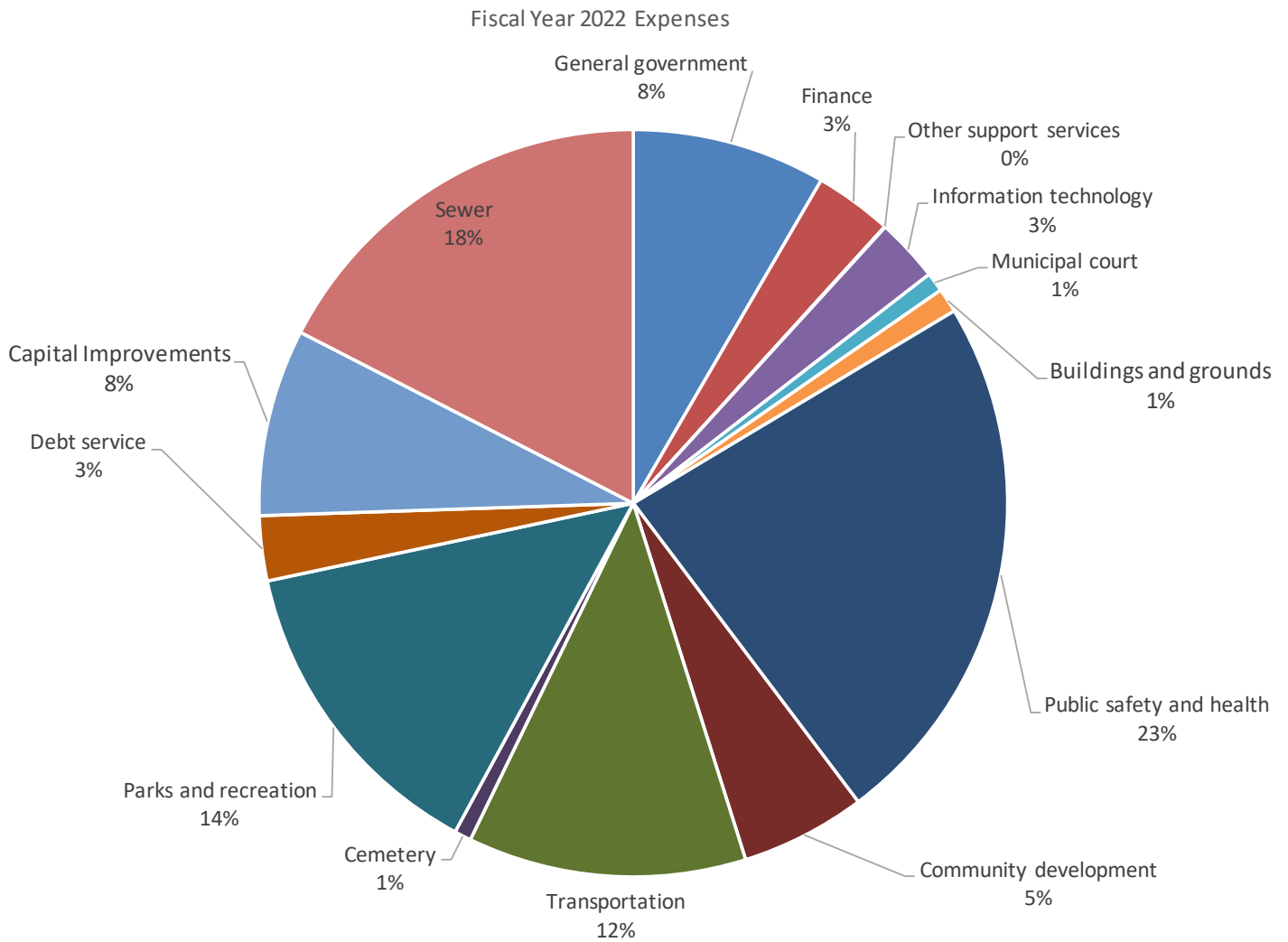
City of Warrensburg

Management's Discussion and Analysis

September 30, 2022

The City of Warrensburg saw an overall increase in expenses in fiscal year 2022. Most of the divisions saw increases in operating expenses. Increases in Building and Grounds, Community Development, Information Technology and Parks and Recreation provided for the overall decrease in expense compared to 2021.

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 division's operating costs and will continue to impact the City's budget for FY23 and future budgets. Departments have done a great job this year making this matter a priority and balancing their budgets.



City of Warrensburg

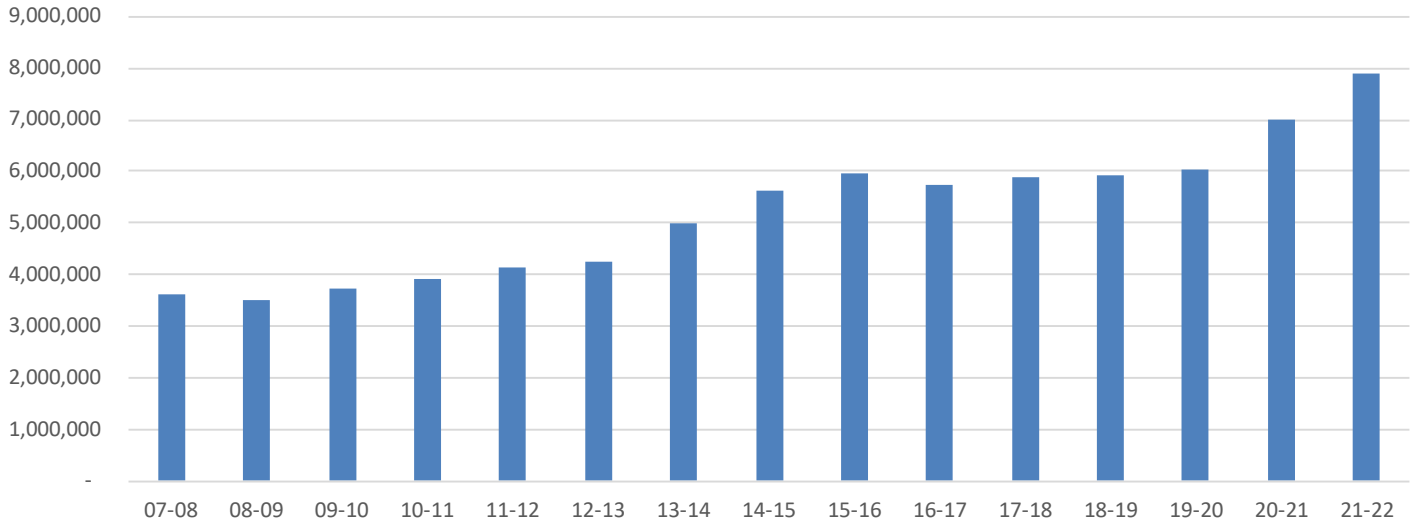
Management's Discussion and Analysis

September 30, 2022

The combined fund balances of the City's governmental funds as of September 30, 2022, were \$32.0 million. The General Fund increased by \$889,816. The Park Fund increased by \$279,234. The Tri-Centennial Fund increased by \$179. The Capital Improvement Transportation Fund increased by \$634,196. The Capital Improvement Half-Cent Fund increased by \$646,863. The American Rescue Plan Act Fund increased by \$31,081. The Debt Service Fund increased \$1. The Neighborhood Improvement Fund increased by \$14,810. The Tax Increment Financing Fund was unchanged. The Capital Improvement Bond Fund increased by \$12,340,908. The Vehicle Fund remained the same.

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.

Fiscal Year General Fund Balances



General Fund Budgetary Highlights

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

- The original revenues and other sources budget of \$10,406,370 was amended to \$10,741,832 during the year.
- The total original budgeted expenditures and other uses of \$10,705,380 were increased by \$474,793 to \$11,180,173. Most of this increase was from an increase in general admin.

Capital Asset and Debt Administration

Capital Assets

Capital assets of the governmental activities were \$44.1 million (net of accumulated depreciation) as of September 30, 2022. This represents a decrease of \$2 million from the prior year due to current year provisions for depreciation. Net capital assets for business-type activities were \$22.1 million as of September 30, 2022. This represents a decrease of \$800,000 from the prior year due primarily to the current year disposal of capital assets and improvements and current year provisions for depreciation.

City of Warrensburg

Management's Discussion and Analysis

September 30, 2022

Debt

Total debt and long-term obligations of the governmental activities as of September 30, 2022, was \$29.2 million, which is an increase of \$10 million. During the year, the City issued \$12,000,000 in Series 2022 General Obligation Bonds.

Total debt and long-term obligations of the business-type activities as of September 30, 2022, was \$8.5 million, which is down by \$1.3 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 in the upcoming fiscal year. Sales tax projections are increased based on the historic collection over the past two years and current inflation rates driving retail costs up. 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.

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. Council placed significant infrastructure and capital purchase on the ballot for citizens to vote property tax increases to pay for these community needs with success. 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). At the time this allowed the City to earn interest above what was currently offered by the City's banking institution, while maintaining compliance with state approved investments for municipalities. Currently, the City has invested in the MOSIP program monies available in an effort to gain the most interest earnings.

Sewer rate increases beginning 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. Fiscal Year 2022 included a comprehensive sewer rate study and projection of increases or changes in the sewer rate structure. The study is to be complete the first half of Fiscal Year 2023. This study will incorporate significant improvements and expansion of the existing system to meet future regulatory requirements.

Recent years included extensive capital purchases and projects undertaken by the City, there was a shift in focus for fiscal year 2021. Successful passage of General Obligation Bond issuance allows 2023 and future years to include much needed street and infrastructure improvements. The demolition of a dilapidated Street Department storage building on West Culton street was completed in 2021, leaving a prime lot in the downtown portion of the City. The receipt of the American Rescue Plan Act distribution allows the City to develop plans to expend these dollars including upgrading the public safety radio systems. A Solid Waste Study is to be completed to help with waste management for the City.

City of Warrensburg

Management's Discussion and Analysis

September 30, 2022

The City continues plans to complete extensive upgrades to its wastewater plants, and some of that work will began in fiscal year 2020 and continued in 2021 and 2022. 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 facilities. 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:

Marcella McCoy
102 South Holden St.
Warrensburg, Missouri 64093
(660) 747-9131

City of Warrensburg

Statement of Net Position

September 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Warrensburg Convention and Visitors Bureau
Assets				
Cash and cash equivalents - unrestricted	\$ 11,667,718	\$ 3,304,168	\$ 14,971,886	\$ 542,424
Investments - unrestricted	17,634,462	-	17,634,462	-
Taxes receivable, net	2,176,750	-	2,176,750	-
Utilities receivable, net	-	536,670	536,670	-
Other accounts receivable, net	265,620	8	265,628	-
Special assessments receivable, net	324,295	-	324,295	-
Court fines receivable, net	3,865	-	3,865	-
Accrued interest receivable	7,936	-	7,936	-
Inventory	12,485	-	12,485	-
Prepaid expenses	223,949	29,069	253,018	-
Restricted cash and cash equivalents	4,205,630	-	4,205,630	-
Restricted investments	387,529	796,999	1,184,528	-
Net pension asset	6,814,915	437,972	7,252,887	-
Capital Assets				
Non-depreciable	3,062,514	473,010	3,535,524	221,320
Depreciable, net	41,013,600	21,639,300	62,652,900	-
Total Assets	87,801,268	27,217,196	115,018,464	763,744
Deferred Outflow of Resources				
Deferred pension outflow	820,874	49,629	870,503	-
Total Deferred Outflow of Resources	820,874	49,629	870,503	-

See accompanying Notes to the Financial Statements.

City of Warrensburg

Statement of Net Position

September 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Warrensburg Convention and Visitors Bureau
Liabilities				
Current				
Accounts payable	650,025	53,392	703,417	10,562
Accrued expenses	300,920	7,475	308,395	-
Unearned revenue	3,285,418	-	3,285,418	-
Court bonds payable	12,564	-	12,564	-
Accrued interest payable	121,947	66,211	188,158	-
Arbitrage payable	-	2	2	-
Current maturities of long-term debt	2,047,435	1,321,000	3,368,435	-
	6,418,309	1,448,080	7,866,389	10,562
Noncurrent				
Financed purchases payable	50,058	-	50,058	-
Certificates of participation payable	7,720,722	-	7,720,722	-
Revenue bonds payable, net	-	7,151,850	7,151,850	-
General obligation bonds payable, net	18,950,000	-	18,950,000	-
Compensated absences payable	474,532	58,304	532,836	-
	27,195,312	7,210,154	34,405,466	-
Total Liabilities	33,613,621	8,658,234	42,271,855	10,562
Deferred Inflow of Resources				
Deferred pension inflow	2,002,398	165,790	2,168,188	-
Total Deferred Inflow of Resources	2,002,398	165,790	2,168,188	-
Net Position				
Net investment in capital assets	16,675,828	13,581,156	30,256,984	-
Restricted	24,007,182	796,996	24,804,178	-
Unrestricted	12,323,113	4,064,649	16,387,762	753,182
Total Net Position	\$ 53,006,123	\$ 18,442,801	\$ 71,448,924	\$ 753,182

See accompanying Notes to the Financial Statements.

City of Warrensburg

Statement of Activities

Year Ended September 30, 2022

Functions/Programs	Net (Expenses), Revenues, and Changes in Net Position							
	Expenses	Program Revenues			Primary Government			Component Unit
		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	\$ (1,731,487)	\$ 265,217	\$ 1,013,747	\$ 89,055	\$ (363,468)	\$ -	\$ (363,468)	\$ -
Finance	(486,603)	-	-	-	(486,603)	-	(486,603)	-
Other support services	(6,257)	-	-	-	(6,257)	-	(6,257)	-
Information technology	(568,136)	-	-	-	(568,136)	-	(568,136)	-
Municipal court	(172,306)	219,992	-	-	47,686	-	47,686	-
Buildings and grounds	(218,388)	-	-	-	(218,388)	-	(218,388)	-
Public safety and health	(4,826,524)	2,650	5,812	-	(4,818,062)	-	(4,818,062)	-
Community development	(1,118,541)	-	-	-	(1,118,541)	-	(1,118,541)	-
Transportation	(2,485,908)	-	-	-	(2,485,908)	-	(2,485,908)	-
Cemetery	(150,716)	63,051	9,969	-	(77,696)	-	(77,696)	-
Parks and recreation	(2,845,661)	788,180	134	2,389	(2,054,958)	-	(2,054,958)	-
Debt service	(461,822)	-	-	-	(461,822)	-	(461,822)	-
Total Governmental Activities	(16,745,811)	1,339,090	1,029,662	91,444	(14,285,615)	-	(14,285,615)	-
Business-Type Activities								
Sewer	(3,931,329)	5,298,462	-	-	-	1,367,133	1,367,133	-
Total Business-Type Activities	(3,931,329)	5,298,462	-	-	-	1,367,133	1,367,133	-
Total Primary Government	\$ (20,677,140)	\$ 6,637,552	\$ 1,029,662	\$ 91,444	(14,285,615)	1,367,133	(12,918,482)	-

See accompanying Notes to the Financial Statements.

City of Warrensburg

Statement of Activities

Year Ended September 30, 2022

Component Unit Warrensburg Convention and Visitors Bureau	Net (Expenses), Revenues, and Changes in Net Position							
	Expenses	Program Revenues			Primary Government			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Warrensburg Convention and Visitors Bureau
	<u>\$ (280,790)</u>	<u>366,274</u>	<u>\$ 70,175</u>	<u>\$ -</u>	-	-	-	155,659
General Revenues								
Property taxes				2,522,114	-	2,522,114	-	-
Sales taxes				9,751,476	-	9,751,476	-	-
Motor vehicle taxes				880,745	-	880,745	-	-
Other taxes				562,701	-	562,701	-	-
Franchise fees				2,589,156	-	2,589,156	-	-
Interest				341,356	232,342	573,698	6,852	6,852
Other revenue				236,350	-	236,350	616	616
Gain on disposal of assets				37,055	6,600	43,655	-	-
Transfers				820,000	(820,000)	-	-	-
Total General Revenues and Transfers				<u>17,740,953</u>	<u>(581,058)</u>	<u>17,159,895</u>	<u>7,468</u>	<u>7,468</u>
<i>Changes in Net Position</i>				3,455,338	786,075	4,241,413	163,127	163,127
Net Position, Beginning of year				<u>49,550,785</u>	<u>17,656,726</u>	<u>67,207,511</u>	<u>590,055</u>	<u>590,055</u>
Net Position, End of year				<u>\$ 53,006,123</u>	<u>\$ 18,442,801</u>	<u>\$ 71,448,924</u>	<u>\$ 753,182</u>	<u>\$ 753,182</u>

See accompanying Notes to the Financial Statements.

City of Warrensburg

Balance Sheet – Governmental Funds

September 30, 2022

	Special Revenue Funds					Debt Service Funds			Capital Projects Funds		Total Governmental Funds	
	General Fund	Park Fund	Tri-Centennial Fund	Capital Improvement Transportation Fund	Capital Improvement Half-Cent Fund	American Rescue Plan Act Fund	Debt Service Fund	Neighborhood Improvement Fund	Tax Increment Financing Fund	Capital Improvement Bond Fund		Vehicle Fund
Assets												
Cash and cash equivalents	\$ 5,342,632	\$ 2,166,492	\$ 15,468	\$ 1,574,132	\$ 1,578,260	\$ -	\$ 159,985	\$ 280,776	\$ 51	\$ 128,053	\$ -	\$ 11,245,849
Investments	1,249,929	-	-	-	-	-	-	-	-	16,384,533	-	17,634,462
Taxes receivable, net	1,305,545	288,199	-	167,546	394,028	-	-	-	-	21,432	-	2,176,750
Other accounts receivables	126,292	36,434	-	-	-	-	-	-	-	102,894	-	265,620
Special assessments receivable, net	-	-	-	-	-	-	-	324,295	-	-	-	324,295
Court fines receivable, net	3,865	-	-	-	-	-	-	-	-	-	-	3,865
Due from other funds	145,000	-	-	-	-	-	-	-	-	-	-	145,000
Accrued interest receivable	7,936	-	-	-	-	-	-	-	-	-	-	7,936
Inventory	12,485	-	-	-	-	-	-	-	-	-	-	12,485
Prepaid expenses	196,677	27,272	-	-	-	-	-	-	-	-	-	223,949
Restricted cash and cash equivalents	23,146	251	-	-	-	3,201,826	7	-	-	980,400	-	4,205,630
Restricted investments	-	-	-	-	-	-	-	-	-	387,529	-	387,529
Total Assets	\$ 8,413,507	\$ 2,518,648	\$ 15,468	\$ 1,741,678	\$ 1,972,288	\$ 3,201,826	\$ 159,992	\$ 605,071	\$ 51	\$ 18,004,841	\$ -	\$ 36,633,370
Liabilities, Deferred Inflow of Resources, and Fund Balances												
Liabilities												
Accounts payable	\$ 229,389	\$ 275,628	\$ -	\$ 16,032	\$ 43,905	\$ 14,186	\$ -	\$ -	\$ -	\$ 23,310	\$ -	\$ 602,450
Accrued expenses	265,433	35,487	-	-	-	-	-	-	-	-	-	300,920
Court bonds payable	12,564	-	-	-	-	-	-	-	-	-	-	12,564
Due to other funds	-	-	-	-	-	-	145,000	-	-	-	-	145,000
Unearned revenue	10,565	119,926	-	-	-	3,154,927	-	-	-	-	-	3,285,418
Total Liabilities	517,951	431,041	-	16,032	43,905	3,169,113	145,000	-	-	23,310	-	4,346,352

See accompanying Notes to the Financial Statements.

City of Warrensburg

Balance Sheet – Governmental Funds

September 30, 2022

	Special Revenue Funds					Debt Service Funds			Capital Projects Funds		Total Governmental Funds	
	General Fund	Park Fund	Tri-Centennial Fund	Capital Improvement Transportation Fund	Capital Improvement Half-Cent Fund	American Rescue Plan Act Fund	Debt Service Fund	Neighborhood Improvement Fund	Tax Increment Financing Fund	Capital Improvement Bond Fund		Vehicle Fund
Deferred Inflow of Resources												
Deferred inflows - special assessments	-	-	-	-	-	-	324,295	-	-	-	324,295	
Fund Balances												
Nonspendable												
Inventory	12,485	-	-	-	-	-	-	-	-	-	12,485	
Prepaid expenses	196,677	27,272	-	-	-	-	-	-	-	-	223,949	
Restricted for												
Debt Service	-	-	-	-	-	14,992	280,776	51	-	-	295,819	
Capital improvements	-	-	-	1,725,646	1,928,383	-	-	-	17,981,531	-	21,635,560	
Tri-centennial	-	-	15,468	-	-	-	-	-	-	-	15,468	
Parks and recreation	-	2,060,335	-	-	-	-	-	-	-	-	2,060,335	
Grant Funding	-	-	-	-	32,713	-	-	-	-	-	32,713	
Unassigned	7,686,394	-	-	-	-	-	-	-	-	-	7,686,394	
Total Fund Balances	<u>7,895,556</u>	<u>2,087,607</u>	<u>15,468</u>	<u>1,725,646</u>	<u>1,928,383</u>	<u>32,713</u>	<u>14,992</u>	<u>280,776</u>	<u>51</u>	<u>17,981,531</u>	<u>-</u>	<u>31,962,723</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>\$ 8,413,507</u>	<u>\$ 2,518,648</u>	<u>\$ 15,468</u>	<u>\$ 1,741,678</u>	<u>\$ 1,972,288</u>	<u>\$ 3,201,826</u>	<u>\$ 159,992</u>	<u>\$ 605,071</u>	<u>\$ 51</u>	<u>\$ 18,004,841</u>	<u>\$ -</u>	<u>\$ 36,633,370</u>

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, 2022

Fund balance - total governmental funds	\$ 31,962,723
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	97,743,851
Less accumulated depreciation	<u>(53,667,737)</u>
	44,076,114
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	6,814,915
Deferred outflows due to pension	820,874
Deferred inflows due to pension	<u>(2,002,398)</u>
	5,633,391
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	374,294
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(121,947)
Deferred inflows - special assessments	324,295
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds	<u>(29,242,747)</u>
Net position of governmental activities	<u><u>\$ 53,006,123</u></u>

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, 2022

	Special Revenue Funds						Debt Service Funds			Capital Projects Funds		Total Governmental Funds
	General Fund	Park Fund	Tri-Centennial Fund	Capital Improvement Transportation Fund	Capital Improvement Half-Cent Fund	American Rescue Plan Act Fund	Debt Service Fund	Neighborhood Improvement Fund	Tax Increment Financing Fund	Capital Improvement Bond Fund	Vehicle Fund	
Revenues												
Taxes	\$ 9,629,890	\$ 2,161,553	\$ -	\$ 880,745	\$ 2,317,544	\$ -	\$ -	\$ 71,323	\$ 174,444	\$ 1,129,953	\$ -	\$ 16,365,452
Licenses and permits	265,216	-	-	-	-	-	-	-	-	-	-	265,216
Intergovernmental revenues	92,355	-	-	-	-	1,004,833	-	-	-	-	-	1,097,188
Charges for services	63,051	788,179	-	-	-	-	-	-	-	-	-	851,230
Fines and forfeitures	222,644	-	-	-	-	-	-	-	-	-	-	222,644
Interest income	83,236	31,835	221	20,011	23,384	31,081	15	3,296	-	148,277	-	341,356
Miscellaneous	175,323	84,945	-	-	-	-	-	-	-	-	-	260,268
Total Revenues	10,531,715	3,066,512	221	900,756	2,340,928	1,035,914	15	74,619	174,444	1,278,230	-	19,403,354
Expenditures												
Current												
General government	1,354,288	-	-	-	-	280,741	-	591	-	-	-	1,635,620
Finance	510,254	-	42	-	-	-	-	-	-	-	-	510,296
Other support services	6,257	-	-	-	-	-	-	-	-	-	-	6,257
Information technology	560,751	-	-	-	-	-	-	-	-	-	-	560,751
Municipal court	174,684	-	-	-	-	-	-	-	-	-	-	174,684
Buildings and grounds	215,174	-	-	-	-	-	-	-	-	-	-	215,174
Public safety and health	5,168,971	-	-	-	-	-	-	-	-	-	-	5,168,971
Community development	953,349	-	-	-	-	-	-	174,444	-	-	-	1,127,793
Transportation	1,262,031	-	-	-	-	-	-	-	-	-	-	1,262,031
Cemetery	136,161	-	-	-	-	-	-	-	-	-	-	136,161
Parks and recreation	-	2,474,899	-	-	-	-	-	-	-	-	-	2,474,899
Capital improvements	-	-	-	266,560	326,126	724,092	-	-	-	356,684	-	1,673,462
Debt Service												
Principal and interest	-	-	-	-	-	-	2,868,713	159,838	-	-	-	3,028,551
Total Expenditures	10,341,920	2,474,899	42	266,560	326,126	1,004,833	2,868,713	160,429	174,444	356,684	-	17,974,650

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, 2022

	Special Revenue Funds					Debt Service Funds			Capital Projects Funds		Total Governmental Funds	
	General Fund	Park Fund	Tri-Centennial Fund	Capital Improvement Transportation Fund	Capital Improvement Half-Cent Fund	American Rescue Plan Act Fund	Debt Service Fund	Neighborhood Improvement Fund	Tax Increment Financing Fund	Capital Improvement Bond Fund		Vehicle Fund
<i>Excess (Deficit) of Revenues over Expenditures</i>	189,795	591,613	179	634,196	2,014,802	31,081	(2,868,698)	(85,810)	-	921,546	-	1,428,704
Other Financing Sources (Uses)												
Sale of land	24,590	-	-	-	-	-	-	-	-	-	-	24,590
Sale of equipment	12,465	-	-	-	-	-	-	-	-	-	-	12,465
General obligation bond proceeds	-	-	-	-	-	-	-	-	-	12,000,000	-	12,000,000
General obligation bond premium	-	-	-	-	-	-	-	-	-	551,729	-	551,729
Operating transfers in (out)	662,966	(311,979)	-	-	(1,367,939)	-	2,868,699	100,620	-	(1,132,367)	-	820,000
Total Other Financing Sources (Uses)	<u>700,021</u>	<u>(311,979)</u>	<u>-</u>	<u>-</u>	<u>(1,367,939)</u>	<u>-</u>	<u>2,868,699</u>	<u>100,620</u>	<u>-</u>	<u>11,419,362</u>	<u>-</u>	<u>13,408,784</u>
<i>Excess (Deficit) of Revenues and Other Sources over Expenditures and other (Uses)</i>	889,816	279,634	179	634,196	646,863	31,081	1	14,810	-	12,340,908	-	14,837,488
Fund Balance, October 1	<u>7,005,740</u>	<u>1,807,973</u>	<u>15,289</u>	<u>1,091,450</u>	<u>1,281,520</u>	<u>1,632</u>	<u>14,991</u>	<u>265,966</u>	<u>51</u>	<u>5,640,623</u>	<u>-</u>	<u>17,125,235</u>
Fund Balance, September 30	<u>\$ 7,895,556</u>	<u>\$ 2,087,607</u>	<u>\$ 15,468</u>	<u>\$ 1,725,646</u>	<u>\$ 1,928,383</u>	<u>\$ 32,713</u>	<u>\$ 14,992</u>	<u>\$ 280,776</u>	<u>\$ 51</u>	<u>\$ 17,981,531</u>	<u>\$ -</u>	<u>\$ 31,962,723</u>

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, 2022

Net change in fund balances - total governmental funds	\$ 14,837,488
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>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 differed from capital outlays for the year.</p>	
Capital outlay	530,806
Depreciation	(2,441,624)
Disposal of capital assets, net	(11,748)
	(1,922,566)
Some revenues reported in the governmental funds represent current financial resources and were recognized in the Statement of Activities when earned	(59,260)
<p>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.</p>	
Repayment of principal on bonds, financed purchase, and other debt	2,547,923
Bond proceeds	(12,551,729)
Bond premiums and discounts	71,322
Interest payable	(52,516)
	(9,985,000)
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.	(284,937)
Some expenditures reported in the governmental fund represent the use of current financial resources and were recognized in the Statement of Activities when incurred	869,613
Change in net position of governmental activities	\$ 3,455,338

See accompanying Notes to the Financial Statements.

City of Warrensburg

Statement of Net Position – Proprietary Funds

September 30, 2022

	Business-Type Activities	Governmental Activities
	Sewer Fund	Internal Service Fund
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,304,168	\$ 421,869
Utilities receivable, net	536,670	-
Other receivable, net	8	-
Prepaid expenses	29,069	-
Total Current Assets	3,869,915	421,869
Noncurrent Assets		
Net pension asset	437,972	-
Total Noncurrent Assets	437,972	-
Restricted Assets		
Investments	796,999	-
Total Restricted Assets	796,999	-
Property, Plant, and Equipment		
Land	392,583	-
Construction in progress	80,427	-
Buildings and improvements	20,291,047	-
Sewer mains and lines	27,507,316	-
Machinery and equipment	1,548,028	-
	49,819,401	-
Less accumulated depreciation	(27,707,091)	-
Total Property, Plant, and Equipment	22,112,310	-
Total Assets	27,217,196	421,869
Deferred Outflow of Resources		
Deferred pension outflow	49,629	-
Total Deferred Outflow of Resources	49,629	-

See accompanying Notes to the Financial Statements.

City of Warrensburg

Statement of Net Position – Proprietary Funds

September 30, 2022

	Business-Type Activities	Governmental Activities
	Sewer Fund	Internal Service Fund
Liabilities		
Current Liabilities		
Accounts payable	53,392	47,575
Accrued expenses	7,475	-
Accrued interest payable	66,211	-
Arbitrage payable	2	-
Current maturities of long-term debt	1,321,000	-
Total Current Liabilities	1,448,080	47,575
Long-Term Liabilities		
Revenue bonds payable, net	7,151,850	-
Compensated absences payable	58,304	-
Total Long-Term Liabilities	7,210,154	-
Total Liabilities	8,658,234	47,575
Deferred Inflow of Resources		
Deferred pension inflow	165,790	-
Total Deferred Inflow of Resources	165,790	-
Net Position		
Net investment in capital assets	13,581,156	-
Restricted	796,996	-
Unrestricted	4,064,649	374,294
Total Net Position	\$ 18,442,801	\$ 374,294

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, 2022

	Business-Type Activities	Governmental Activities
	Sewer Fund	Internal Service Fund
Operating Revenues		
Charges for services	\$ 5,288,857	\$ -
Miscellaneous	9,605	-
Premiums	-	1,238,072
Total Operating Revenues	5,298,462	1,238,072
Operating Expenses		
Personnel services	715,138	-
Contractual services	331,585	-
Repairs and maintenance	313,774	-
Supplies	244,357	-
Utilities	313,570	-
Education	1,698	-
Labs and testing	27,724	-
Insurance expenses	68,686	-
Depreciation	1,521,223	-
Miscellaneous	67,774	-
Insurance claims	-	570,636
Insurance administration fees	-	961,445
Total Operating Expenses	3,605,529	1,532,081
Operating Income (Loss)	1,692,933	(294,009)
Nonoperating Revenues (Expenses)		
Interest income	232,342	9,072
Interest expense	(325,800)	-
Gain on sale of equipment	6,600	-
Total Nonoperating Revenues (Expenses)	(86,858)	9,072
<i>Income (Loss) Before Operating Transfers</i>	1,606,075	(284,937)
Operating Transfers (Out)	(820,000)	-
<i>Net Income (Loss)</i>	786,075	(284,937)
Net Position, October 1	17,656,726	659,231
Net Position, September 30	\$ 18,442,801	\$ 374,294

See accompanying Notes to the Financial Statements.

City of Warrensburg

Statement of Cash Flows – Proprietary Funds

Year Ended September 30, 2022

	Business-Type Activities	Governmental Activities
	Sewer Fund	Internal Service Fund
Cash Flows from Operating Activities		
Cash received from customers	\$ 5,294,940	\$ 1,238,072
Cash paid to suppliers	(1,426,569)	(1,628,956)
Cash paid to employees	(739,005)	-
Net Cash Provided (Used) by Operating Activities	3,129,366	(390,884)
Cash flows from Noncapital Financing Activities		
Operating transfer (out)	(820,000)	-
Net Cash (Used) by Noncapital Financing Activities	(820,000)	-
Cash Flows from Capital and Related Financing Activities		
Proceeds from sale of fixed assets	6,600	-
Payment of bond principal	(1,291,000)	-
Payment of interest expense	(337,485)	-
Net Cash (Used) by Capital and Related Financing Activities	(2,342,596)	-
Cash Flows from Investing Activities		
Interest received on investments	224,151	9,072
Sale of investments	(86,177)	-
Net Cash Provided by Investing Activities	137,974	9,072
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	104,744	(381,812)
Cash and Cash Equivalents, Beginning of year	3,199,424	803,681
Cash and Cash Equivalents, End of year	\$ 3,304,168	\$ 421,869
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	\$ 1,692,933	\$ (294,009)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	1,521,223	-
(Increase) decrease in		
Utilities receivable	(3,514)	-
Other accounts receivable	(8)	-
Prepaid expenses	(1,167)	-
Net pension asset	218,512	-
Deferred pension outflows	8,157	-
Increase (decrease) in		
Accounts payable	(56,234)	(96,875)
Accrued expenses	(8,739)	-
Compensated absences	24,507	-
Deferred pension inflows	(266,304)	-
Net Cash Provided (Used) by Operating Activities	\$ 3,129,366	\$ (390,884)

See accompanying Notes to the Financial Statements.

City of Warrensburg

Statement of Fiduciary Net Position – Fiduciary Funds

September 30, 2022

	Private-Purpose Trusts	Custodial Funds		
	Combined	Children's Memorial Trust	Arts Commission Fund	Public Arts Fund
Assets				
Cash and cash equivalents	\$ 165,835	\$ 78,829	\$ 15,871	\$ 749
Total Assets	165,835	78,829	15,871	749
Liabilities				
Due to others	-	78,829	15,871	749
Total Liabilities	-	78,829	15,871	749
Net Position				
Unrestricted	\$ 165,835	\$ -	\$ -	\$ -

See accompanying Notes to the Financial Statements.

City of Warrensburg

Statement of Changes in Fiduciary Net Position – Fiduciary Funds

September 30, 2022

	Private-Purpose Trusts	Custodial Funds		
	Combined	Children's Memorial Trust	Arts Commission Fund	Public Arts Fund
Additions				
Interest	\$ -	\$ 1,077	\$ 266	\$ 11
Donations	2,378	26,536	-	-
Total Additions	<u>2,378</u>	<u>27,613</u>	<u>266</u>	<u>11</u>
Deductions				
Professional Services	-	5,752	266	2
Other Distributions	2,151	21,861	-	9
Total Deductions	<u>2,151</u>	<u>27,613</u>	<u>266</u>	<u>11</u>
<i>Changes in Net Position</i>	227	-	-	-
Net Position, beginning of year	<u>165,608</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position, end of year	<u><u>\$ 165,835</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to the Financial Statements.

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

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. This entity is discretely presented on the government wide financial statements of 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.

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

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.

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

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.

American Rescue Plan Act Fund: This fund is used to account for the collection and disbursement of funds received from the American Rescue Plan Act (ARPA).

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 custodial 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 custodial funds. The custodial 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.

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

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.

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

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 October 31 and are due and payable at that time. All unpaid taxes levied October 31 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.

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

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.

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

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 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.

New Pronouncement

The City implemented GASB Statement No. 87 – *Leases*, during the year ended September 30, 2022. The objective of this pronouncement is to establish standards for the measurement, recognition, and display of lease obligations (lessee) and the measurement, recognition, and display of sums to be received from third parties where an entity is the lessor. While the application of the new pronouncement did not affect the City's net position or the net increase in net position for the year ended September 30, 2022, certain balances and other classifications were added that changed amounts previously reported.

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, 2022, all bank balances on deposit are entirely insured or collateralized.

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

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, 2022, 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, 2022, the City had the following recurring investments:

<u>Investment Type</u>	<u>Maturity</u>	<u>Not Subject to Fair Value Hierarchy</u>	<u>Fair Value Level 1</u>	<u>Total</u>
Guaranteed Investment Contracts	1/1/2028	\$ 668,946	\$ -	\$ 668,946
Missouri Securities Investment Program (MOSIP) - Cash Management Funds	N/A	-	18,150,044	18,150,044
		<u>\$ 668,946</u>	<u>\$ 18,150,044</u>	<u>\$ 18,818,990</u>

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 by Standard & Poor's. 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, 2022, the City had no investments in certificates of deposit.

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

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, 2022, 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, 2022, 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.

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

4. Accounts Receivable

Primary Government

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

	<u>Accounts Receivable</u>	<u>Allowance</u>	<u>Net Accounts Receivable</u>
General Fund			
Ad valorem taxes receivable	\$ 22,625	\$ 13,338	\$ 9,287
Sales and use tax receivable	968,690	-	968,690
Franchise tax receivable	269,914	-	269,914
Lodging tax receivable	57,654	-	57,654
	<u>\$ 1,318,883</u>	<u>\$ 13,338</u>	<u>\$ 1,305,545</u>
Court fines receivable	<u>\$ 48,823</u>	<u>\$ 44,958</u>	<u>\$ 3,865</u>
Park Fund			
Ad valorem taxes receivable	\$ 7,020	\$ 3,000	\$ 4,020
Sales and use tax receivable	284,179	-	284,179
Other receivables	53,498	17,064	36,434
	<u>\$ 344,697</u>	<u>\$ 20,064</u>	<u>\$ 324,633</u>
Capital Improvement Transportation Fund			
Motor fuel and vehicle taxes receivable	<u>\$ 167,546</u>	<u>\$ -</u>	<u>\$ 167,546</u>
Capital Improvement Half-Cent Fund			
Sales and use tax receivable	<u>\$ 394,028</u>	<u>\$ -</u>	<u>\$ 394,028</u>
Neighborhood Improvement Fund			
Special assessments receivable	<u>\$ 533,344</u>	<u>\$ 209,049</u>	<u>\$ 324,295</u>
Capital Improvement Bond Fund			
Ad valorem taxes receivable	<u>\$ 21,432</u>	<u>\$ -</u>	<u>\$ 21,432</u>
Sewer Fund			
Utilities receivable	<u>\$ 643,692</u>	<u>\$ 107,022</u>	<u>\$ 536,670</u>

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

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	\$ 12,564	\$ -
Seizures and forfeitures	10,582	-
	<u>\$ 23,146</u>	<u>\$ -</u>
Park Fund		
Refundable deposits	\$ 250	\$ -
2014 Refunding Certificates of Participation Payment fund	1	-
Parks and recreation	-	2,060,335
	<u>\$ 251</u>	<u>\$ 2,060,335</u>
Tri-Centennial Fund		
Tri-Centennial activities	\$ -	\$ 15,468
	<u>\$ -</u>	<u>\$ 15,468</u>
Capital Improvement Fund		
Trustee funds	\$ -	\$ 1,725,646
	<u>\$ -</u>	<u>\$ 1,725,646</u>
Capital Improvement Half Cent Fund		
Trustee funds	\$ -	\$ 1,928,383
	<u>\$ -</u>	<u>\$ 1,928,383</u>
Debt Service Fund		
Debt service reserves	\$ 7	\$ 14,992
	<u>\$ 7</u>	<u>\$ 14,992</u>
Neighborhood Improvement Fund		
Debt service reserves	\$ -	\$ 280,776
	<u>\$ -</u>	<u>\$ 280,776</u>
TIF Fund		
Debt service reserves	\$ -	\$ 51
	<u>\$ -</u>	<u>\$ 51</u>

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

	Restricted Cash and Investments	Restricted Net Position
Capital Improvement Bond Fund		
Project reserves	\$ 1,367,929	\$ 17,981,531
Vehicle Fund		
Capital improvements	\$ -	\$ -
ARPA Fund		
Grant Funding	\$ 3,201,826	\$ 32,713
Sewer Fund		
2007 Revenue Bonds		
Rebate account	\$ 3	\$ -
Principal and interest	668,946	668,946
2010 Revenue Bonds		
Principal and interest	128,050	128,050
	\$ 796,999	\$ 796,996

6. Long-Term Liabilities – Governmental Activities

Long-term liabilities of the City of Warrensburg consist of three Certificates of Participation, one financed purchase, three General Obligation Bond issues, and compensated absences payable.

During the year ended September 30, 2019, the City entered into an agreement to finance a Johnston Street Sweeper in the amount of \$234,580. In the event of default, the financing company may declare all payments immediately due and payable or retake possession of the financed 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
2023	\$ 48,435	\$ 3,300	\$ 51,735
2024	50,058	1,677	51,735
	\$ 98,493	\$ 4,977	\$ 103,470

The agreement provides for cancellation of the agreement 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, this agreement is accounted for as a financed purchase.

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

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 payments required at September 30, 2022, are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,020,000	\$ 41,595	\$ 1,061,595
2024	1,005,000	17,684	1,022,684
	<u>\$ 2,025,000</u>	<u>\$ 59,279</u>	<u>\$ 2,084,279</u>

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 payments required at September 30, 2022, are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 74,000	\$ 4,245	\$ 78,245
2024	76,000	2,150	78,150
	<u>\$ 150,000</u>	<u>\$ 6,395</u>	<u>\$ 156,395</u>

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

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 payments required at September 30, 2022, are as follows:

Year Ending September 30,	Principal	Interest	Total
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
2028-2032	2,725,000	286,331	3,011,331
2033	420,000	13,650	433,650
	<u>\$ 5,890,000</u>	<u>\$ 1,113,556</u>	<u>\$ 7,003,556</u>

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, 2022, are as follows:

Year Ending September 30,	Direct Placement		Total
	Principal	Interest	
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
	<u>\$ 1,165,000</u>	<u>\$ 61,600</u>	<u>\$ 1,226,600</u>

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

Neighborhood Improvement District Limited General Obligation Refunding Bonds – Series 2019

The City issued \$1,695,000 of Series 2019 General Obligation Refunding Bonds. The Bonds were issued to pay off the outstanding bond balance of the Series 2011 Neighborhood Improvement District Bond.

The total annual principal and interest payments required at September 30, 2022, are as follows:

Year Ending September 30,	Direct Placement		
	Principal	Interest	Total
2023	\$ 135,000	\$ 26,962	\$ 161,962
2024	135,000	24,033	159,033
2025	135,000	21,103	156,103
2026	145,000	18,065	163,065
2027	145,000	14,919	159,919
2028	150,000	11,718	161,718
2029	150,000	8,463	158,463
2030	155,000	5,154	160,154
2031	160,000	1,736	161,736
	<u>\$ 1,310,000</u>	<u>\$ 132,153</u>	<u>\$ 1,442,153</u>

General Obligation Bonds – Series 2021

The City issued \$5,000,000 of Series 2021 General Obligation Bonds. The Bonds were issued for the purpose of acquiring rights-of-way, and to construct, reconstruct, extend and improve the streets and roads in the City. The bonds bear interest from 1.5% to 4% 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, 2022, are as follows:

Year Ending September 30,	Direct Placement		
	Principal	Interest	Total
2023	\$ 100,000	\$ 108,138	\$ 208,138
2024	100,000	104,137	204,137
2025	100,000	100,138	200,138
2026	100,000	96,137	196,137
2027	100,000	92,138	192,138
2028-2032	1,040,000	395,393	1,435,393
2033-2037	1,645,000	269,050	1,914,050
2038-2041	1,815,000	75,350	1,890,350
	<u>\$ 5,000,000</u>	<u>\$ 1,240,481</u>	<u>\$ 6,240,481</u>

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

General Obligation Bonds – Series 2022

The City issued \$12,000,000 of Series 2022 General Obligation Bonds. The Bonds were issued for the purpose of acquiring rights-of-way, and to construct, reconstruct, extend and improve the streets and roads in the City. The bonds bear interest from 4% to 5% with principal payments due March 1 and interest payments due March 1 and September 1 each year.

The total annual principal and interest payments required at September 30, 2022, are as follows:

Year Ending September 30,	Direct Placement		
	Principal	Interest	Total
2023	\$ 80,000	\$ 590,400	\$ 670,400
2024	215,000	472,500	687,500
2025	230,000	463,600	693,600
2026	260,000	453,800	713,800
2027	280,000	443,000	723,000
2028-2032	2,805,000	1,915,700	4,720,700
2033-2037	3,420,000	1,295,000	4,715,000
2038-2042	4,710,000	527,800	5,237,800
	<u>\$ 12,000,000</u>	<u>\$ 6,161,800</u>	<u>\$ 18,161,800</u>

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

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

	Balance September 30, 2021	Additions	Retirements	Balance September 30, 2022	Amounts Due Within One Year
Direct Borrowings and Placements					
Financed purchase - US Bancorp	\$ 145,358	\$ -	\$ 46,865	\$ 98,493	\$ 48,435
Financed purchase - US Bank - Technology	39,058	-	39,058	-	-
2017 General Obligation Bonds	2,145,000	-	980,000	1,165,000	210,000
2019 General Obligation Refunding Bonds	1,440,000	-	130,000	1,310,000	135,000
2021 General Obligation Bonds	5,000,000	-	-	5,000,000	100,000
2022 General Obligation Bonds	-	12,000,000	-	12,000,000	80,000
2013 Refunding Certificates of Participation	2,965,000	-	940,000	2,025,000	1,020,000
2014 Certificates of Participation	222,000	-	72,000	150,000	74,000
2017 Refunding Certificates of Participation	6,230,000	-	340,000	5,890,000	380,000
Issuance premiums	674,226	551,729	73,587	1,152,368	-
Issuance discounts	(24,911)	-	(2,265)	(22,646)	-
	<u>18,835,731</u>	<u>12,551,729</u>	<u>2,619,245</u>	<u>28,768,215</u>	<u>2,047,435</u>
Compensated Absences	451,648	22,884	-	474,532	-
Total	<u><u>\$ 19,287,379</u></u>	<u><u>\$ 12,574,613</u></u>	<u><u>\$ 2,619,245</u></u>	<u><u>\$ 29,242,747</u></u>	<u><u>\$ 2,047,435</u></u>

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

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, 2022, are as follows:

Year Ending September 30,	Direct Placement			Total
	Principal	Interest	Administrative Fee	
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
	<u>\$ 4,525,000</u>	<u>\$ 524,259</u>	<u>\$ 98,354</u>	<u>\$ 5,147,613</u>

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

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, 2022, are as follows:

Year Ending September 30,	Direct Placement			Total
	Principal	Interest	Administrative Fee	
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
	<u>\$ 3,910,500</u>	<u>\$ 252,133</u>	<u>\$ 85,180</u>	<u>\$ 4,247,813</u>

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

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, 2022:

	Balance September 30, 2021	Additions	Retirements	Balance September 30, 2022	Amounts Due Within One Year
Direct Placements					
Revenue Bonds					
Series 2007 SRF Revenue Bonds	\$ 5,370,000	\$ -	\$ 845,000	\$ 4,525,000	\$ 865,000
Series 2010 SRF Revenue Bonds	4,356,500	-	446,000	3,910,500	456,000
Premium on bonds	45,541	-	8,191	37,350	-
	<u>9,772,041</u>	<u>-</u>	<u>1,299,191</u>	<u>8,472,850</u>	<u>1,321,000</u>
Compensated Absences	33,797	24,507	-	58,304	-
Total	<u>\$ 9,805,838</u>	<u>\$ 24,507</u>	<u>\$ 1,299,191</u>	<u>\$ 8,531,154</u>	<u>\$ 1,321,000</u>

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

8. Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

	<u>Balance September 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2022</u>
Governmental Activities				
Non-depreciable Capital Assets				
Land	\$ 2,940,764	\$ -	\$ -	\$ 2,940,764
Construction in progress	68,244	53,506	-	121,750
Total Non-depreciable Capital Assets	<u>3,009,008</u>	<u>\$ 53,506</u>	<u>\$ -</u>	<u>3,062,514</u>
Depreciable Capital Assets				
Building and improvements	29,693,683	\$ 37,475	\$ -	29,731,158
Machinery and equipment	11,157,747	399,825	11,748	11,545,824
Infrastructure	53,364,355	40,000	-	53,404,355
Total Depreciable Capital Assets	<u>94,215,785</u>	<u>\$ 477,300</u>	<u>\$ 11,748</u>	<u>94,681,337</u>
Less Accumulated Depreciation	<u>51,226,113</u>	<u>\$ 2,453,372</u>	<u>\$ 11,748</u>	<u>53,667,737</u>
Total Depreciable Capital Assets, Net	<u>42,989,672</u>			<u>41,013,600</u>
Total Capital Assets - Governmental Activities, Net	<u>\$ 45,998,680</u>			<u>\$ 44,076,114</u>

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

General	\$ 149,107
Information Technology	4,424
Buildings and grounds	2,363
Fire	179,732
Police	108,436
Animal control	12,530
Parks	512,600
Community development	4,648
Streets	1,464,168
Cemetery	15,364
	<u>\$ 2,453,372</u>

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

	Balance September 30, 2021	Additions	Deletions	Balance September 30, 2022
Business-Type Activities				
Sewer				
Non-depreciable Capital Assets				
Land	\$ 392,583	\$ -	\$ -	\$ 392,583
Construction in progress	-	80,427	-	80,427
Total Non-depreciable Capital Assets	392,583	\$ 80,427	\$ -	473,010
Depreciable Capital Assets				
Buildings and improvements	19,650,763	\$ 640,284	\$ -	20,291,047
Machinery and equipment	1,548,028	-	-	1,548,028
Sewer mains and lines	27,507,316	-	-	27,507,316
Total Depreciable Capital Assets	48,706,107	\$ 640,284	\$ -	49,346,391
Less Accumulated Depreciation	26,185,868	\$ 1,521,223	\$ -	27,707,091
Depreciable Capital Assets, Net	22,520,239			21,639,300
Total Capital Assets - Business-Type Activities, Net	\$ 22,912,822			\$ 22,112,310

The Warrensburg Convention and Visitors Bureau had the following capital assets:

	Balance September 30, 2021	Additions	Deletions	Balance September 30, 2022
Warrensburg Convention and Visitors Bureau				
Non-depreciable Capital Assets				
Construction in progress	\$ -	\$ 221,320	\$ -	\$ 221,320
Total Non-depreciable Capital Assets	-	\$ 221,320	\$ -	221,320
Total Capital Assets - Warrensburg Convention and Visitors Bureau, Net	\$ -			\$ 221,320

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

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.

	<u>2022 Valuation</u>
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, 2022, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Inactive employees or beneficiaries currently receiving benefits	50	25	20	95
Inactive employees entitled to but not yet receiving benefits	39	31	32	102
Active employees	<u>58</u>	<u>28</u>	<u>15</u>	<u>101</u>
	<u>147</u>	<u>84</u>	<u>67</u>	<u>298</u>

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year. With an additional amount to finance an unfunded accrued liability. Employer contribution rates are 7.3% for General, 5.5% for Police, and 3.5% for Fire of annual covered payroll.

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

Net Pension Asset. The employer's net pension asset was measured as of June 30, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 28, 2022.

Actuarial Assumptions. The total pension liability in the February 28, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary Increase	2.75% to 6.75% including wage inflation for General Division
Salary Increase	2.75% to 6.55% including wage inflation for Police Division
Salary Increase	2.75% to 7.15% including wage inflation for Fire Division
Investment Rate of Return	7.00%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2022, valuation were based on the results of an actuarial experience study for the period March 1, 2015, through February 29, 2020.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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/Leverage	-25.00%	-0.29%

Discount Rate. The discount rate used to measure the total pension liability is 7.00%. 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

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

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 (asset).

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Pension	Net Pension (Asset)
	(a)	(b)	(a) - (b)
General Division			
Balance at beginning of year	\$ 10,807,625	\$ 14,456,787	\$ (3,649,162)
Changes for the year			
Service cost	226,016	-	226,016
Interest	747,500	-	747,500
Difference between expected and actual experiences	63,699	-	63,699
Changes of assumptions	-	-	-
Contributions - employer	-	201,971	(201,971)
Net investment income	-	9,963	(9,963)
Benefits paid, including refunds	(488,560)	(488,560)	-
Administrative expenses	-	(14,585)	14,585
Other changes	-	(322,234)	322,234
Net Changes	548,655	(613,445)	1,162,100
Balance at end of year	11,356,280	13,843,342	(2,487,062)
Police Division			
Balance at beginning of year	8,396,908	11,412,262	(3,015,354)
Changes for the year			
Service cost	118,887	-	118,887
Interest	574,856	-	574,856
Difference between expected and actual experiences	392,615	-	392,615
Changes of assumptions	-	-	-
Contributions - employer	-	79,490	(79,490)
Net investment income	-	10,145	(10,145)
Benefits paid, including refunds	(494,596)	(494,596)	-
Administrative expenses	-	(7,846)	7,846
Other changes	-	116,771	(116,771)
Net Changes	591,762	(296,036)	887,798
Balance at end of year	8,988,670	11,116,226	(2,127,556)

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

Fire Division	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Pension	Net Pension (Asset)
	(a)	(b)	(a) - (b)
Balance at beginning of year	6,898,246	9,878,867	(2,980,621)
Changes for the year			
Service cost	133,947	-	133,947
Interest	478,779	-	478,779
Difference between expected and actual experiences	(338,176)	-	(338,176)
Changes of assumptions	-	-	-
Contributions - employer	-	40,629	(40,629)
Net investment income	-	7,834	(7,834)
Benefits paid, including refunds	(253,055)	(253,055)	-
Administrative expenses	-	(5,303)	5,303
Other changes	-	(110,962)	110,962
Net Changes	21,495	(320,857)	342,352
Balance at end of year	6,919,741	9,558,010	(2,638,269)
Total Plan Balances at end of year	\$ 27,264,691	\$ 34,517,578	\$ (7,252,887)

The Net Pension (Asset) is allocated as follows:

	Net Pension (Asset)
Governmental Activities	\$ (6,814,915)
Business-Type Activities	(437,972)
	\$ (7,252,887)

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 7.00%, as well as what the employer's Net Pension Asset would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	6.00%	7.00%	8.00%
General Division			
Total Pension Liability	\$ 12,897,759	\$ 11,356,280	\$ 10,080,752
Plan Fiduciary Net Position	13,843,342	13,843,342	13,843,342
Net Pension Liability (Asset)	<u>(945,583)</u>	<u>(2,487,062)</u>	<u>(3,762,590)</u>
Police Division			
Total Pension Liability	10,321,055	8,988,670	7,908,978
Plan Fiduciary Net Position	11,116,226	11,116,226	11,116,226
Net Pension Liability (Asset)	<u>(795,171)</u>	<u>(2,127,556)</u>	<u>(3,207,248)</u>
Fire Division			
Total Pension Liability	7,937,076	6,919,741	6,088,059
Plan Fiduciary Net Position	9,558,010	9,558,010	9,558,010
Net Pension (Asset)	<u>(1,620,934)</u>	<u>(2,638,269)</u>	<u>(3,469,951)</u>
Total Net Pension Liability (Asset)	<u><u>\$ (3,361,688)</u></u>	<u><u>\$ (7,252,887)</u></u>	<u><u>\$ (10,439,789)</u></u>

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

For the year ended 2022, the employer recognized pension expense of \$(49,041) in the general division, pension expense of \$(339,837) in the police division, and pension expense of \$(205,377) 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	\$ 227,992	\$ (406,397)	\$ (178,405)
Differences in assumptions	-	(143,915)	(143,915)
Excess investment returns	-	(391,141)	(391,141)
Contributions subsequent to the measurement date	53,835	-	53,835
	<u>281,827</u>	<u>(941,453)</u>	<u>(659,626)</u>

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

	Deferred Outflow of Resources	Deferred (Inflow) of Resources	Net Deferred Outflows (Inflows) of Resources
Police Division			
Differences in experiences	434,136	(157,758)	276,378
Differences in assumptions	-	(81,989)	(81,989)
Excess investment returns	-	(282,382)	(282,382)
Contributions subsequent to the measurement date	21,708	-	21,708
	<u>455,844</u>	<u>(522,129)</u>	<u>(66,285)</u>
Fire Division			
Differences in experiences	121,544	(368,538)	(246,994)
Differences in assumptions	-	(57,096)	(57,096)
Excess investment returns	-	(278,972)	(278,972)
Contributions subsequent to the measurement date	11,288	-	11,288
	<u>132,832</u>	<u>(704,606)</u>	<u>(571,774)</u>
Total	<u>\$ 870,503</u>	<u>\$ (2,168,188)</u>	<u>\$ (1,297,685)</u>

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	\$ 820,874	\$ (2,002,398)	\$ (1,181,524)
Business-Type Activities	49,629	(165,790)	(116,161)
	<u>\$ 870,503</u>	<u>\$ (2,168,188)</u>	<u>\$ (1,297,685)</u>

*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, 2023.

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

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
2023	\$ (250,202)	\$ (23,761)	\$ (158,943)	\$ (432,906)
2024	(280,886)	(40,162)	(232,031)	(553,079)
2025	(381,918)	(179,704)	(320,277)	(881,899)
2026	199,545	155,634	128,189	483,368
2027	-	-	-	-
Thereafter	-	-	-	-
	\$ (713,461)	\$ (87,993)	\$ (583,062)	\$ (1,384,516)

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:

	2021
Assessed Valuation	
Real estate	\$ 193,826,818
Personal property	48,930,980
Total	\$ 242,757,798
	2021
Tax Rate Per \$100 of Assessed Valuation	
General levy	\$.3549
Park levy	.1928
Debt service levy	.5900
Total	\$ 1.1377

The legal debt margin at September 30, 2022, was computed as follows:

	General Obligation Bonds		
	Ordinary (1)	Additional (2)	Total
Constitutional debt limit	\$ 24,275,780	\$ 24,275,780	\$ 48,551,560
General Obligation Bonds payable	(19,475,000)	-	(19,475,000)
Legal Debt Margin	\$ 4,800,780	\$ 24,275,780	\$ 29,076,560

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

(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, 2022, is accounted for as follows:

General Fund

Police department forfeit and seizure	<u>\$ 10,565</u>
---------------------------------------	------------------

Park Fund

Class fees	<u>\$ 119,926</u>
------------	-------------------

Neighborhood Improvement Fund

Special assessments	<u>\$ 324,295</u>
---------------------	-------------------

ARPA Fund

Grant Funding	<u>\$ 3,154,927</u>
---------------	---------------------

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.

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

13. Interfund Transfers

Interfund transfers for the year ended September 30, 2022, consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 847,470	\$ 184,504
Park Fund	-	311,979
Capital Improvement Half Cent Fund	-	1,367,939
Debt Service Fund	2,868,699	-
Capital Improvement Bond Fund	-	1,132,367
Neighborhood Improvement Fund	100,620	-
Sewer Fund	-	820,000
	<u>\$ 3,816,789</u>	<u>\$ 3,816,789</u>

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, 2022, consisted of the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>
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, 2022, 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 \$9,211,892. Principal and interest paid for the current year and total customer net revenues were \$1,616,800 and \$3,214,156, respectively.

City of Warrensburg

Notes to the Financial Statements

September 30, 2022

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, 2022, the City has paid the developer \$692,138, leaving a remaining balance of \$1,663,663.

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, 2022, 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, 2022, \$43,869,147 had been issued.

18. Commitments

At September 30, 2022, the City was committed to Empire Electric Services & Technologies in the amount of \$1,553,659 for services associated with the Wastewater Treatment Plant SCADA upgrade.

Required Supplementary Information

City of Warrensburg

Schedule of Changes in Net Pension Asset and Related Ratios

Year Ended September 30, 2022

Missouri Local Government Employees Retirement System (LAGERS)								
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Total Pension Liability								
Service cost	\$ 478,850	\$ 535,303	\$ 543,710	\$ 513,898	\$ 505,322	\$ 462,167	\$ 431,128	\$ 437,162
Interest on the total pension liability	1,801,135	1,904,817	1,739,497	1,654,015	1,589,103	1,491,584	1,358,800	1,292,940
Difference between expected and actual experience	118,138	(1,202,011)	1,224,515	10,356	(378,857)	73,407	(53,903)	(182,349)
Changes of assumptions	-	(506,894)	-	-	-	-	719,477	-
Benefit payments	(1,236,211)	(1,255,642)	(1,192,095)	(841,725)	(807,774)	(602,357)	(674,859)	(599,217)
<i>Net Change in Total Pension Liability</i>	1,161,912	(524,427)	2,315,627	1,336,544	907,794	1,424,801	1,780,643	948,536
Total Pension Liability, Beginning	26,102,779	26,627,206	24,311,579	22,975,035	22,067,241	20,642,440	18,861,797	17,913,261
Total Pension Liability, Ending	27,264,691	26,102,779	26,627,206	24,311,579	22,975,035	22,067,241	20,642,440	18,861,797
Plan Fiduciary Net Position								
Contributions - employer	322,090	280,814	288,277	303,536	253,688	267,924	327,108	436,101
Contributions - employee	-	-	-	-	5,374	-	11,176	-
Pension plan net investment income	27,942	8,071,309	395,674	1,881,335	3,180,351	2,744,149	(53,020)	478,382
Benefit payments	(1,236,211)	(1,255,642)	(1,192,095)	(841,725)	(807,774)	(602,357)	(674,859)	(599,217)
Pension plan administrative expense	(27,734)	(25,273)	(33,618)	(28,745)	(19,892)	(18,628)	(18,848)	(20,132)
Other	(316,425)	(358,011)	122,050	82,444	112,226	75,944	(266,524)	450,476
<i>Net Change in Plan Fiduciary Net Position</i>	(1,230,338)	6,713,197	(419,712)	1,396,845	2,723,973	2,467,032	(674,967)	745,610
Plan Fiduciary Net Position, Beginning	35,747,916	29,034,719	29,454,431	28,057,586	25,333,613	22,866,581	23,541,548	22,795,938
Plan Fiduciary Net Position, Ending	34,517,578	35,747,916	29,034,719	29,454,431	28,057,586	25,333,613	22,866,581	23,541,548
Employer Net Pension (Asset)	<u>\$ (7,252,887)</u>	<u>\$ (9,645,137)</u>	<u>\$ (2,407,513)</u>	<u>\$ (5,142,852)</u>	<u>\$ (5,082,551)</u>	<u>\$ (3,266,372)</u>	<u>\$ (2,224,141)</u>	<u>\$ (4,679,751)</u>
Plan fiduciary net position as a percentage of the total pension liability	126.60%	136.95%	109.04%	121.15%	122.12%	114.80%	110.77%	124.81%
Covered payroll	\$ 5,174,056	\$ 5,164,077	\$ 6,145,225	\$ 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 payroll	(140.18%)	(186.77%)	(39.18%)	(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, 2022

Missouri Local Government Employees Retirement System (LAGERS)										
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contribution	\$ 405,761	\$ 274,100	\$ 282,381	\$ 335,095	\$ 256,773	\$ 249,997	\$ 315,514	\$ 421,140	\$ 479,472	\$ 521,963
Contributions in relation to the actuarially determined contribution	333,153	274,099	282,381	315,365	256,773	249,997	315,515	421,140	479,472	474,502
Contribution deficiency (excess)	<u>\$ 72,608</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 19,730</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,461</u>
Covered payroll	\$ 5,581,291	\$ 5,523,603	\$ 5,908,705	\$ 6,046,527	\$ 5,638,846	\$ 5,585,361	\$ 5,178,591	\$ 4,972,607	\$ 4,921,620	\$ 4,869,803
Contributions as a percentage of covered payroll	5.97%	4.96%	4.78%	5.22%	4.55%	4.48%	6.09%	8.47%	9.74%	9.74%

See accompanying Notes to the Schedule of Contributions.

City of Warrensburg

Notes to the Schedule of Contributions

Year Ended September 30, 2022

Valuation Date: February 28, 2022

Notes: The roll-forward of total pension liability from February 28, 2022, to June 30, 2022, 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: 2.75% wage inflation; 2.25% price inflation

Salary Increases: 2.75% to 6.75% including wage inflation for General Division

2.75% to 6.55% including wage inflation for Police Division

2.75% to 7.15% including wage inflation for Fire Division

Investment Rate of Return: 7.00%, 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, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

Other Information: None

City of Warrensburg

Budgetary Comparison Schedule – General Fund

Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Ad valorem taxes	\$ 824,000	\$ 824,000	\$ 827,738	\$ 3,738
City sales tax	5,060,000	5,060,000	5,728,690	668,690
Financial institution tax	2,000	2,000	17,403	15,403
Railroad and utility tax	31,300	31,300	34,881	3,581
Utility franchise tax	2,408,000	2,408,000	2,589,156	181,156
Surtax	29,000	29,000	30,575	1,575
Lodging tax	250,000	320,000	371,587	51,587
Cigarette tax	27,000	27,000	29,860	2,860
	8,631,300	8,701,300	9,629,890	928,590
Licenses and Permits				
Occupational licenses	102,800	102,800	106,210	3,410
Building permits	125,390	125,390	159,006	33,616
	228,190	228,190	265,216	37,026
Intergovernmental Revenues				
Grants	40,590	57,790	92,355	34,565
Charges for Services				
Cemetery services	46,000	46,000	63,051	17,051
Animal shelter	-	-	-	-
	46,000	46,000	63,051	17,051
Fines and Forfeitures				
City court fines	263,800	263,800	217,482	(46,318)
Police training fees	3,500	3,500	5,162	1,662
	267,300	267,300	222,644	(44,656)
Miscellaneous				
Interest income	51,020	51,020	83,236	32,216
Other	284,500	284,508	175,323	(109,185)
	335,520	335,528	258,559	(76,969)
Total Revenues	9,548,900	9,636,108	10,531,715	895,607

See accompanying Notes to the Budgetary Comparison Schedules.

City of Warrensburg

Budgetary Comparison Schedule – General Fund

Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Expenditures				
Current				
General government	1,298,310	1,388,700	1,354,288	34,412
Finance	556,420	556,420	510,254	46,166
Other support services	7,500	7,500	6,257	1,243
Information technology	827,770	855,240	560,751	294,489
Municipal court	177,860	177,860	174,684	3,176
Buildings and grounds	-	-	215,174	(215,174)
Public safety and health	5,260,630	5,392,556	5,168,971	223,585
Community development	732,310	957,310	953,349	3,961
Transportation	1,506,420	1,506,420	1,262,031	244,389
Cemetery	153,650	153,650	136,161	17,489
Total Expenditures	10,520,870	10,995,656	10,341,920	653,736
 <i>Excess (Deficit) of Revenues Over Expenditures</i>	(971,970)	(1,359,548)	189,795	1,549,343
 Other Financing Sources (Uses)				
Sale of land	-	-	24,590	24,590
Sale of equipment	6,000	6,000	12,465	6,465
Operating transfers in	851,470	1,099,724	847,470	(252,254)
Operating transfers (out)	(184,510)	(184,510)	(184,504)	6
Total Other Financing Sources (Uses)	672,960	921,214	700,021	(221,193)
 <i>Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)</i>	(299,010)	(438,334)	889,816	1,328,150
 Fund Balance, October 1	7,005,740	7,005,740	7,005,740	-
Fund Balance, September 30	\$ 6,706,730	\$ 6,567,406	\$ 7,895,556	\$ 1,328,150

See accompanying Notes to the Budgetary Comparison Schedules.

City of Warrensburg

Budgetary Comparison Schedule – Park Fund

Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Ad valorem taxes	\$ 432,880	\$ 432,880	\$ 449,670	\$ 16,790
Sales tax	1,500,000	1,500,000	1,676,324	176,324
Other taxes	32,900	32,900	35,559	2,659
Charges for services	862,891	862,891	788,179	(74,712)
Interest income	15,960	15,960	31,835	15,875
Miscellaneous	4,700	4,700	84,945	80,245
Total Revenues	2,849,331	2,849,331	3,066,512	217,181
Expenditures				
Current				
Park	679,420	679,420	591,386	88,034
Park maintenance	470,125	546,210	409,229	136,981
Park recreation programs	964,647	1,001,760	920,641	81,119
Community center	450,207	494,013	553,643	(59,630)
Total Expenditures	2,564,399	2,721,403	2,474,899	246,504
<i>Excess of Revenues Over Expenditures</i>	284,932	127,928	591,613	463,685
Other Financing (Uses)				
Operating transfers (out)	(284,513)	(284,513)	(311,979)	(27,466)
Total Other Financing (Uses)	(284,513)	(284,513)	(311,979)	(27,466)
<i>Excess (Deficit) of Revenues Over Expenditures and Other (Uses)</i>	419	(156,585)	279,634	436,219
Fund Balance, October 1	1,807,973	1,807,973	1,807,973	-
Fund Balance, September 30	\$ 1,808,392	\$ 1,651,388	\$ 2,087,607	\$ 436,219

See accompanying Notes to the Budgetary Comparison Schedules.

City of Warrensburg

Budgetary Comparison Schedule – Tri-Centennial Fund

Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Interest income	\$ 80	\$ 80	\$ 221	\$ 141
Total Revenues	80	80	221	141
Expenditures				
Tri-Centennial	-	40	42	(2)
Total Expenditures	-	40	42	(2)
<i>Excess of Revenues Over Expenditures</i>	80	40	179	139
Fund Balance, October 1	15,289	15,289	15,289	-
Fund Balance, September 30	\$ 15,369	\$ 15,329	\$ 15,468	\$ 139

See accompanying Notes to the Budgetary Comparison Schedules.

City of Warrensburg

Budgetary Comparison Schedule – Capital Improvement Transportation Fund

Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Motor fuel and vehicle taxes	\$ 765,000	\$ 765,000	\$ 880,745	\$ 115,745
Interest income	5,000	5,000	20,011	15,011
Miscellaneous	152,300	152,300	-	(152,300)
Total Revenues	922,300	922,300	900,756	(21,544)
Expenditures				
Capital improvements	922,300	936,847	266,560	670,287
Total Expenditures	922,300	936,847	266,560	670,287
<i>Excess (Deficit) of Revenues Over Expenditures</i>	-	(14,547)	634,196	648,743
Fund Balance, October 1	1,091,450	1,091,450	1,091,450	-
Fund Balance, September 30	\$ 1,091,450	\$ 1,076,903	\$ 1,725,646	\$ 648,743

See accompanying Notes to the Budgetary Comparison Schedules.

City of Warrensburg

Budgetary Comparison Schedule – Capital Improvement Half-Cent Fund

Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Sales and use tax	\$ 2,000,000	\$ 2,000,000	\$ 2,317,544	\$ 317,544
Interest income	3,500	3,500	23,384	19,884
Total Revenues	2,003,500	2,003,500	2,340,928	337,428
Expenditures				
Current				
Capital improvements	590,150	590,150	326,126	264,024
Total Expenditures	590,150	590,150	326,126	264,024
<i>Excess of Revenues Over Expenditures</i>	1,413,350	1,413,350	2,014,802	601,452
Other Financing (Uses)				
Operating transfers (out)	(1,413,350)	(1,413,070)	(1,367,939)	45,131
Total Other Financing (Uses)	(1,413,350)	(1,413,070)	(1,367,939)	45,131
<i>Excess of Revenues Over Expenditures and Other (Uses)</i>	-	280	646,863	646,583
Fund Balance, October 1	1,281,520	1,281,520	1,281,520	-
Fund Balance, September 30	\$ 1,281,520	\$ 1,281,800	\$ 1,928,383	\$ 646,583

See accompanying Notes to the Budgetary Comparison Schedules.

City of Warrensburg

Budgetary Comparison Schedule – American Rescue Plan Act Fund

Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental revenues	\$ -	\$ 2,099,729	\$ 1,004,832	\$ (1,094,897)
Interest income	-	21,000	31,081	10,081
Total Revenues	-	2,120,729	1,035,913	(1,084,816)
Expenditures				
Miscellaneous	-	1,143,517	1,004,832	138,685
Total Expenditures	-	1,143,517	1,004,832	138,685
<i>Excess of Revenues Over Expenditures</i>	-	977,212	31,081	(946,131)
Fund Balance, October 1	1,632	1,632	1,632	-
Fund Balance, September 30	\$ 1,632	\$ 978,844	\$ 32,713	\$ (946,131)

See accompanying Notes to the Budgetary Comparison Schedules.

City of Warrensburg

Notes to the Budgetary Comparison Schedules

Year Ended September 30, 2022

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.

Supplementary Information

City of Warrensburg

Combining Statement of Fiduciary Net Position – Private Purpose Trusts

September 30, 2022

	Private-Purpose Trusts				Total
	Stevenson	Brown	Crissey	Anderson- Stevenson	
Assets					
Cash and cash equivalents	\$ 95,330	\$ 27,525	\$ 22,936	\$ 20,044	\$ 165,835
Total Assets	95,330	27,525	22,936	20,044	165,835
Liabilities					
Due to others	-	-	-	-	-
Net Position					
Unrestricted	95,330	27,525	22,936	20,044	165,835
Total Net Position	\$ 95,330	\$ 27,525	\$ 22,936	\$ 20,044	\$ 165,835

City of Warrensburg

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

Year Ended September 30, 2022

	Private-Purpose Trusts				
	Stevenson	Brown	Crissey	Anderson- Stevenson	Total
Additions					
Donations	\$ 1,369	\$ 395	\$ 328	\$ 286	\$ 2,378
Deductions					
Contributions and other	1,960	75	62	54	2,151
<i>Changes in Net Position</i>	(591)	320	266	232	227
Net Position, beginning of year	95,921	27,205	22,670	19,812	165,608
Net Position, end of year	<u>\$ 95,330</u>	<u>\$ 27,525</u>	<u>\$ 22,936</u>	<u>\$ 20,044</u>	<u>\$ 165,835</u>

Other Reporting Requirements



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

Honorable Mayor and City Council
City of 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 governmental activities, business-type activities, the discretely presented component unit, and each major fund of the City of Warrensburg, Missouri, as of and for the year ended September 30, 2022, 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 24, 2023. The financial statements of the Warrensburg Convention and Visitors Bureau were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Warrensburg Convention and Visitors Bureau.

Report on 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) as a basis of designing 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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
March 24, 2023



KPM
CPAS & ADVISORS
Independent Accountants' Report

Honorable Mayor and City Council
City of Warrensburg
Warrensburg, Missouri

We have examined the City of Warrensburg's compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2022 OMB Compliance Supplement, including Addendum 1 and Addendum 2 (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended September 30, 2022. Management of the City of Warrensburg is responsible for City's compliance with the specified requirements. Our responsibility is to express an opinion on the City of Warrensburg's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether the City of Warrensburg complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City of Warrensburg's compliance with specified requirements.

In our opinion, the City of Warrensburg complied, in all material respects, with the specified requirements referenced above during the year ended September 30, 2022.

www.kpmcpa.com

1445 E. Republic Road Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343
500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on the City of Warrensburg's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on the City of Warrensburg's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under *Government Auditing Standards*.

Intended Purpose

The purpose of this examination report is solely to express an opinion on whether the City of Warrensburg complied, in all material respects, with the specified requirements referenced above during the year ended September 30, 2022. Accordingly, this report is not suitable for any other purpose.

Handwritten signature in black ink that reads "KPM CPAs, PC".

KPM CPAs, PC
Springfield, Missouri
March 24, 2023