

# City of West Plains

Basic Financial Statements  
Year Ended March 31, 2021

**KPM**  
CPAS & ADVISORS

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the City of West Plains, Missouri, as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

### **Opinions**

[www.kpmcpa.com](http://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

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In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the City of West Plains, Missouri, as of March 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Prior-Year Comparative Information*

We have previously audited the City's 2020 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund information in our report dated August 27, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### *Required Supplementary Information*

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

### *Other Information*

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

The Other Financial Information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the

United States of America. In our opinion, the Other Financial Information and the Schedule of Expenditures of Federal Awards 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 August 17, 2021, on our consideration of the City of West Plains, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of West Plains, Missouri's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "KPM CPAs, PC". The letters are cursive and slanted to the right.

KPM CPAs, PC  
Springfield, Missouri  
August 17, 2021

## **Management's Discussion and Analysis**

# City of West Plains

## Management's Discussion and Analysis

March 31, 2021

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The management's discussion and analysis of the City of West Plains' financial performance provides an overview of the City's financial activities for the fiscal year ended March 31, 2021. Please read it in conjunction with the City's financial statements.

### Financial Highlights

- At the close of the year, the City's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$109,953,591 (net position). Of this amount, \$23,146,243 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's public safety departments completed significant projects including the purchase of Mobile Data Terminals (MDTs) with CARES Act funds, replacement of dispatch communications consoles, replacement of the record management system to facilitate sharing of data with other agencies, replacement of ballistic vests using federal grant funds, and enhancement of the Emergency Operations Center with updated equipment for better management of essential services during times of crisis.
- In this fiscal year, work began on significant grant-funded projects including right-of-way acquisitions for four stormwater detention basins around the City and the completion of the Hazard Mitigation Grant Program project to remove homes in the floodplain. The City also received funding from the Governor's Cost Share Program to support the Medical District Roadway Improvement project, a \$2.4 million project. Construction for the grant-funded project for improving and expanding trails at Galloway Park began this year. The Holiday Lane bridge was replaced and recreational facilities at the Splash Pad, Aquatic Center and Civic Center were also upgraded.
- Major utility accomplishments during the fiscal year included continued expansion of the advanced metering infrastructure and continued progress on site preparations for the largest municipal-owned solar farm in the State of Missouri. Infrastructure work continued for the \$70 million Ozarks Medical Center expansion and the \$4 million Leonardo DRS administration building.

### 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 it. The City's net position – the difference between assets and liabilities – is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating.

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



# City of West Plains

## Management's Discussion and Analysis

March 31, 2021

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*Governmental Activities:* Most of the City's basic services are reported here. Taxes are the primary source of financing for these activities.

*Business-Type Activities:* The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's utility services are provided here.

### **Fund Financial Statements**

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

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

*Proprietary Funds:* When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

### **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 West Plains

## Management's Discussion and Analysis

March 31, 2021

### Government-Wide Financial Analysis

#### Net Position

The following table presents the condensed Statement of Net Position for the City as of March 31, 2021 and 2020:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total March 31, 2021</b>	<b>Total March 31, 2020</b>
<b>Assets</b>				
Current and other assets	\$ 14,688,468	\$ 21,586,501	\$ 36,274,969	\$ 38,834,829
Capital assets	38,820,285	46,112,198	84,932,483	83,659,499
<b>Total Assets</b>	<b>53,508,753</b>	<b>67,698,699</b>	<b>121,207,452</b>	<b>122,494,328</b>
<b>Deferred Outflow of Resources</b>				
Deferred pension outflows	1,308,160	866,402	2,174,562	1,292,044
Deferred charge on debt refunding	-	-	-	122,179
<b>Total Deferred Outflow of Resources</b>	<b>1,308,160</b>	<b>866,402</b>	<b>2,174,562</b>	<b>1,414,223</b>
<b>Liabilities</b>				
Other liabilities	3,091,723	1,530,100	4,621,823	4,260,513
Long-term liabilities	3,688,570	4,721,424	8,409,994	8,811,572
<b>Total Liabilities</b>	<b>6,780,293</b>	<b>6,251,524</b>	<b>13,031,817</b>	<b>13,072,085</b>
<b>Deferred Inflow of Resources</b>				
Deferred pension inflows	250,503	146,103	396,606	1,146,258
<b>Net position</b>				
Net investment in capital assets	35,426,857	42,147,643	77,574,500	74,024,456
Restricted	8,067,209	1,165,639	9,232,848	8,274,991
Unrestricted	4,292,051	18,854,192	23,146,243	27,390,761
<b>Total Net Position</b>	<b>\$ 47,786,117</b>	<b>\$ 62,167,474</b>	<b>\$ 109,953,591</b>	<b>\$ 109,690,208</b>

Total net position of the City increased by \$263,383 for the year due to current year activity. Total liabilities for the City increased by \$323,968. Restricted net position of the City totaled \$9.2 million as of March 31, 2021. This amount represents monies that are restricted for debt service as well as for various projects within the City.

# City of West Plains

## Management's Discussion and Analysis

March 31, 2021

### Changes in Net Position

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total March 31, 2021</u>	<u>Total March 31, 2020</u>
<b>Revenues</b>				
Program Revenues				
Charges for services	\$ 1,206,213	\$ 23,071,914	\$ 24,278,127	\$ 23,789,881
Operating grants and contributions	713,710	-	713,710	677,195
Capital grants and contributions	388,872	-	388,872	301,698
General Revenues				
Sales taxes	7,303,506	-	7,303,506	6,480,887
Ad valorem taxes	849,040	-	849,040	843,404
Motor vehicle and gas taxes	472,569	-	472,569	488,393
Other taxes	906,103	-	906,103	730,410
Franchise taxes	2,511,658	-	2,511,658	2,636,479
Interest	50,541	77,035	127,576	660,684
Other revenue	304,439	200,935	505,374	92,313
<b>Total Revenues</b>	<b>14,706,651</b>	<b>23,349,884</b>	<b>38,056,535</b>	<b>36,701,344</b>
<b>Expenses</b>				
Administrative	701,538	-	701,538	1,029,968
Human resources/risk management	480,449	-	480,449	15,084
Information technology	140,883	-	140,883	79,457
Engineering	167,931	-	167,931	74,801
Fleet management	226,571	-	226,571	-
Public relations	17,875	-	17,875	-
Building official	144,135	-	144,135	108,484
City attorney	54,303	-	54,303	87,796
Court	152,688	-	152,688	126,952
Police	2,621,777	-	2,621,777	2,153,375
Animal control	80,394	-	80,394	67,142
Emergency management	75,912	-	75,912	59,407
Fire	1,447,525	-	1,447,525	1,165,712
Airport	422,339	-	422,339	428,643
Street	2,618,113	-	2,618,113	2,607,149
Cemetery	145,444	-	145,444	113,232
Construction	245,207	-	245,207	377,156
Shop	110,692	-	110,692	95,384
Health	26,000	-	26,000	31,194
City hall complex	346,476	-	346,476	223,744
City beautification	496	-	496	2,205
Economic development	133,447	-	133,447	142,079

# City of West Plains

## Management's Discussion and Analysis

March 31, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total March 31, 2021</u>	<u>Total March 31, 2020</u>
Tourism development	173,211	-	173,211	114,247
Parks and recreation	915,633	-	915,633	699,089
Golf	437,222	-	437,222	378,607
Transit	270,671	-	270,671	217,103
Library	734,248	-	734,248	659,554
Civic center	913,110	-	913,110	868,162
CDBG disaster recovery	35,692	-	35,692	-
Senior citizens	15,229	-	15,229	21,714
GOCAT	180,361	-	180,361	68,565
Other	400,328	-	400,328	358,278
Debt service	36,455	-	36,455	26,561
Water	-	2,014,628	2,014,628	1,813,656
Sewer	-	1,736,998	1,736,998	1,423,172
Electric	-	16,586,808	16,586,808	15,059,594
Refuse	-	2,808,132	2,808,132	2,718,547
Storm water engineering	-	81,744	81,744	60,943
Fiber	-	92,487	92,487	83,954
<b>Total Expenses</b>	<u>14,472,355</u>	<u>23,320,797</u>	<u>37,793,152</u>	<u>33,560,710</u>
<b>Increase in Net Position</b>	<u>\$ 234,296</u>	<u>\$ 29,087</u>	<u>\$ 263,383</u>	<u>\$ 3,140,634</u>

### Governmental Activities

Governmental activities increased the net position of the City by \$234,296. Tax revenues for the City were \$12,042,876, which represents 83% of the funding of these activities. Program revenues for the functions totaled \$2,308,795 or 16% of the funding. The following table shows the cost of the City's nine largest programs as well as each programs' net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the taxpayers by each of these functions.

# City of West Plains

## Management's Discussion and Analysis

March 31, 2021

### Net Cost of the City of West Plains' Ten Largest Governmental Activities

	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Administration	\$ 701,538	\$ 615,515
Police	2,621,777	1,707,563
Fire	1,447,525	1,445,865
Human resources/risk management	480,449	480,449
Street	2,618,113	2,410,018
Golf	437,222	154,330
Parks and recreation	915,633	802,693
Library	734,248	700,532
Civic center	913,110	753,178
Other governmental activities	3,602,740	3,093,417
	<u>\$ 14,472,355</u>	<u>\$ 12,163,560</u>

### Business-Type Activities

Business-type activities increased the City's net position by \$29,087. This is down from the increase received in the prior year from the City's business-type activities. The increase in the prior year was \$1,612,682.

### Financial Analysis of the City's Funds

The combined fund balances of the City's governmental funds as of March 31, 2021, were \$12,498,611. The General Fund increased by \$1,208,222. The Tax Increment Financing #1 Fund increased \$13, Tax Increment Financing #2 Fund did not change, and Tax Increment Financing #3 Fund increased by \$105,880.

### General Fund Budgetary Highlights

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

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

### Capital Asset and Debt Administration

#### Capital Assets

Capital assets of the governmental activities were \$38.8 million (net of accumulated depreciation) as of March 31, 2021. This represents a \$619,683 net decrease from the prior year due primarily to current year disposal and depreciation being greater than current year additions. Capital assets for business-type activities were \$46.1 million as of March 31, 2021. This represents a \$1,892,667 increase from the prior year due primarily to current year additions being more than depreciation and disposals.

# City of West Plains

## Management's Discussion and Analysis

March 31, 2021

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### **Debt Administration**

Total debt of the governmental activities as of March 31, 2021, was \$4.1 million, which is down \$779,391 from the prior year.

Total debt of the business-type activities as of March 31, 2021, was \$4.2 million, which is down \$1,217,233 from the prior year.

### **Economic Factors and Next Year's Budget**

The largest consideration for the governmental-type activities budget is given to anticipated sales tax revenue. FY2022 sales tax revenue is anticipated to be flat with the prior year actual results. The impacts of the coronavirus on city operations and revenues continue to unfold as the region is currently experiencing a surge in the Delta-variant of the coronavirus.

In spite of the uncertainties related to the pandemic, the City anticipates some positive economic factors in the next fiscal year. The largest employer in the area, Ozarks Medical Center, continues construction of a \$70 million expansion to their main campus. Another major employer in the area, Leonardo DRS, completed a \$4 million administration building and has planned another \$31 million investment in their West Plains campus over the next ten years. These additions will bring jobs and tax revenues to our local economy. The City is also making great strides in the design and engineering phases of major grant projects including four stormwater retention basins, flood mitigation funding from the 2017 flooding event, and a railroad overpass at Independence Ave. Fiscal year 2022 will bring more strategic planning to ensure the City can maintain its commitment to provide services to the community while maintaining financial stability for future investments in infrastructure.

In FY20, voters approved an increase to the Hotel/Motel tax which resulted in revenues of \$247,706 during FY21 and is anticipated to bring another \$245,000 in FY22. The City uses these funds for promotions and grants to help bring tourism and events to West Plains.

For business-type activities, the City Utilities group continues to implement a multi-year plan to upgrade its metering system to create process efficiencies and better customer service. City Utilities teamed up with Evergy to create the largest municipal-owned solar farm in the State of Missouri with the first solar panel being placed in July 2021. City Utilities is also in the planning phase of defining future water treatment and wastewater treatment needs and determining the best approach to meet these needs. The City will continue to review its service capacities of all facilities to provide the needed utility services our citizens depend on.

### **Contacting the City's Financial Management**

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

City of West Plains  
1910 Holiday Lane, PO Box 710  
West Plains, Missouri 65775

(417) 256-7176  
Sam Anselm, City Administrator  
sam.anselm@westplains.gov

Earlene Rich, Finance Director  
earlene.rich@westplains.gov

# City of West Plains

## Statement of Net Position

March 31, 2021

	Primary Government			Component Units			
	Governmental	Business-Type	Total	West Plains	South 160	63 ByPass	Ozark Hills
	Activities	Activities		Public	Community	Community	Community
			Library	Improvement	Improvement	Improvement	
			Foundation	District	District	District	
<b>Assets</b>							
Current							
Cash and cash equivalents - unrestricted	\$ 3,990,002	\$ 16,545,026	\$ 20,535,028	\$ 70,969	\$ 398,463	\$ 202,675	\$ 3,658
Investments - unrestricted	-	-	-	453,546	-	-	-
Taxes receivable	593,650	-	593,650	-	-	-	-
Utilities receivable, net	-	2,219,847	2,219,847	-	-	-	-
Other accounts receivable	133,568	46,704	180,272	-	64,882	-	-
Court fines receivable, net	33,774	-	33,774	-	-	-	-
Intergovernmental receivable	46,889	-	46,889	-	-	-	-
Internal balances	1,220,632	(1,220,632)	-	-	-	-	-
Inventory	69,031	2,092,265	2,161,296	-	-	-	-
Prepaid expenses	109,354	63,935	173,289	-	-	-	-
Noncurrent							
Restricted cash and cash equivalents	7,977,546	1,839,356	9,816,902	-	-	-	-
Restricted investments	495,500	-	495,500	-	-	-	-
MODAG receivable	18,522	-	18,522	-	-	-	-
Capital assets							
Non-depreciable	5,998,128	1,945,087	7,943,215	-	-	-	-
Depreciable, net	32,822,157	44,167,111	76,989,268	-	2,648,856	194,115	56,430
<b>Total Assets</b>	<b>53,508,753</b>	<b>67,698,699</b>	<b>121,207,452</b>	<b>524,515</b>	<b>3,112,201</b>	<b>396,790</b>	<b>60,088</b>
<b>Deferred Outflow of Resources</b>							
Deferred pension outflows	1,308,160	866,402	2,174,562	-	-	-	-
<b>Total Deferred Outflow of Resources</b>	<b>1,308,160</b>	<b>866,402</b>	<b>2,174,562</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

See accompanying notes to the financial statements.

# City of West Plains

## Statement of Net Position

March 31, 2021

	Primary Government			Component Units			
	Governmental Activities	Business-Type Activities	Total	West Plains Public Library Foundation	South 160 Community Improvement District	63 ByPass Community Improvement District	Ozark Hills Community Improvement District
	<b>Liabilities</b>						
Current							
Accounts payable	1,909,575	-	1,909,575	-	10,007	1,410	12,679
Accrued expenses	148,117	121,389	269,506	-	-	-	-
Accrued interest payable	19,666	9,994	29,660	-	-	-	-
Court bonds payable	11,542	-	11,542	-	-	-	-
Deposits payable	2,825	673,717	676,542	-	-	-	-
Other payables	73,949	-	73,949	-	-	-	-
Current maturities of long-term debt	926,049	725,000	1,651,049	-	-	-	-
	3,091,723	1,530,100	4,621,823	-	10,007	1,410	12,679
Noncurrent							
Compensated absences payable	317,997	220,102	538,099	-	-	-	-
Net pension liability	522,671	1,261,767	1,784,438	-	-	-	-
Certificates of participation payable	2,467,379	1,734,555	4,201,934	-	-	-	-
Lease purchases payable	380,523	-	380,523	-	-	-	-
Revenue bonds payable	-	1,505,000	1,505,000	-	-	-	-
Bond anticipation notes payable	-	-	-	-	1,217,331	-	-
	3,688,570	4,721,424	8,409,994	-	1,217,331	-	-
<b>Total Liabilities</b>	6,780,293	6,251,524	13,031,817	-	1,227,338	1,410	12,679
<b>Deferred Inflows of Resources</b>							
Deferred pension inflows	250,503	146,103	396,606	-	-	-	-
<b>Net Position</b>							
Net investment in capital assets	35,426,857	42,147,643	77,574,500	-	1,431,525	194,115	56,430
Restricted	8,067,209	1,165,639	9,232,848	-	-	-	-
Unrestricted	4,292,051	18,854,192	23,146,243	524,515	453,338	201,265	(9,021)
<b>Total Net Position</b>	\$ 47,786,117	\$ 62,167,474	\$ 109,953,591	\$ 524,515	\$ 1,884,863	\$ 395,380	\$ 47,409

See accompanying notes to the financial statements.



# City of West Plains

## Statement of Activities

Year Ended March 31, 2021

Functions/Programs	Net (Expenses), Revenues, and Changes in Net Position										
	Program Revenues				Primary Government			Component Units			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	West Plains Public Library Foundation	South 160 Community Improvement District	63 ByPass Community Improvement District	Ozark Hills Community Improvement District
Primary Government											
Governmental activities											
Administrative	\$ (701,538)	\$ 86,023	\$ -	\$ -	\$ (615,515)	\$ -	\$ (615,515)	\$ -	\$ -	\$ -	\$ -
Human resources/risk management	(480,449)	-	-	-	(480,449)	-	(480,449)	-	-	-	-
Information technology	(140,883)	-	-	-	(140,883)	-	(140,883)	-	-	-	-
Engineering	(167,931)	-	-	-	(167,931)	-	(167,931)	-	-	-	-
Fleet management	(226,571)	-	-	-	(226,571)	-	(226,571)	-	-	-	-
Public relations	(17,875)	-	-	-	(17,875)	-	(17,875)	-	-	-	-
Building official	(144,135)	46,438	-	-	(97,697)	-	(97,697)	-	-	-	-
City attorney	(54,303)	-	-	-	(54,303)	-	(54,303)	-	-	-	-
Court	(152,688)	-	-	-	(152,688)	-	(152,688)	-	-	-	-
Police	(2,621,777)	277,560	636,654	-	(1,707,563)	-	(1,707,563)	-	-	-	-
Animal control	(80,394)	1,400	700	-	(78,294)	-	(78,294)	-	-	-	-
Emergency management	(75,912)	-	12,957	-	(62,955)	-	(62,955)	-	-	-	-
Fire	(1,447,525)	-	1,660	-	(1,445,865)	-	(1,445,865)	-	-	-	-
Airport	(422,339)	187,563	-	12,794	(221,982)	-	(221,982)	-	-	-	-
Street	(2,618,113)	3,603	-	204,492	(2,410,018)	-	(2,410,018)	-	-	-	-
Cemetery	(145,444)	15,823	50	-	(129,571)	-	(129,571)	-	-	-	-
Construction	(245,207)	-	-	-	(245,207)	-	(245,207)	-	-	-	-

See accompanying notes to the financial statements.

# City of West Plains

## Statement of Activities

Year Ended March 31, 2021

	Net (Expenses), Revenues, and Changes in Net Position										
	Program Revenues				Primary Government			Component Units			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	West Plains Public Library Foundation	South 160 Community Improvement District	63 ByPass Community Improvement District	Ozark Hills Community Improvement District
Shop	(110,692)	-	-	-	(110,692)	-	(110,692)	-	-	-	-
Health	(26,000)	-	-	-	(26,000)	-	(26,000)	-	-	-	-
City hall complex	(346,476)	-	-	-	(346,476)	-	(346,476)	-	-	-	-
City beautification	(496)	-	-	-	(496)	-	(496)	-	-	-	-
Economic development	(133,447)	-	-	-	(133,447)	-	(133,447)	-	-	-	-
Tourism development	(173,211)	10,568	609	-	(162,034)	-	(162,034)	-	-	-	-
Parks and recreation	(915,633)	87,925	25,015	-	(802,693)	-	(802,693)	-	-	-	-
Golf	(437,222)	282,892	-	-	(154,330)	-	(154,330)	-	-	-	-
Transit	(270,671)	22,365	-	168,047	(80,259)	-	(80,259)	-	-	-	-
Library	(734,248)	24,121	6,056	3,539	(700,532)	-	(700,532)	-	-	-	-
Civic center	(913,110)	159,932	-	-	(753,178)	-	(753,178)	-	-	-	-
Grant department	-	-	30,009	-	30,009	-	30,009	-	-	-	-
CDBG disaster recovery	(35,692)	-	-	-	(35,692)	-	(35,692)	-	-	-	-
Senior citizens	(15,229)	-	-	-	(15,229)	-	(15,229)	-	-	-	-
GOCAT	(180,361)	-	-	-	(180,361)	-	(180,361)	-	-	-	-
Other	(400,328)	-	-	-	(400,328)	-	(400,328)	-	-	-	-
Debt service	(36,455)	-	-	-	(36,455)	-	(36,455)	-	-	-	-
<b>Total Governmental Activities</b>	(14,472,355)	1,206,213	713,710	388,872	(12,163,560)	-	(12,163,560)	-	-	-	-

See accompanying notes to the financial statements.

# City of West Plains

## Statement of Activities

Year Ended March 31, 2021

Functions/Programs	Net (Expenses), Revenues, and Changes in Net Position										
	Program Revenues				Primary Government			Component Units			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	West Plains Public Library Foundation	South 160 Community Improvement District	63 ByPass Community Improvement District	Ozark Hills Community Improvement District
Primary Government											
Business-Type Activities											
Water	(2,014,628)	2,144,444	-	-	-	129,816	129,816	-	-	-	-
Sewer	(1,736,998)	1,635,029	-	-	-	(101,969)	(101,969)	-	-	-	-
Electric	(16,586,808)	16,414,653	-	-	-	(172,155)	(172,155)	-	-	-	-
Refuse	(2,808,132)	2,834,188	-	-	-	26,056	26,056	-	-	-	-
Storm water engineering	(81,744)	-	-	-	-	(81,744)	(81,744)	-	-	-	-
Fiber	(92,487)	43,600	-	-	-	(48,887)	(48,887)	-	-	-	-
<b>Total Business-Type Activities</b>	<b>(23,320,797)</b>	<b>23,071,914</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(248,883)</b>	<b>(248,883)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ (37,793,152)</b>	<b>\$ 24,278,127</b>	<b>\$ 713,710</b>	<b>\$ 388,872</b>	<b>(12,163,560)</b>	<b>(248,883)</b>	<b>(12,412,443)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Component Units											
West Plains Public Library Foundation	\$ (5,643)	\$ -	\$ 100	\$ -	-	-	-	(5,543)	-	-	-
South 160 Community Improvement District	(126,831)	-	-	-	-	-	-	(126,831)	-	-	-
63 ByPass Community Improvement District	(6,401)	-	-	-	-	-	-	-	(6,401)	-	-
Ozark Hills Community Improvement District	(1,725)	-	-	-	-	-	-	-	-	-	(1,724)
<b>Total Component Unit</b>	<b>\$ (140,600)</b>	<b>\$ -</b>	<b>\$ 100</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,543)</b>	<b>(126,831)</b>	<b>(6,401)</b>	<b>(1,724)</b>
General Revenues											
Sales taxes					7,303,506	-	7,303,506	-	417,668	26,513	12,617
Ad valorem taxes					849,040	-	849,040	-	-	-	-
Motor vehicle and gas taxes					472,569	-	472,569	-	-	-	-
Other taxes					906,103	-	906,103	-	-	-	-
Franchise taxes					2,511,658	-	2,511,658	-	-	-	-
Interest					50,541	77,035	127,576	28,265	-	-	-
Other revenue					304,439	200,935	505,374	3,715	-	-	-
Unrealized gain on investments					-	-	-	63,875	-	-	-
<b>Total General Revenues</b>					<b>12,397,856</b>	<b>277,970</b>	<b>12,675,826</b>	<b>95,855</b>	<b>417,668</b>	<b>26,513</b>	<b>12,617</b>
Changes in Net Position					234,296	29,087	263,383	90,312	290,837	20,112	10,893
Net Position, Beginning of year, as restated					47,551,821	62,138,387	109,690,208	434,203	1,594,026	375,268	36,516
<b>Net Position, End of year</b>					<b>\$ 47,786,117</b>	<b>\$ 62,167,474</b>	<b>\$ 109,953,591</b>	<b>\$ 524,515</b>	<b>\$ 1,884,863</b>	<b>\$ 395,380</b>	<b>\$ 47,409</b>

See accompanying notes to the financial statements.

# City of West Plains

## Balance Sheet – Governmental Funds

March 31, 2021

	General Fund	Tax Increment Financing #1 Fund	Tax Increment Financing #2 Fund	Tax Increment Financing #3 Fund	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 3,912,979	\$ -	\$ 77,023	\$ -	\$ 3,990,002
Taxes receivable	593,650	-	-	-	593,650
Other accounts receivable	133,568	-	-	-	133,568
Court fines receivable, net	33,774	-	-	-	33,774
Intergovernmental receivable	46,889	-	-	-	46,889
Due from other funds	1,219,099	1,771	-	-	1,220,870
Inventory	69,031	-	-	-	69,031
Prepaid expenses	109,354	-	-	-	109,354
MODAG receivable	18,522	-	-	-	18,522
Restricted cash and cash equivalents	7,098,290	2,036	-	877,220	7,977,546
Restricted investments	495,500	-	-	-	495,500
<b>Total Assets</b>	<b>\$ 13,730,656</b>	<b>\$ 3,807</b>	<b>\$ 77,023</b>	<b>\$ 877,220</b>	<b>\$ 14,688,706</b>
<b>Liabilities, Deferred Inflow of Resources, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 1,832,552	\$ -	\$ 77,023	\$ -	\$ 1,909,575
Accrued expenses	148,117	-	-	-	148,117
Court bonds payable	11,542	-	-	-	11,542
Due to other funds	-	-	-	238	238
Deposits payable	2,825	-	-	-	2,825
Other payables	73,949	-	-	-	73,949
<b>Total Liabilities</b>	<b>2,068,985</b>	<b>-</b>	<b>77,023</b>	<b>238</b>	<b>2,146,246</b>
<b>Deferred Inflow of Resources</b>					
Deferred revenue	43,849	-	-	-	43,849
<b>Fund Balances</b>					
<b>Nonspendable-not in spendable form</b>					
Inventory	69,031	-	-	-	69,031
Prepaid Items	109,354	-	-	-	109,354
<b>Restricted for</b>					
Economic development	76,711	-	-	-	76,711
Parks and recreation	819	-	-	-	819
Fire	1,184	-	-	-	1,184
Streets	2,723,246	-	-	-	2,723,246
Cemetery perpetual care	126,785	-	-	-	126,785
Library	4,541	-	-	-	4,541
Capital improvements	3,754,501	-	-	-	3,754,501
Debt service	498,633	3,807	-	876,982	1,379,422
<b>Assigned for</b>					
Capital improvements	500,000	-	-	-	500,000
Unassigned	3,753,017	-	-	-	3,753,017
<b>Total Fund Balances</b>	<b>11,617,822</b>	<b>3,807</b>	<b>-</b>	<b>876,982</b>	<b>12,498,611</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<b>\$ 13,730,656</b>	<b>\$ 3,807</b>	<b>\$ 77,023</b>	<b>\$ 877,220</b>	<b>\$ 14,688,706</b>

See accompanying notes to the financial statements.

## City of West Plains

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

March 31, 2021

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Fund balance - total governmental funds	\$ 12,498,611
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Governmental capital assets	120,247,068
Less accumulated depreciation	<u>(81,426,783)</u>
	38,820,285
The net pension liability and related deferred inflows and outflows are not available to pay for current period expenditures and, therefore, are not reported in the funds:	
Net pension liability	(522,671)
Deferred outflows due to pensions	1,308,160
Deferred inflows due to pensions	<u>(250,503)</u>
	534,986
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(19,666)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(4,091,948)
Adjustment of unavailable revenue	43,849
<b>Net position of governmental activities</b>	<u><u>\$ 47,786,117</u></u>

See accompanying notes to the financial statements.

## City of West Plains

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

Year Ended March 31, 2021

	General Fund	Tax Increment Financing #1 Fund	Tax Increment Financing #2 Fund	Tax Increment Financing #3 Fund	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$11,536,668	\$ 44,386	\$ 355,264	\$ 106,558	\$12,042,876
Licenses and permits	90,069	-	-	-	90,069
Intergovernmental revenues	1,093,801	-	-	-	1,093,801
Charges for services	1,122,714	-	-	-	1,122,714
Miscellaneous	363,748	13	-	-	363,761
<b>Total Revenues</b>	14,207,000	44,399	355,264	106,558	14,713,221
<b>Expenditures</b>					
Current					
Administrative	681,346	-	-	-	681,346
Human resources/risk management	465,078	-	-	-	465,078
Information technology	120,881	-	-	-	120,881
Public relations	17,875	-	-	-	17,875
Engineering	165,647	-	-	-	165,647
Fleet management	226,571	-	-	-	226,571
Building official	116,130	-	-	-	116,130
City attorney	53,472	-	-	-	53,472
Court	130,219	-	-	-	130,219
Police	2,813,237	-	-	-	2,813,237
Animal control	57,943	-	-	-	57,943
Emergency management	26,316	-	-	-	26,316
Fire	1,008,585	-	-	-	1,008,585
Airport	237,475	-	-	-	237,475
Street	1,874,155	-	-	-	1,874,155
Cemetery	112,359	-	-	-	112,359
Construction	204,225	-	-	-	204,225
Shop	78,614	-	-	-	78,614
Health	26,000	-	-	-	26,000
City hall complex	213,997	-	-	-	213,997
City beautification	496	-	-	-	496
Economic development	133,447	-	-	-	133,447
Tourism development	144,779	-	-	-	144,779
Parks and recreation	1,020,345	-	-	-	1,020,345
Golf	456,423	-	-	-	456,423
Transit	189,584	-	-	-	189,584
Library	604,088	-	-	-	604,088
Civic center	728,768	-	-	-	728,768

See accompanying notes to the financial statements.

## City of West Plains

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

Year Ended March 31, 2021

	<b>General Fund</b>	<b>Tax Increment Financing #1 Fund</b>	<b>Tax Increment Financing #2 Fund</b>	<b>Tax Increment Financing #3 Fund</b>	<b>Total Governmental Funds</b>
CDBG disaster recovery	35,692	-	-	-	35,692
Senior citizens	15,229	-	-	-	15,229
GOCAT	180,361	-	-	-	180,361
Other	-	44,386	355,264	678	400,328
Debt Service					
Principal and interest	932,403	-	-	-	932,403
<b>Total Expenditures</b>	<b>13,071,740</b>	<b>44,386</b>	<b>355,264</b>	<b>678</b>	<b>13,472,068</b>
<i>Excess of Revenues Over Expenditures</i>	1,135,260	13	-	105,880	1,241,153
<b>Other Financing Sources</b>					
Lease purchase proceeds	72,962	-	-	-	72,962
<b>Total Other Financing Sources</b>	<b>72,962</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72,962</b>
<i>Excess of Revenues and Other Sources Over Expenditures</i>	1,208,222	13	-	105,880	1,314,115
Fund Balance, April 1	10,409,600	3,794	-	771,102	11,184,496
<b>Fund Balance, March 31</b>	<b>\$11,617,822</b>	<b>\$ 3,807</b>	<b>\$ -</b>	<b>\$ 876,982</b>	<b>\$12,498,611</b>

See accompanying notes to the financial statements.

## City of West Plains

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

Year Ended March 31, 2021

Net change in fund balances - total governmental funds	\$ 1,314,115
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Capital outlay	1,828,529
Depreciation	(2,448,212)
	(619,683)

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

(6,570)

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

Capital lease proceeds	(72,962)
Repayment of principal on COPs and leases	894,822
Accrued interest payable	1,126
	822,986

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

Change in compensated absences	(42,469)
Change in pension related costs	(1,234,083)
	(1,276,552)

**Change in net position of governmental activities**

\$ 234,296

See accompanying notes to the financial statements.



# City of West Plains

## Statement of Net Position – Enterprise Fund

March 31, 2021

Assets	Utility Fund	
	March 31,	
	2021	2020
Current Assets		
Cash and cash equivalents	\$ 16,545,026	\$ 17,698,994
Utilities receivable, net	2,219,847	2,244,357
Other accounts receivable	46,704	69,973
Inventory	2,092,265	1,828,508
Prepaid expenses	63,935	78,868
<b>Total Current Assets</b>	<b>20,967,777</b>	<b>21,920,700</b>
Restricted Assets		
Cash and cash equivalents	1,839,356	1,555,023
Investments	-	588,416
Property, Plant and Equipment	88,345,837	82,251,248
Less accumulated depreciation	(42,233,639)	(37,871,780)
<b>Total Property, Plant, and Equipment</b>	<b>46,112,198</b>	<b>44,379,468</b>
Net Pension Asset	-	340,345
<b>Total Assets</b>	<b>68,919,331</b>	<b>68,783,952</b>
<b>Deferred Outflows of Resources</b>		
Deferred pension outflows	866,402	476,743
Deferred charge on debt refunding	-	162,790
<b>Total Deferred Outflows of Resources</b>	<b>866,402</b>	<b>639,533</b>
<b>Liabilities</b>		
Current Liabilities		
Accounts payable	-	45,114
Accrued expenses	121,389	97,405
Accrued interest payable	9,994	31,644
Due to other funds	1,220,632	1,305,096
Meter deposits payable	673,717	675,054
Current maturities of long-term debt	725,000	590,000
<b>Total Current Liabilities</b>	<b>2,750,732</b>	<b>2,744,313</b>
Long-Term Liabilities		
Revenue bonds payable	1,505,000	2,541,478
Certificates of participation payable	1,734,555	2,097,284
Net pension liability	1,261,767	-
Compensated absences payable	220,102	173,127
<b>Total Long-Term Liabilities</b>	<b>4,721,424</b>	<b>4,811,889</b>
<b>Total Liabilities</b>	<b>7,472,156</b>	<b>7,556,202</b>
<b>Deferred Inflows of Resources</b>		
Deferred pension inflows	146,103	391,282
<b>Net Position</b>		
Net investment in capital assets	42,147,643	39,112,948
Restricted	1,165,639	1,930,754
Unrestricted	18,854,192	21,094,685
<b>Total Net Position</b>	<b>\$ 62,167,474</b>	<b>\$ 62,138,387</b>

See accompanying notes to the financial statements.

## City of West Plains

### Statement of Revenues, Expenses, and Changes in Net Position – Enterprise Fund

Year Ended March 31, 2021

	Utility Fund	
	Year Ended March 31,	
	2021	2020
<b>Operating Revenues</b>		
Charges for services		
Electric	\$ 16,414,653	\$ 15,766,335
Water	2,144,444	2,109,276
Sewer	1,635,029	1,623,013
Refuse	2,834,188	2,788,202
Fiber	43,600	36,365
<b>Total Operating Revenues</b>	<b>23,071,914</b>	<b>22,323,191</b>
<b>Operating Expenses</b>		
Electric		
Wages and benefits	1,264,209	658,304
Franchise fees	2,111,620	2,156,653
Engineering	10,025	5,300
Purchased power	9,323,250	9,038,631
Utilities	11,560	11,496
Other operating expenses	1,432,795	1,128,924
Depreciation	1,016,451	1,003,939
Water		
Wages and benefits	381,121	300,195
Engineering	-	107,628
Utilities	139,937	147,201
Other operating expenses	452,839	312,579
Depreciation	495,770	501,299
Sewer		
Wages and benefits	442,590	363,863
Utilities	108,444	106,009
Other operating expenses	261,852	144,303
Depreciation	379,151	402,710
Refuse		
Wages and benefits	1,480,840	1,089,061
Landfill service	852,372	866,640
Utilities	9,349	10,710
Other operating expenses	63,797	381,394
Depreciation	265,534	269,170
Engineering		
Wages and benefits	113,631	189,144
Other operating expenses	2,934	22,486
Depreciation	2,512	-
Shop		
Wages and benefits	71,986	72,658
Other operating expenses	3,894	6,027

See accompanying notes to the financial statements.

## City of West Plains

### Statement of Revenues, Expenses, and Changes in Net Position – Enterprise Fund

Year Ended March 31, 2021

	Utility Fund	
	Year Ended March 31,	
	2021	2020
Fiber		
Wages and benefits	9,923	375
Utilities	28,841	29,433
Other operating expenses	5,161	5,583
Depreciation	48,563	48,563
Information Technology		
Wages and benefits	85,106	82,265
Administration and Warehouse		
Wages and benefits	935,138	741,180
Insurance	253,695	278,956
Utilities	69,458	76,834
Other operating expenses	338,965	320,552
Other vehicle operating expenses	464,982	-
Depreciation	1,533	1,259
<b>Total Operating Expenses</b>	<b>22,939,828</b>	<b>20,881,324</b>
<i>Operating Income</i>	132,086	1,441,867
<b>Nonoperating Revenues (Expenses)</b>		
Interest income	77,035	449,357
Other revenue	200,935	-
Other expenses	-	(38,467)
Interest expense	(360,608)	(229,117)
(Loss) on inventory	(20,361)	(10,958)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(102,999)</b>	<b>170,815</b>
<i>Net Income</i>	29,087	1,612,682
Net Position, April 1	62,138,387	60,525,705
<b>Net Position, March 31</b>	<b>\$ 62,167,474</b>	<b>\$ 62,138,387</b>

See accompanying notes to the financial statements.

# City of West Plains

## Statement of Cash Flows – Enterprise Fund

Year Ended March 31, 2021

	Utility Fund	
	Year Ended March 31,	
	2021	2020
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 22,960,560	\$ 22,529,235
Cash paid to suppliers	(15,893,829)	(16,925,978)
Cash paid to employees	(3,711,336)	(3,469,437)
<b>Net Cash Provided by Operating Activities</b>	<u>3,355,395</u>	<u>2,133,820</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Repayment of loans (to) from other funds	(84,464)	1,268,355
Proceeds from operating grants	200,935	(38,467)
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>116,471</u>	<u>1,229,888</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchase of capital assets	(4,102,180)	(2,067,003)
Proceeds from sale of refunding bonds	2,005,000	-
Proceeds from sale of refunding COP's	1,935,000	-
Payment of principal on long-term debt	(5,195,000)	(925,000)
Payment of interest expense	(269,286)	(201,548)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<u>(5,626,466)</u>	<u>(3,193,551)</u>
<b>Cash Flows from Investing Activities</b>		
Interest received on investments	77,035	449,357
Maturity (purchase) of investments	588,957	(541)
<b>Net Cash Provided by Investing Activities</b>	<u>665,992</u>	<u>448,816</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(1,488,608)	618,973
Cash and Cash Equivalents, Beginning of year	19,872,990	19,254,017
<b>Cash and Cash Equivalents, End of year</b>	<u>18,384,382</u>	<u>19,872,990</u>
Less Restricted Cash and Cash Equivalents	1,839,356	2,016,851
<b>Unrestricted Cash and Cash Equivalents</b>	<u>\$ 16,545,026</u>	<u>\$ 17,856,139</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>		
Operating income	\$ 132,086	\$ 1,441,867
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,209,513	2,226,940
(Increase) decrease in		
Receivables	(110,017)	157,796
Inventory	98,898	(393,974)
Prepaid expenses	8,081	6,852
Net pension asset	1,602,112	112,800
Deferred pension outflows	(364,607)	(25,052)
Increase (decrease) in		
Accounts payable	(45,114)	(1,381,142)
Compensated absences payable	46,975	(21,208)
Accrued expenses	23,984	10,899
Meter deposits payable	(1,337)	48,248
Deferred pension inflows	(245,179)	(50,206)
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 3,355,395</u>	<u>\$ 2,133,820</u>

See accompanying notes to the financial statements.

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

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### 1. Summary of Significant Accounting Policies

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

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

#### Financial Reporting Entity

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

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

#### Component Units

##### *West Plains Public Library Foundation*

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

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

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### *South 160 Community Improvement District*

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

### *63 By-Pass Community Improvement District*

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

### *Ozark Hills Community Improvement District*

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

## **Government-Wide and Fund Financial Statements**

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

### *Government-Wide Financial Statements*

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

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

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

### *Fund Financial Statements*

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

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary fund:

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

### Capital Assets

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

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

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

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

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

### **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 average cost method. Inventory usage is recognized on the consumption method.

### **Revenue Recognition – Property Taxes**

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

### **Compensated Absences**

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

### **Use of Estimates**

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



# City of West Plains

## Notes to the Financial Statements

March 31, 2021

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### Net Position

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

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

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

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

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

### Fund Balance Classification

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

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

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

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

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

*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 West Plains

## Notes to the Financial Statements

March 31, 2021

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### **Program Revenues**

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

### **Operating Revenues and Expenses**

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

### **Deferred Outflows/Inflows of Resources**

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

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

### **Pensions**

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

### **Prior-Year Comparative Information**

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended March 31, 2020, from which such partial information was derived.

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

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### 2. Cash & Cash Equivalents

State statutes require that the City's deposits be collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of March 31, 2021, \$104,772 of the South 160 Community Improvement District's deposits were uninsured and uncollateralized.

### 3. Investments

#### Primary Government

The City categorizes its investments within the fair value hierarchy as discussed in Note 1. As of March 31, 2021, the City had the following recurring fair value measurements:

<u>Investment Type</u>	<u>Maturity Dates</u>	<u>Not Subject to Fair Value</u>	<u>Fair Value Level 1</u>	<u>Total</u>
Certificates of Deposit	6/20/2021	<u>\$ -</u>	<u>\$ 495,500</u>	<u>\$ 495,500</u>

#### Certificates of Deposit

Certificates of deposit with financial institutions are classified as investments but are considered deposits for custodial risk determination and are not subject to fair value measurement. State statutes require that the City's deposits be collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of March 31, 2021, all certificates of deposit are entirely insured or collateralized with securities.

#### West Plains Public Library Foundation

The West Plains Public Library Foundation has \$453,546 invested with the Community Foundation of the Ozarks' pooled investment fund. Fair market value approximates cost as the Foundation has a pro-rata share of the fund.

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

### 4. Restricted Assets

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

	<b>Restricted Cash and Investments</b>	<b>Restricted Fund Balance</b>
<b>General Fund</b>		
Cemetery perpetual care	\$ 126,785	\$ 126,785
Transportation tax	2,596,145	2,723,246
Capital improvement tax	3,480,587	3,480,587
Capital projects	500,000	-
Economic development	58,189	76,711
Galloway park donations	819	819
Fire alarms	1,184	1,184
Library	4,541	4,541
Police seized funds	38,626	-
Court bonds	11,542	-
Deposits held	2,825	-
2012 COP reserves	498,633	498,633
2015 COP proceeds	273,914	273,914
	\$ 7,593,790	\$ 7,186,420
<b>Special Revenue Funds</b>		
Reserved/restricted for debt service	\$ 879,256	\$ 880,789
<b>Enterprise Fund</b>		
2020 bond reserves	\$ 1,135,488	\$ 1,135,488
2010 COP reserves	104	104
Service deposits	673,717	-
Landfill closure	30,047	30,047
	\$ 1,839,356	\$ 1,165,639

### 5. Accounts Receivable

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

	<b>Gross Receivable</b>	<b>Allowance</b>	<b>Net Receivable</b>
<b>Utilities Receivable</b>			
Enterprise Fund	\$ 3,858,518	\$ 1,638,671	\$ 2,219,847

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

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

	<b>Gross Receivable</b>	<b>Allowance</b>	<b>Net Receivable</b>
<b>Court Fines Receivable</b>			
General Fund	\$ 92,525	\$ 58,751	\$ 33,774

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

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

	<b>2020</b>
<b>Assessed Valuation</b>	
Real estate	\$ 122,670,338
Personal property	39,246,592
<b>Total</b>	<b>\$ 161,916,930</b>
<b>Tax Rate Per \$100 of Assessed Valuation</b>	
General	\$ .3180
Library	.2000
	<b>\$ .5180</b>

The legal debt margin at March 31, 2021, was computed as follows:

	<b>General Obligation Bonds</b>		
	<b>Ordinary (1)</b>	<b>Additional (2)</b>	<b>Total</b>
Constitutional Debt Limit	\$ 16,191,693	\$ 16,191,693	\$ 32,383,386
General Obligation Bonds Payable	-	-	-
<b>Legal Debt Margin</b>	<b>\$ 16,191,693</b>	<b>\$ 16,191,693</b>	<b>\$ 32,383,386</b>

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

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

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

### 7. MODAG Receivable

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

	Interest Rate	Annual Payment	Total Due
West Plains Industrial Development Corporation	3%	\$ 7,500	\$ 18,522

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

Long-term liabilities in the Enterprise Fund consists of the Series 2020 Sewerage System Refunding Revenue Bonds, 2021 Certificates of Participation, and compensated absences.

#### Series 2020 Sewerage System Refunding Revenue Bonds

On September 24, 2020, the City issued \$2,005,000 in Sewerage System Refunding Revenue Bonds, Series 2020. The bonds bear interest at 0.50% to 0.80%. Interest payments are due semi-annually on July 1 and January 1 of each year with annual principal payments due July 1 of each year. In the event of default, after 60 days the owners of at least 25% of the bonds may declare all of the remaining principal immediately due and payable and owners of at least 10% of the bonds outstanding may take legal action.

The annual debt service requirements to amortize the principal on the 2020 revenue bonds outstanding at March 31, 2021, are as follows:

Year Ending March 31,	Principal	Interest	Total
2022	\$ 500,000	\$ 11,776	\$ 511,776
2023	505,000	9,010	514,010
2024	505,000	5,727	510,727
2025	495,000	1,980	496,980
	\$ 2,005,000	\$ 28,493	\$ 2,033,493

#### Series 2021 Refunding Certificate of Participation

On January 25, 2021 the City issued \$1,935,000 in Certificates of Participation. The Certificates of Participation bear interest at 1.09%. Interest payments are due semi-annually on March 15 and September 15 of each year. In the event of default, after 60 days the lessor may take possession of any property covered under the lease and take any action at law or in equity that is deemed necessary or desirable to enforce its rights with respect to the leased property.

## City of West Plains

### Notes to the Financial Statements

March 31, 2021

The Certificates of Participation outstanding at March 31, 2021, are due as follows:

<b>Year Ending March 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 225,000	\$ 24,020	\$ 249,020
2023	225,000	18,640	243,640
2024	235,000	16,185	251,185
2025	235,000	13,625	248,625
2026	240,000	11,063	251,063
2027	240,000	8,448	248,448
2028	245,000	5,832	250,832
2029	250,000	3,162	253,162
2030	40,000	436	40,436
	<u>\$ 1,935,000</u>	<u>\$ 101,411</u>	<u>\$ 2,036,411</u>

A summary of the changes in long-term liabilities – business-type activities for the year ended March 31, 2021, is as follows:

	<b>Balance March 31, 2020</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance March 31, 2021</b>	<b>Amount due within one year</b>
Revenue Bonds					
Series 2011	\$ 2,985,000	\$ -	\$ 2,985,000	\$ -	\$ -
Series 2020	-	2,005,000	-	2,005,000	500,000
Premium	6,478	-	6,478	-	-
	<u>2,991,478</u>	<u>2,005,000</u>	<u>2,991,478</u>	<u>2,005,000</u>	<u>500,000</u>
Certificates of Participation					
Series 2021	-	1,935,000	-	1,935,000	225,000
Series 2010	2,210,000	-	2,210,000	-	-
Premium	27,284	-	2,729	24,555	-
	<u>2,237,284</u>	<u>1,935,000</u>	<u>2,212,729</u>	<u>1,959,555</u>	<u>225,000</u>
Compensated Absences	173,127	46,974	-	220,101	-
<b>Total</b>	<u>\$ 5,401,889</u>	<u>\$ 3,986,974</u>	<u>\$ 5,204,207</u>	<u>\$ 4,184,656</u>	<u>\$ 725,000</u>

### 9. Long-Term Liabilities – Governmental Activities

Long-term liabilities for governmental activities at March 31, 2021, consists of the Series 2012 and 2015 Certificates of Participation, three capital leases, and compensated absences.

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

### Series 2012 Certificates of Participation

On August 18, 2012, the City issued \$4,955,000 in Series 2012 Certificates of Participation to refund the Series 2006 Certificates of Participation and to finance various projects within the City. The certificates bear interest at various rates ranging from 1.75% to 2.90% with principal payments due July 15 and interest payments due January 15 and July 15 each year. In the event of default, the lessor may take possession of any property covered under the lease and take any action at law or in equity that is deemed necessary or desirable to enforce its rights with respect to the leased property.

The annual debt service requirements to amortize principal on the 2012 Certificates of Participation outstanding at March 31, 2021, are listed in the following table:

<u>Year Ending March 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 390,000	\$ 38,130	\$ 428,130
2023	395,000	28,315	423,315
2024	400,000	17,680	417,680
2025	420,000	6,090	426,090
	<u>\$ 1,605,000</u>	<u>\$ 90,215</u>	<u>\$ 1,695,215</u>

### Series 2015 Certificates of Participation

On March 1, 2015, the City issued \$3,920,000 in Series 2015 Certificates of Participation to finance various projects within the City. The certificates bear interest at various rates ranging from 2.00% to 2.55% with principal payments due July 15 and interest payments due January and July 15 each year. In the event of default, the lessor may take possession of any property covered under the lease and take any action at law or in equity that is deemed necessary or desirable to enforce its rights with respect to the leased property.

The annual debt service requirements to amortize principal on the Series 2015 Certificates of Participation outstanding at March 31, 2021, are listed in the following table:

<u>Year Ending March 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 465,000	\$ 33,718	\$ 498,718
2023	480,000	23,788	503,788
2024	500,000	12,633	512,633
2025	265,000	3,379	268,379
	<u>\$ 1,710,000</u>	<u>\$ 73,518</u>	<u>\$ 1,783,518</u>



# City of West Plains

## Notes to the Financial Statements

March 31, 2021

### Capital Lease Agreement – Equipment

On February 12, 2018, the City entered into a lease purchase agreement to finance the purchase of golf carts. The agreement requires monthly payments of \$1,036 and final payment of \$28,800, which includes interest at 4.80%. In the event of default, the Lessor may declare all rental payments immediately due and payable and/or take possession of the equipment at the expense of the Lessee.

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

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

Year Ending March 31,	Direct Borrowing	Golf Carts
2022		\$ 12,435
2023		12,435
2024		37,256
	<b>Total Minimum Lease Payments</b>	62,126
	<b>Less Amount Representing Interest</b>	(6,096)
	<b>Principal Balance March 31, 2021</b>	<u>\$ 56,030</u>

### Capital Lease Agreement – Radio Equipment

On December 19, 2019, the City entered into a lease purchase agreement to finance the purchase of radio equipment. The agreement requires annual payments of \$42,874, which includes interest at 3.08%. In the event of default, the Lessor may declare all rental payments immediately due and payable and/or take possession of the equipment at the expense of the Lessee.

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

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

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

<b>Year Ending March 31,</b>	<b>Direct Borrowing</b>	<b>Radio Equipment</b>
2022		\$ 42,874
2023		42,874
2024		42,874
2025		42,874
2026		42,874
2027		42,874
2028		42,874
2029		42,874
2030		42,874
	<b>Total Minimum Lease Payments</b>	385,866
	<b>Less Amount Representing Interest</b>	(53,286)
	<b>Principal Balance March 31, 2021</b>	<u>\$ 332,580</u>

### Capital Lease Agreement – Golf Equipment

On September 25, 2020, the City entered into a lease purchase agreement to finance the purchase of golf equipment. The agreement requires annual payments of \$15,740. In the event of default, the Lessor may declare all rental payments immediately due and payable and/or take possession of the equipment at the expense of the Lessee.

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

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

<b>Year Ending March 31,</b>	<b>Direct Borrowing</b>	<b>Golf Equipment</b>
2022		\$ 15,740
2023		15,740
2024		15,740
2025		15,742
	<b>Total Minimum Lease Payments</b>	62,962
	<b>Less Amount Representing Interest</b>	-
	<b>Principal Balance March 31, 2021</b>	<u>\$ 62,962</u>

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

A summary of the changes in long-term liabilities – governmental activities for the year ended March 31, 2021, is as follows:

	Balance March 31, 2020	Additions	Retirements	Balance March 31, 2021	Amount due within one year
<b>Certificates of Participation</b>					
Series 2012	\$ 1,980,000	\$ -	\$ 375,000	\$ 1,605,000	\$ 390,000
Series 2015	2,175,000	-	465,000	1,710,000	465,000
Premium on Series 2015	9,224	-	1,845	7,379	-
	<u>4,164,224</u>	<u>-</u>	<u>841,845</u>	<u>3,322,379</u>	<u>855,000</u>
<b>Direct Borrowing</b>					
Capital Lease Obligations					
Motorola equipment	364,236	-	31,656	332,580	42,874
Golf equipment	-	72,962	10,000	62,962	15,740
Golf carts	67,351	-	11,321	56,030	12,435
	<u>431,587</u>	<u>72,962</u>	<u>52,977</u>	<u>451,572</u>	<u>71,049</u>
Compensated absences payable	275,528	42,469	-	317,997	-
<b>Total</b>	<u>\$ 4,871,339</u>	<u>\$ 115,431</u>	<u>\$ 894,822</u>	<u>\$ 4,091,948</u>	<u>\$ 926,049</u>

### 10. Current Year Bond Refunding

On September 24, 2020, the City issued \$2,005,000 in refunding revenue bonds with interest of 0.50% to 0.80%. The City issued the bonds to pay the remaining of the Series 2011 refunding revenue bond outstanding principal and interest and the cost of issuing the bond.

As a result of the refunding, the City reduced its total debt service requirements by \$757,616, which resulted an economic gain (a difference between the present value of the debt service payments on old and new debt) of \$740,001.

### 11. Current Year Refunding Lease Certificate of Participation

On January 25, 2021, the City entered into a refunding lease COP with interest of 1.09%. The City used the proceeds to prepay all of the Series 2010 certificates on March 15, 2021.

As a result of the refunding, the City reduced its total debt service requirements by \$586,641, which resulted an economic gain (a difference between the present value of the debt service payments on old and new debt) of \$556,423.

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

### 12. Capital Assets

Capital asset activity for the year ended March 31, 2021, was as follows:

#### Primary Government

	<b>Balance March 31, 2020</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance March 31, 2021</b>
<b>Governmental Activities</b>				
Non-Depreciable Capital Assets				
Construction in progress	\$ 3,485,926	\$ 574,036	\$ 1,006,369	\$ 3,053,593
Land	2,944,535	-	-	2,944,535
<b>Total Non-depreciable Capital Assets</b>	<b>\$ 6,430,461</b>	<b>\$ 574,036</b>	<b>\$ 1,006,369</b>	<b>\$ 5,998,128</b>
Depreciable Capital Assets				
Building and improvements	\$ 22,575,451	\$ 481,254	\$ -	\$ 23,056,705
Machinery and equipment	5,285,701	736,974	8,850	6,013,825
Vehicles	4,099,422	391,961	433,212	4,058,171
Infrastructure	78,869,691	1,018,022	-	79,887,713
Land improvements	1,157,813	74,713	-	1,232,526
<b>Total Depreciable Capital Assets</b>	<b>111,988,078</b>	<b>\$ 2,702,924</b>	<b>\$ 442,062</b>	<b>114,248,940</b>
Less Accumulated Depreciation	78,978,571	\$ 2,821,932	\$ 373,720	81,426,783
<b>Total Depreciable Capital Assets, net</b>	<b>\$ 33,009,507</b>			<b>\$ 32,822,157</b>

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

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

Administration	\$	9,436
Information technology		2,828
Engineering		6,344
Police		160,090
Animal control		11,495
Emergency management		49,015
Fire		244,016
Airport		177,689
Street		1,531,822
Cemetery		5,011
Shop		11,184
City hall complex		108,167
Tourism development		7,794
Parks and recreation		146,423
Golf		18,880
Transit		40,146
Library		48,379
Civic center		243,213
		\$ 2,821,932

	<u>Balance March 31, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance March 31, 2021</u>
<b>Business-Type Activities</b>				
Water				
Non-Depreciable Capital Assets				
Land	\$ 166,752	\$ -	\$ -	\$ 166,752
<b>Total Non-Depreciable Capital Assets</b>	166,752	\$ -	\$ -	166,752
Depreciable Capital Assets				
Buildings and improvements	102,044	\$ -	\$ -	102,044
Plant	20,309,352	254,129	-	20,563,481
Equipment	1,267,479	144,655	-	1,412,134
Transportation equipment	332,638	-	-	332,638
<b>Total Depreciable Capital Assets</b>	22,011,513	\$ 398,784	\$ -	22,410,297
Less Accumulated Depreciation	10,408,891	\$ 495,770	\$ -	10,904,661
<b>Depreciable Capital Assets, net</b>	11,602,622			11,505,636

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

	Balance March 31, 2020	Additions	Deletions	Balance March 31, 2021
<b>Electric</b>				
Non-Depreciable Capital Assets				
Land	317,103	\$ -	\$ -	317,103
Construction in progress	38,381	217,459	-	255,840
<b>Total Non-Depreciable Capital Assets</b>	355,484	\$ 217,459	\$ -	572,943
Depreciable Capital Assets				
Buildings and improvements	254,987	\$ 451	\$ -	255,438
Plant	26,906,613	2,150,371	-	29,056,984
Equipment	3,677,924	493,464	-	4,171,388
Transportation equipment	2,186,849	-	-	2,186,849
<b>Total Depreciable Capital Assets</b>	33,026,373	\$ 2,644,286	\$ -	35,670,659
Less Accumulated Depreciation	17,903,512	\$ 1,017,459	\$ -	18,920,971
<b>Depreciable Capital Assets, net</b>	15,122,861			16,749,688
<b>Sewer</b>				
Non-Depreciable Capital Assets				
Construction in progress	-	\$ 8,721	\$ -	8,721
<b>Total Non-Depreciable Capital Assets</b>	-	\$ 8,721	\$ -	8,721
Depreciable Capital Assets				
Buildings and improvements	82,633	\$ -	\$ -	82,633
Plant	21,920,401	355,558	-	22,275,959
Equipment	1,073,355	191,077	-	1,264,432
Transportation equipment	361,687	-	-	361,687
<b>Total Depreciable Capital Assets</b>	23,438,076	\$ 555,356	\$ -	23,984,711
Less Accumulated Depreciation	9,027,919	\$ 381,663	\$ -	9,409,582
<b>Depreciable Capital Assets, net</b>	14,410,157			14,575,129
<b>Administration</b>				
Non-Depreciable Capital Assets				
Construction in progress	-	\$ 28,023	\$ -	28,023
<b>Total Non-Depreciable Capital Assets</b>	-	\$ 28,023	\$ -	28,023
Depreciable Capital Assets				
Equipment	3,591	\$ -	\$ -	3,591
<b>Total Depreciable Capital Assets</b>	3,591	\$ -	\$ -	3,591
Less Accumulated Depreciation	3,591	\$ -	\$ -	3,591
<b>Depreciable Capital Assets, net</b>	-			-

## City of West Plains

### Notes to the Financial Statements

March 31, 2021

	Balance March 31, 2020	Additions	Deletions	Balance March 31, 2021
<b>Refuse</b>				
Non-Depreciable Capital Assets				
Land	15,000	\$ -	\$ -	15,000
<b>Total Non-Depreciable Capital Assets</b>	<b>15,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>15,000</b>
Depreciable Capital Assets				
Buildings and improvements	262,045	\$ -	\$ -	262,045
Transfer station	540,911	-	-	540,911
Equipment	1,019,771	30,186	-	1,049,957
Transportation equipment	1,987,246	-	-	1,987,246
<b>Total Depreciable Capital Assets</b>	<b>3,809,973</b>	<b>\$ 30,186</b>	<b>\$ -</b>	<b>3,840,159</b>
Less Accumulated Depreciation	2,561,730	\$ 266,058	\$ -	2,827,788
<b>Depreciable Capital Assets, net</b>	<b>1,248,243</b>			<b>1,012,371</b>
<b>Fiber</b>				
Non-Depreciable Capital Assets				
Construction in progress	934,283	\$ 228,086	\$ -	1,162,369
<b>Total Non-Depreciable Capital Assets</b>	<b>934,283</b>	<b>\$ 228,086</b>	<b>\$ -</b>	<b>1,162,369</b>
Depreciable Capital Assets				
Infrastructure	219,497	\$ -	\$ -	219,497
Equipment	263,115	-	-	263,115
<b>Total Depreciable Capital Assets</b>	<b>482,612</b>	<b>\$ -</b>	<b>\$ -</b>	<b>482,612</b>
Less Accumulated Depreciation	118,483	\$ 48,563	\$ -	167,046
<b>Depreciable Capital Assets, net</b>	<b>364,129</b>			<b>315,566</b>
<b>Total Capital Assets, net</b>	<b>\$ 44,219,531</b>			<b>\$ 46,112,198</b>

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

### Component Units

	<b>Balance March 31, 2020</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance March 31, 2021</b>
<b>South 160 Community</b>				
<b>Improvement District</b>				
Depreciable Capital Assets				
Infrastructure	\$ 3,656,576	\$ -	\$ -	\$ 3,656,576
<b>Total Depreciable Capital Assets</b>	3,656,576	\$ -	\$ -	3,656,576
Less Accumulated Depreciation	934,628	\$ 73,092	\$ -	1,007,720
<b>Depreciable Capital Assets, net</b>	\$ 2,721,948	\$ -	\$ -	\$ 2,648,856
 <b>63 ByPass Community</b>				
<b>Improvement District</b>				
Depreciable Capital Assets				
Infrastructure	\$ 249,571	\$ -	\$ -	\$ 249,571
<b>Total Depreciable Capital Assets</b>	249,571	\$ -	\$ -	249,571
Less Accumulated Depreciation	50,465	\$ 4,991	\$ -	55,456
<b>Depreciable Capital Assets, net</b>	\$ 199,106	\$ -	\$ -	\$ 194,115
 <b>Ozark Hills Community</b>				
<b>Improvement District</b>				
Depreciable Capital Assets				
Infrastructure	\$ 40,000	\$ 18,230	\$ -	\$ 58,230
<b>Total Depreciable Capital Assets</b>	40,000	\$ 18,230	\$ -	58,230
Less Accumulated Depreciation	1,000	\$ 800	\$ -	1,800
<b>Depreciable Capital Assets, net</b>	\$ 39,000	\$ -	\$ -	\$ 56,430



# City of West Plains

## Notes to the Financial Statements

March 31, 2021

### 13. 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](http://www.molagers.org).

*Benefits Provided.* LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

	<u>2020 Valuation</u>
Benefit multiplier	2.00% for life
Final average salary	3 years
Member contributions	0%

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

*Employees Covered by Benefit Terms.* At June 30, 2020, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Retirees and beneficiaries	108	26	24	158
Inactive, nonretired members	48	17	15	80
Active members	127	25	16	168
	<u>283</u>	<u>68</u>	<u>55</u>	<u>406</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 19.2% (General), 16.5% (Police), and 7.0% (Fire) of annual covered payroll.

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

*Net Pension Liability/Asset.* The employer's net pension liability/asset was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability/asset was determined by an actuarial valuation as of February 28, 2020.

*Actuarial Assumptions.* The total pension liability in the February 28, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

The actuarial assumptions used in the February 28, 2020, valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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%

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

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

### Changes in the Net Pension (Asset) Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset)/Liability
	(a)	(b)	(a) - (b)
<b>General Division</b>			
Balances at beginning of year	\$ 25,117,935	\$ 25,736,743	\$ (618,808)
Changes for the year			
Service cost	507,259	-	507,259
Interest	1,791,650	-	1,791,650
Changes of benefit terms	2,055,083	-	2,055,083
Difference between expected and actual experiences	(292,247)	-	(292,247)
Contributions - employer	-	767,360	(767,360)
Net investment income	-	346,517	(346,517)
Benefits paid, including refunds	(1,332,737)	(1,332,737)	-
Administrative expenses	-	(36,702)	36,702
Other changes	-	29,157	(29,157)
<i>Net changes</i>	<u>2,729,008</u>	<u>(226,405)</u>	<u>2,955,413</u>
<b>Balances at end of year</b>	<u>27,846,943</u>	<u>25,510,338</u>	<u>2,336,605</u>

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset)/Liability
	(a)	(b)	(a) - (b)
<b>Police Division</b>			
Balances at beginning of year	6,034,603	6,403,047	(368,444)
Changes for the year			
Service cost	113,935	-	113,935
Interest	430,560	-	430,560
Changes of benefit terms	278,974	-	278,974
Difference between expected and actual experiences	(46,769)	-	(46,769)
Contributions - employer	-	143,013	(143,013)
Net investment income	-	80,626	(80,626)
Benefits paid, including refunds	(309,029)	(309,029)	-
Administrative expenses	-	(8,335)	8,335
Other changes	-	40,301	(40,301)
<i>Net changes</i>	467,671	(53,424)	521,095
<b>Balances at end of year</b>	6,502,274	6,349,623	152,651
<b>Fire Division</b>			
Balances at beginning of year	3,288,636	4,375,525	(1,086,889)
Changes for the year			
Service cost	83,896	-	83,896
Interest	236,440	-	236,440
Changes of benefit terms	219,038	-	219,038
Difference between expected and actual experiences	(53,103)	-	(53,103)
Contributions - employer	-	30,004	(30,004)
Net investment income	-	56,061	(56,061)
Benefits paid, including refunds	(139,668)	(139,668)	-
Administrative expenses	-	(5,913)	5,913
Other changes	-	24,048	(24,048)
<i>Net changes</i>	346,603	(35,468)	382,071
<b>Balances at end of year</b>	3,635,239	4,340,057	(704,818)
<b>Total Plan Balances at end of year</b>	<u>\$ 37,984,456</u>	<u>\$ 36,200,018</u>	<u>\$ 1,784,438</u>

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

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

	<b>Net Pension (Asset) Liability</b>
Governmental Activities	\$ 522,671
Business-Type Activities	1,261,767
	<b>\$ 1,784,438</b>

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

	<b>1% Decrease 6.25%</b>	<b>Current Single Discount Rate Assumption 7.25%</b>	<b>1% Increase 8.25%</b>
<b>General Division</b>			
Total pension liability	\$ 31,890,657	\$ 27,846,943	\$ 24,534,700
Fiduciary net position	25,510,338	25,510,338	25,510,338
<b>Net Pension (Asset) Liability</b>	<b>6,380,319</b>	<b>2,336,605</b>	<b>(975,638)</b>
<b>Police Division</b>			
Total pension liability	7,469,076	6,502,274	5,716,618
Fiduciary net position	6,349,623	6,349,623	6,349,623
<b>Net Pension (Asset) Liability</b>	<b>1,119,453</b>	<b>152,651</b>	<b>(633,005)</b>
<b>Fire Division</b>			
Total pension liability	4,164,596	3,635,239	3,202,335
Fiduciary net position	4,340,057	4,340,057	4,340,057
<b>Net Pension (Asset) Liability</b>	<b>(175,461)</b>	<b>(704,818)</b>	<b>(1,137,722)</b>
<b>Total Net Pension (Asset) Liability</b>	<b>\$ 7,324,311</b>	<b>\$ 1,784,438</b>	<b>\$ (2,746,365)</b>

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

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

For the year ended March 31, 2021, the employer recognized pension expense of \$2,775,640 in the general division, \$443,003 in the police division, and \$205,230 in the fire division. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
<b>General Division</b>			
Differences in experiences	\$ 114,454	\$ (270,562)	\$ (156,108)
Assumption changes	43,732	-	43,732
Differences in earnings	671,372	-	671,372
Contributions subsequent to the measurement date*	774,891	-	774,891
	<u>1,604,449</u>	<u>(270,562)</u>	<u>1,333,887</u>
<b>Police Division</b>			
Differences in experiences	169,634	(37,722)	131,912
Assumption changes	-	-	-
Differences in earnings	111,779	-	111,779
Contributions subsequent to the measurement date*	144,437	-	144,437
	<u>425,850</u>	<u>(37,722)</u>	<u>388,128</u>
<b>Fire Division</b>			
Differences in experiences	-	(88,322)	(88,322)
Differences in earnings	113,970	-	113,970
Contributions subsequent to the measurement date*	30,293	-	30,293
	<u>144,263</u>	<u>(88,322)</u>	<u>55,941</u>
	<u>\$ 2,174,562</u>	<u>\$ (396,606)</u>	<u>\$ 1,777,956</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>	<u>Net Deferred Outflows/(Inflows) of Resources</u>
Governmental Activities	\$ 1,308,160	\$ (250,503)	\$ 1,057,657
Business-Type Activities	866,402	(146,103)	720,299
	<u>\$ 2,174,562</u>	<u>\$ (396,606)</u>	<u>\$ 1,777,956</u>

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition/reduction to the net pension asset/liability for the year ending March 31, 2021.

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

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

Year Ending March 31,	Net Deferred Outflows/(Inflows) of Resources			
	General	Police	Fire	Total
2021	\$ (81,128)	\$ 7,833	\$ (57,326)	\$ (130,621)
2022	86,264	73,489	(12,533)	147,220
2023	303,416	88,965	44,349	436,730
2024	250,444	73,404	51,158	375,006
<b>Total</b>	<b>\$ 558,996</b>	<b>\$ 243,691</b>	<b>\$ 25,648</b>	<b>\$ 828,335</b>

### 14. Risk Management

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

### 15. Internal Balances

Internal balances as of March 31, 2021, consisted of the following:

	General Fund	Tax Increment Financing #1 Funds	Tax Increment Financing #3 Funds	Utility Fund
Internal balances	\$ 1,219,099	\$ 1,771	\$ (238)	\$ (1,220,632)

During the course of its operations, the City has numerous transactions between funds to finance operation, provide services, construct assets and service debt. To the extent that certain transactions between funds had not been paid or received as of March 31, 2021, balances of interfund amounts receivable or payable have been recorded within the fund financial statements.

### 16. Conduit Debt

On December 1, 2013, the City authorized the issuance of \$7,500,000 aggregate maximum principal amount of Taxable Industrial Development Revenue Bonds (Hoover Brothers Farms, Inc. Project), Series 2013. The issuance is Chapter 100 debt in order to provide economic financial assistance to a third-party private entity and the City has no obligation beyond the rents, revenues, and receipts derived by the City from the Project; therefore, the issue does not constitute a debt of the City and, accordingly, are not included in the City's statement of net position. The bonds are issued as the Project proceeds. At March 31, 2021, the amount issued and outstanding was \$2,012,127.

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

### 17. Claims & Adjustments

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government. As of March 31, 2021, expenditures have not been audited by grantor governments, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the City.

### 18. Long-Term Debt – South 160 Community Improvement District

#### South 160 Community Improvement District

On December 12, 2009, the South 160 Community Improvement District issued a bond anticipation note in the amount of \$3,007,507 in order to accelerate the start of the District's improvement projects. The note will be repaid from the proceeds of bonds the District will receive. The bond anticipation note was renewed for an additional five years, which will mature on December 25, 2023. Principal and interest payments are due monthly, with interest at 4.50% per annum.

Activity for the year ended March 31, 2021, is summarized below:

	<b>Balance March 31, 2020</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance March 31, 2021</b>
Promissory Note	<u>\$ 1,451,140</u>	<u>\$ -</u>	<u>\$ 233,809</u>	<u>\$ 1,217,331</u>

### 19. Pledged Revenues

The City has pledged future water and sewer customer revenues to repay the Series 2020 revenue bonds issued to refund the Series 2011 bonds. The bonds are payable solely from customer net revenues and are payable through 2025. Net revenues are revenues of the system less expenses of the system with the exception of depreciation. The total principal, interest and fees remaining to be paid on the bonds is \$2,033,493. Principal and interest paid for the current year and total customer net revenues were \$652,110 and \$1,656,918, respectively.

The City has pledged future sales tax revenues to repay the Series 2012 and 2015 Certificates of Participation issued for the purpose of refunding the Series 2006 COP and to finance various projects in the City. The lease purchase is payable solely from tax revenues of the City and is payable through 2025. The total principal and interest remaining to be paid on the lease is \$3,478,733.



# City of West Plains

## Notes to the Financial Statements

March 31, 2021

### 20. Deferred Revenue

Revenue has not been realized for receivables not expected to be collected within sixty days of year-end but are expected to be collectible. Deferred revenue as of March 31, 2021, consists of the following:

Court fines	\$ 33,774
Other	10,075
	<u>\$ 43,849</u>

### 21. Tax Increment Financing Districts & Community Improvement Districts

TIF #1 is committed to repay the developer for public infrastructure improvements in the TIF #1 District. There is no debt on the City's part. However, the City is obligated to repay \$500,000 of public infrastructure improvements to the extent that taxes are collected within this District. The City is only obligated if taxes are collected, and through May 2026. As of March 31, 2021, the City has paid the developer \$431,815, leaving a remaining balance of \$68,185.

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

### 22. Tax Abatements

The amount of foregone tax revenues for the year ending March 31, 2021, consisted of the following:

Tax Abatement Program	Type of Tax Abated	Amount of Taxes Abated
Tax Increment Financing Districts	Sales tax	\$ 409,027
Tax Increment Financing Districts	Property tax	97,177
Urban Redevelopment (Chapter 353)	Property tax	20,765
Chapter 100	Property tax	9,451
Enhanced Enterprise Zone	Property tax	3,435
		<u>\$ 539,855</u>

- The City has entered into three Tax Incremental Financing (TIF) Districts which are economic development tools which redirects local tax revenues towards the redevelopment of eligible properties that are otherwise economically unfeasible. Sections 99.800-99.865, RSMo, the Real Property Tax Increment Allocation Redevelopment Act, enables cities to finance certain redevelopment costs with the incremental tax revenue generated by the net increase in assessed valuation resulting from the redevelopment. The purpose of the three TIF Districts is to remove blight, improve roads and traffic flow, and attract new retail development and restaurants.
- The City has entered into one agreement under the Urban Redevelopment Corporation Law, or Chapter 353, which is an economic development tool to encourage redevelopment of blighted areas. Under Sections 353.010-353.190, RSMo, the Urban Redevelopment Corporation has a tax abatement available for 25 years. During the

# City of West Plains

## Notes to the Financial Statements

March 31, 2021

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first 10 years, the property is not subject to real property taxes except in the amount of real property taxes assessed on the land during the calendar year during with the Urban Redevelopment Corporation acquired title to the real property. For the remaining 15 years, the property may be assessed up to 50% of its true value. The purpose of the abatement is to tear down a blighted hotel and build a new hotel.

- The City and Howell County have entered into one agreement under the Enhanced Enterprise Zones Program which is designed to attract new or expanding businesses to the area. Under Sections 135.950-135.970, RSMo., for a manufacturer, distributor, or certain service industries to qualify for the 50% tax abatement for 10 years, the business must meet certain minimum criteria depending on the type of business facility. New or expanded business facilities must have two new employees and \$100,000 in new investment. Replacement business facilities must have two new employees and \$1,000,000 in new investment. Both types of business facilities must also offer health insurance to full time employees in Missouri, of which at least 50% is paid by the employer. The purpose of the abatement is to encourage job creation in blighted areas within the City.
- The City has entered into one agreement under the Chapter 100 Industrial Development Act which allows cities or counties to purchase or construct certain types of projects with bond proceeds and lease the project to a company under Sections 100.010-100.200, RSMo. Eligible projects include the purchase, construction, extension and improvement of warehouses, distributions facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, and industrial plants. Since the city or county owns the property and leases it to the company, an amount of the property taxes can be abated for a term agreed on by the city or county issuer and the company. The purpose of the abatement is to encourage job creation and maintain at least 250 employees on-site for 15 years.

### 23. Restatement

Fund Balances have been restated as of April 1, 2020 to accurately reflect a lease purchase agreement that was not recorded in the prior year.

#### Governmental Activities

Net Position, as previously stated, March 31, 2020	\$47,916,057
Lease payable	(364,236)
<b>Net Position, as restated, April 1, 2020</b>	<u><u>\$47,551,821</u></u>

### 24. Commitments

At March 31, 2021, the City was committed to Midwest Services Group, LLC, in the amount of \$99,022 for Right of Way clearing on Lanton Road.

## Required Supplementary Information

## City of West Plains

### Schedule of Changes in Net Pension Asset and Related Ratios

Year Ended March 31, 2021

<b>Missouri Local Government Employees Retirement System (LAGERS)</b>						
	<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>
<b>Total Pension Liability</b>						
Service Cost	\$ 705,090	\$ 701,064	\$ 692,815	\$ 663,466	\$ 613,175	\$ 609,092
Interest on the total pension liability	2,458,650	2,333,315	2,238,128	2,136,011	1,974,093	1,896,741
Changes of benefit terms	2,553,095	-	-	-	-	-
Difference between expected and actual experience	(392,119)	432,328	(26,372)	(90,032)	(152,545)	(254,854)
Changes of assumptions	-	-	-	-	921,055	-
Benefit payments including refunds	<u>(1,781,434)</u>	<u>(1,699,839)</u>	<u>(1,495,141)</u>	<u>(1,141,753)</u>	<u>(1,152,319)</u>	<u>(1,218,617)</u>
<i>Net Change in Total Pension Liability</i>	3,543,282	1,766,868	1,409,430	1,567,692	2,203,459	1,032,362
Total Pension Liability, Beginning	<u>34,441,174</u>	<u>32,674,306</u>	<u>31,264,876</u>	<u>29,697,184</u>	<u>27,493,725</u>	<u>26,461,363</u>
<b>Total Pension Liability, Ending</b>	<u>37,984,456</u>	<u>34,441,174</u>	<u>32,674,306</u>	<u>31,264,876</u>	<u>29,697,184</u>	<u>27,493,725</u>
<b>Plan Fiduciary Net Position</b>						
Contributions - employer	940,377	813,273	829,814	802,330	762,050	805,190
Contributions - employee	-	-	33,560	-	-	-
Pension plan net investment income	483,204	2,282,229	3,959,035	3,498,043	(81,000)	569,364
Benefit payments, including refunds	(1,781,434)	(1,699,839)	(1,495,141)	(1,141,753)	(1,152,319)	(1,218,617)
Pension plan administrative expense	(50,950)	(45,880)	(33,293)	(31,353)	(30,620)	(33,181)
Other	93,506	(101,422)	163,973	(70,304)	(24,709)	(390,217)
<i>Net Change in Plan Fiduciary Net Position</i>	(315,297)	1,248,361	3,457,948	3,056,963	(526,598)	(267,461)
Plan Fiduciary Net Position , Beginning	<u>36,515,315</u>	<u>35,266,954</u>	<u>31,809,006</u>	<u>28,752,043</u>	<u>29,278,641</u>	<u>29,546,102</u>
<b>Plan Fiduciary Net Position , Ending</b>	<u>36,200,018</u>	<u>36,515,315</u>	<u>35,266,954</u>	<u>31,809,006</u>	<u>28,752,043</u>	<u>29,278,641</u>
<b>Employer Net Pension (Asset) Liability</b>	<u>\$ 1,784,438</u>	<u>\$ (2,074,141)</u>	<u>\$ (2,592,648)</u>	<u>\$ (544,130)</u>	<u>\$ 945,141</u>	<u>\$ (1,784,916)</u>
Plan fiduciary net position as a percentage of the total pension liability	95.30%	106.02%	107.93%	101.74%	96.82%	106.49%
Covered employee payroll	\$ 6,034,065	\$ 6,652,839	\$ 6,378,809	\$ 6,420,240	\$ 5,965,732	\$ 5,504,066
Employer's net pension (asset) liability as a percentage of covered employee payroll	29.57%	-31.18%	-40.64%	-8.48%	15.84%	-32.43%

# City of West Plains

## Schedule of Contributions

Year Ended March 31, 2021

	<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>	<u>2012</u>
Actuarially determined contribution	\$ 1,194,500	\$ 870,574	\$ 844,686	\$ 824,495	\$ 790,499	\$ 781,831	\$ 837,386	\$ 853,049	\$ 884,583	\$ 853,244
Contributions in relation to the actuarially determined contribution	<u>1,194,500</u>	<u>870,574</u>	<u>835,802</u>	<u>816,501</u>	<u>790,501</u>	<u>781,831</u>	<u>837,386</u>	<u>853,050</u>	<u>811,750</u>	<u>757,941</u>
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,884</u>	<u>\$ 7,994</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 72,833</u>	<u>\$ 95,303</u>
Covered-employee payroll	\$ 6,758,793	\$ 6,346,899	\$ 6,612,172	\$ 6,449,818	\$ 6,302,408	\$ 6,170,009	\$ 5,708,368	\$ 5,736,923	\$ 5,576,949	\$ 5,525,375
Contributions as a percentage of covered-employee payroll	17.67%	13.72%	12.64%	12.66%	12.54%	12.67%	14.67%	14.87%	14.56%	13.72%

See accompanying notes to the Schedule of Contributions.

# City of West Plains

## Notes to the Schedule of Contributions

Year Ended March 31, 2021

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**Valuation Date:** February 28, 2020

**Notes:** The roll-forward of total pension liability from February 28, 2020 to June 30, 2020, reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

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

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

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

*Remaining Amortization Period:* Multiple bases from 9 to 19 years for general division 14 to 19 years for the police division and 15 to 19 years for the fire division

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

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

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

3.25% to 7.15% including wage inflation for the fire division

*Investment Rate of Return:* 7.25%, net of investment expenses

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

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

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

*Other Information:* None

# City of West Plains

## Budgetary Comparison Schedule – General Fund

Year Ended March 31, 2021

	Year Ended March 31,				2020 Actual
	2021			Variance With Final Budget	
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Taxes					
Ad valorem taxes, penalties and interest	\$ 817,000	\$ 817,000	\$ 849,040	\$ 32,040	\$ 843,404
Surtax	82,500	82,500	95,250	12,750	88,017
Motor vehicle sales tax	147,000	147,000	171,622	24,622	163,350
Sales tax	3,151,367	3,365,208	3,409,813	44,605	3,015,970
Capital improvement sales tax	1,641,000	1,704,204	1,727,097	22,893	1,525,747
Transportation sales tax	1,650,000	1,704,204	1,660,389	(43,815)	1,469,866
State motor fuel tax	300,000	300,000	300,947	947	325,043
Franchise taxes	2,600,000	2,560,000	2,511,658	(48,342)	2,636,479
Hotel/motel taxes	292,032	292,000	247,706	(44,294)	255,235
Other taxes	402,100	504,600	563,146	58,546	387,158
	<u>11,082,999</u>	<u>11,476,716</u>	<u>11,536,668</u>	<u>59,952</u>	<u>10,710,269</u>
Licenses and Permits					
Liquor	19,000	25,000	21,468	(3,532)	18,608
Building permits	110,000	19,000	26,246	7,246	111,111
Business licenses	33,000	21,000	21,035	35	34,270
Other	24,700	20,600	21,320	720	29,725
	<u>186,700</u>	<u>85,600</u>	<u>90,069</u>	<u>4,469</u>	<u>193,714</u>
Intergovernmental Revenues					
Federal	150,234	1,046,992	1,062,793	15,801	746,813
State	3,000	3,000	5,993	2,993	5,644
Other	150,000	27,000	25,015	(1,985)	175,844
	<u>303,234</u>	<u>1,076,992</u>	<u>1,093,801</u>	<u>16,809</u>	<u>928,301</u>
Charges for Services					
Parks and recreation	114,650	34,763	80,471	45,708	83,535
Cemetery	12,050	13,250	15,823	2,573	19,825
Transit	20,200	16,000	22,364	6,364	26,557
Rental income	228,067	209,550	197,256	(12,294)	196,584
Concessions	112,850	65,850	39,568	(26,282)	88,446
Fuel sales	155,800	157,000	145,612	(11,388)	144,608
Golf	241,500	274,000	249,874	(24,126)	247,682
Fines and forfeitures	151,950	116,000	109,573	(6,427)	144,465
Civic Center	130,000	17,500	39,422	21,922	120,267
Other	16,590	39,425	222,751	183,326	225,114
	<u>1,183,657</u>	<u>943,338</u>	<u>1,122,714</u>	<u>179,376</u>	<u>1,297,083</u>
Miscellaneous					
Reimbursements	-	12,000	78,835	66,835	16,655
Interest	201,800	49,050	50,528	1,478	211,264
Donations and other contributions	4,300	6,700	8,781	2,081	50,592
Sale of property	18,800	70,600	105,898	35,298	33,399
Other	53,750	191,379	119,706	(71,673)	42,259
	<u>278,650</u>	<u>329,729</u>	<u>363,748</u>	<u>34,019</u>	<u>354,169</u>
<b>Total Revenues</b>	<b>13,035,240</b>	<b>13,912,375</b>	<b>14,207,000</b>	<b>294,625</b>	<b>13,483,536</b>

See accompanying notes to the Budgetary Comparison Schedules.

# City of West Plains

## Budgetary Comparison Schedule – Tax Increment Financing #1 Fund

Year Ended March 31, 2021

	Year Ended March 31,				2020
	2021			Variance With	
	Original Budget	Final Budget	Actual		
				Actual	
<b>Expenditures</b>					
Current					
Administrative	607,350	1,693,100	681,346	1,011,754	1,007,003
Human resources/risk management	797,100	538,200	465,078	73,122	19,952
Information technology	179,900	167,500	120,881	46,619	78,237
Public relations	46,000	48,000	17,875	30,125	-
Engineering	142,410	185,850	165,647	20,203	68,454
Fleet management	360,000	421,500	226,571	194,929	-
Building official	99,250	111,010	116,130	(5,120)	107,086
City attorney	80,050	78,075	53,472	24,603	87,939
Court	117,800	134,525	130,219	4,306	126,466
Police	2,046,032	2,837,850	2,813,237	24,613	2,763,569
Animal control	59,985	61,625	57,943	3,682	55,314
Emergency management	13,475	17,075	26,316	(9,241)	10,370
Fire	850,650	1,092,267	1,008,585	83,682	1,094,387
Airport	235,350	280,270	237,475	42,795	289,680
Street	2,568,950	2,920,235	1,874,155	1,046,080	2,165,261
Cemetery	105,500	118,350	112,359	5,991	106,601
Construction	179,340	206,540	204,225	2,315	374,798
Shop	72,675	77,540	78,614	(1,074)	83,297
Health	28,825	26,825	26,000	825	31,194
City hall complex	231,700	273,325	213,997	59,328	127,158
City beautification	-	500	496	4	2,205
Economic development	150,000	150,000	133,447	16,553	142,079
Tourism development	275,382	267,273	144,779	122,494	122,104
Parks and recreation	1,312,050	1,370,764	1,020,345	350,419	1,131,206
Golf	368,750	395,775	456,423	(60,648)	376,699
Transit	174,800	200,600	189,584	11,016	178,097
Library	602,650	640,400	604,088	36,312	605,372
Civic center	705,500	865,349	728,768	136,581	678,622
CDBG disaster recovery	15,000	38,000	35,692	2,308	-
GOCAT	33,750	195,500	180,361	15,139	68,565
Senior citizens	21,400	21,650	15,229	6,421	27,039
Other	360,000	360,000	-	360,000	-
Debt Service					
Principal and interest	1,243,000	48,250	932,403	(884,153)	930,178
<b>Total Expenditures</b>	<u>14,084,624</u>	<u>15,843,723</u>	<u>13,071,740</u>	<u>2,771,983</u>	<u>12,858,932</u>
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(1,049,384)	(1,931,348)	1,135,260	3,066,608	624,604
<b>Other Financing Sources</b>					
Lease purchase proceeds	-	-	72,962	72,962	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>72,962</u>	<u>72,962</u>	<u>-</u>
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures</i>	(1,049,384)	(1,931,348)	1,208,222	3,139,570	624,604
Fund Balance, April 1	10,409,600	10,409,600	10,409,600	-	9,790,783
<b>Fund Balance, March 31</b>	<u>\$ 9,360,216</u>	<u>\$ 8,478,252</u>	<u>\$ 11,617,822</u>	<u>\$ 3,139,570</u>	<u>\$ 10,415,387</u>

See accompanying notes to the Budgetary Comparison Schedules.



## City of West Plains

### Budgetary Comparison Schedule – Tax Increment Financing #1 Fund

Year Ended March 31, 2021

	Year Ended March 31,				
	2021				2020
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
<b>Revenues</b>					
Taxes					
Sales taxes	\$ -	\$ -	\$ 44,386	\$ 44,386	\$ 35,518
Miscellaneous					
Interest	-	-	13	13	63
<b>Total Revenues</b>	-	-	44,399	44,399	35,581
<b>Expenditures</b>					
Current					
Capital outlay	-	-	44,386	(44,386)	35,518
<b>Total Expenditures</b>	-	-	44,386	(44,386)	35,518
<i>Excess of Revenues Over Expenditures</i>	-	-	13	13	63
Fund Balance, April 1	3,794	3,794	3,794	-	3,731
<b>Fund Balance, March 31</b>	<u>\$ 3,794</u>	<u>\$ 3,794</u>	<u>\$ 3,807</u>	<u>\$ 13</u>	<u>\$ 3,794</u>

See accompanying notes to the Budgetary Comparison Schedules.

## City of West Plains

### Budgetary Comparison Schedule – Tax Increment Financing #2 Fund

Year Ended March 31, 2021

	Year Ended March 31,				2020
	2021			Variance With	
	Original Budget	Final Budget	Actual		
	Actual	Actual	Actual	Actual	Actual
<b>Revenues</b>					
Taxes					
Sales taxes	\$ -	\$ -	\$ 355,264	\$ 355,264	\$ 322,392
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>355,264</u>	<u>355,264</u>	<u>322,392</u>
<b>Expenditures</b>					
Current					
Capital outlay	-	-	352,054	(352,054)	322,392
Other	-	-	3,210	(3,210)	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>355,264</u>	<u>(355,264)</u>	<u>322,392</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	-	-	-
Fund Balance, April 1	-	-	-	-	-
<b>Fund Balance, March 31</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to the Budgetary Comparison Schedules.

## City of West Plains

### Budgetary Comparison Schedule – Tax Increment Financing #3 Fund

Year Ended March 31, 2021

	Year Ended March 31,				2020
	2021			Variance With	
	Original Budget	Final Budget	Actual		
	-	-	-	-	Actual
<b>Revenues</b>					
Taxes					
Sales taxes	\$ -	\$ -	\$ 106,558	\$ 106,558	\$ 111,394
<b>Total Revenues</b>	-	-	106,558	106,558	111,394
<b>Expenditures</b>					
Current					
Miscellaneous	-	-	678	(678)	369
<b>Total Expenditures</b>	-	-	678	(678)	369
<i>Excess of Revenues Over Expenditures</i>	-	-	105,880	105,880	111,025
Fund Balance, April 1	771,102	771,102	771,102	-	660,076
<b>Fund Balance, March 31</b>	\$ 771,102	\$ 771,102	\$ 876,982	\$ 105,880	\$ 771,101

See accompanying notes to the Budgetary Comparison Schedules.

# City of West Plains

## Notes to the Budgetary Comparison Schedules

Year Ended March 31, 2021

---

### **Budgets and Budgetary Accounting**

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

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

## Other Financial Information

# City of West Plains

## Departmental Statement of Net Position – Enterprise Fund

March 31, 2021

	Utility Fund					Total
	Electric	Water	Sewer	Refuse	Fiber	
<b>Assets</b>						
Current Assets						
Cash and cash equivalents	\$ 9,888,374	\$ 3,015,963	\$ 2,152,436	\$ 1,424,952	\$ 63,301	\$ 16,545,026
Utilities receivable, net	1,579,324	206,326	157,313	272,689	4,195	2,219,847
Other accounts receivable	33,228	4,341	3,310	5,737	88	46,704
Inventory	1,606,218	486,047	-	-	-	2,092,265
Prepaid expenses	19,181	11,508	11,508	21,738	-	63,935
<b>Total Current Assets</b>	<b>13,126,325</b>	<b>3,724,185</b>	<b>2,324,567</b>	<b>1,725,116</b>	<b>67,584</b>	<b>20,967,777</b>
Restricted Assets						
Cash and cash equivalents	-	778,609	1,030,700	30,047	-	1,839,356
<b>Total Restricted Assets</b>	<b>-</b>	<b>778,609</b>	<b>1,030,700</b>	<b>30,047</b>	<b>-</b>	<b>1,839,356</b>
Property, Plant, and Equipment	36,275,216	22,577,049	23,993,432	3,855,159	1,644,981	88,345,837
Less accumulated depreciation	(18,924,562)	(10,904,661)	(9,409,582)	(2,827,788)	(167,046)	(42,233,639)
<b>Total Property, Plant, and Equipment</b>	<b>17,350,654</b>	<b>11,672,388</b>	<b>14,583,850</b>	<b>1,027,371</b>	<b>1,477,935</b>	<b>46,112,198</b>
<b>Total Assets</b>	<b>30,476,979</b>	<b>16,175,182</b>	<b>17,939,117</b>	<b>2,782,534</b>	<b>1,545,519</b>	<b>68,919,331</b>
<b>Deferred Outflows of Resources</b>						
Deferred pension outflow	433,201	86,640	95,304	242,593	8,664	866,402
<b>Total Deferred Outflows of Resources</b>	<b>433,201</b>	<b>86,640</b>	<b>95,304</b>	<b>242,593</b>	<b>8,664</b>	<b>866,402</b>
<b>Liabilities and Net Assets</b>						
Current Liabilities						
Accrued expenses	54,303	11,852	13,000	41,539	695	121,389
Accrued interest payable	-	6,738	3,256	-	-	9,994
Internal balances	1,220,632	-	-	-	-	1,220,632
Meter deposits payable	-	336,859	336,858	-	-	673,717
Current maturities of long-term debt	-	225,000	500,000	-	-	725,000
<b>Total Current Liabilities</b>	<b>1,274,935</b>	<b>580,449</b>	<b>853,114</b>	<b>41,539</b>	<b>695</b>	<b>2,750,732</b>
Long-Term Liabilities						
Revenue bonds payable	-	-	1,505,000	-	-	1,505,000
Certificates of Participation payable	-	1,734,555	-	-	-	1,734,555
Net pension liability	630,884	126,177	138,794	353,295	12,617	1,261,767
Compensated absences payable	74,449	22,542	38,885	84,226	-	220,102
<b>Total Long-Term Liabilities</b>	<b>705,333</b>	<b>1,883,274</b>	<b>1,682,679</b>	<b>437,521</b>	<b>12,617</b>	<b>4,721,424</b>
<b>Total Liabilities</b>	<b>1,980,268</b>	<b>2,463,723</b>	<b>2,535,793</b>	<b>479,060</b>	<b>13,312</b>	<b>7,472,156</b>
<b>Deferred Inflows of Resources</b>						
Deferred pension inflows	73,052	14,610	16,071	40,909	1,461	146,103
<b>Net Assets</b>						
Net investment in capital assets	17,350,654	9,712,833	12,578,850	1,027,371	1,477,935	42,147,643
Restricted	-	441,750	693,842	30,047	-	1,165,639
Unrestricted	11,506,215	3,628,904	2,209,864	1,447,734	61,475	18,854,192
<b>Total Net Position</b>	<b>\$ 28,856,869</b>	<b>\$ 13,783,487</b>	<b>\$ 15,482,556</b>	<b>\$ 2,505,152</b>	<b>\$ 1,539,410</b>	<b>\$ 62,167,474</b>

## City of West Plains

### Departmental Statement of Revenues, Expenses, and Changes in Net Position – Enterprise Fund

Year Ended March 31, 2021

	Utility Fund					Total
	Electric	Water	Sewer	Refuse	Fiber	
<b>Operating Revenues</b>						
Charges for services						
Electric	\$ 16,414,653	\$ -	\$ -	\$ -	\$ -	\$ 16,414,653
Water	-	2,144,444	-	-	-	2,144,444
Sewer	-	-	1,635,029	-	-	1,635,029
Refuse	-	-	-	2,834,188	-	2,834,188
Fiber	-	-	-	-	43,600	43,600
<b>Total Operating Revenues</b>	<b>16,414,653</b>	<b>2,144,444</b>	<b>1,635,029</b>	<b>2,834,188</b>	<b>43,600</b>	<b>23,071,914</b>
<b>Operating Expenses</b>						
Wages and benefits	2,140,340	467,164	512,378	1,637,266	27,397	4,784,545
Franchise fees	2,111,620	-	-	-	-	2,111,620
Engineering	10,025	-	-	-	-	10,025
Purchased power	9,323,250	-	-	-	-	9,323,250
Landfill service	-	-	-	852,372	-	852,372
Utilities	62,026	144,893	112,464	18,359	29,847	367,589
Insurance	184,326	18,102	14,682	32,910	3,676	253,696
Other operating expenses	1,684,035	477,512	281,864	108,654	10,172	2,562,237
Other vehicle operating expenses	344,572	33,178	60,320	26,911	-	464,981
Depreciation	1,018,573	494,346	381,752	266,257	48,585	2,209,513
<b>Total Operating Expenses</b>	<b>16,878,767</b>	<b>1,635,195</b>	<b>1,363,460</b>	<b>2,942,729</b>	<b>119,677</b>	<b>22,939,828</b>
<i>Operating Income (Loss)</i>	(464,114)	509,249	271,569	(108,541)	(76,077)	132,086
<b>Nonoperating Revenues (Expenses)</b>						
Interest income	21,118	12,946	21,149	21,822	-	77,035
Other revenue	145,989	14,338	11,630	26,066	2,912	200,935
Interest expense	-	(171,470)	(189,138)	-	-	(360,608)
Loss on inventory	(21,043)	(124)	806	-	-	(20,361)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>146,064</b>	<b>(144,310)</b>	<b>(155,553)</b>	<b>47,888</b>	<b>2,912</b>	<b>(102,999)</b>
<i>Net Income (Loss)</i>	(318,050)	364,939	116,016	(60,653)	(73,165)	29,087
Net Position, April 1	29,481,328	13,418,548	15,366,540	2,565,805	1,306,166	62,138,387
Equity Reclassification	(306,409)	-	-	-	306,409	-
<b>Net Position, March 31</b>	<b>\$ 28,856,869</b>	<b>\$ 13,783,487</b>	<b>\$ 15,482,556</b>	<b>\$ 2,505,152</b>	<b>\$ 1,539,410</b>	<b>\$ 62,167,474</b>

## **Other Reporting Requirements**





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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the discretely presented component units, and each major fund of the City of West Plains, Missouri, as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the City of West Plains, Missouri's basic financial statements, and have issued our report thereon, dated August 17, 2021.

### **Internal Control over Financial Reporting**

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

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

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

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500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of West Plains, 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 City of West Plains, Missouri's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of West Plains, Missouri's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
August 17, 2021



## Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

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

### Report on Compliance for Each Major Federal Program

We have audited the City of West Plains, Missouri's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal programs for the year ended March 31, 2021. The City of West Plains, Missouri's major federal programs are identified in the summary of audit results section of the accompanying Schedule of Findings and Questioned Costs.

### Management's Responsibility

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

### Auditors' Responsibility

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

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

### Opinion on Each Major Federal Program

In our opinion, the City of West Plains, Missouri, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended March 31, 2021.

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## Report on Internal Control over Compliance

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

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

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

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

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
August 17, 2021

# City of West Plains

## Schedule of Expenditures of Federal Awards

Year Ended March 31,2021

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Pass-through to Subrecipients	Federal Expenditures
<b>U.S. Department of Justice</b>				
Missouri Department of Public Safety Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-MU-BX-0110-018-S 2018-JAG-020	\$ 283,687 117,540	\$ 283,687 117,540
<b>Total U.S. Department of Justice</b>			<u>401,227</u>	<u>401,227</u>
<b>U.S. Department of Homeland Security</b>				
Missouri State Emergency Management Agency Emergency Management Performance Grants	97.042	EMK-2020-EP-00004-120 EMK-2019-EP-00001-OSL31	- -	10,957 2,000
Missouri Department of Public Safety Homeland Security Grant	97.067	EMW-2020-SS-00051-15-FY20	-	80,000
<b>Total U.S. Department of Homeland Security</b>			-	<u>92,957</u>
<b>U.S. Department of the Treasury</b>				
Howell County, Missouri Coronavirus Relief Fund	21.019	N/A	-	200,918
<b>Total U.S. Department of the Treasury</b>			-	<u>200,918</u>
<b>U.S. Department of Transportation</b>				
Highway Safety Cluster Missouri Department of Transportation State and Community Highway Safety	20.600	21-PT-02-139 20-PT-02-134	- -	3,542 2,407
University of Central Missouri Alcohol Open Container Requirements	20.607	20-154-AL-017	-	376
Missouri Department of Transportation Alcohol Open Container Requirements		21-154-AL-137 20-154-AL-136	- -	455 1,963
Missouri Highways and Transportation Commission Formula Grants and Rural Areas and Tribal Transit Program	20.509	TSTOAG20WP1	-	168,047
Passed Through Missouri Department of Natural Resources Recreational Trails Program	20.219	2017-10 RTP	-	25,015
<b>Total U.S. Department of Transportation</b>			-	<u>201,805</u>
<b>U.S. Department of Housing and Urban Development</b>				
Missouri Department of Economic Development Community Development Block Grant	14.228	2018-DP-06	-	35,305
<b>Total U.S. Department of Housing and Urban Development</b>			-	<u>35,305</u>
<b>Delta Regional Authority</b>				
Direct Delta Area Economic Development	90.201	95-0750-0-1-452	-	210,125
<b>Total Delta Regional Authority</b>			-	<u>210,125</u>
<b>Department of Health and Human Services</b>				
Aging Cluster Senior Age Area Agency on Aging Special Programs for the Aging, Title III, Part B	93.044	Fiscal Year 2021 Fiscal Year 2020	- -	9,393 2,235
<b>Total Department of Health and Human Services</b>			-	<u>11,628</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 401,227</u>	<u>\$ 1,153,965</u>

# City of West Plains

## Notes to the Schedule of Expenditures of Federal Awards

Year Ended March 31, 2021

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### **1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of West Plains, Missouri, under programs of the federal government for the year ended March 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of West Plains, Missouri, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of West Plains, Missouri.

### **2. Summary of Significant Accounting Policies**

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

### **3. Subrecipients**

The City of West Plains, Missouri, provided pass-through funds of \$401,227 to the Southwest Missouri Drug Task Force in the current year.

# City of West Plains

## Summary Schedule of Findings and Questioned Costs

Year Ended March 31, 2021

### Section I – Summary of Audit Results

Financial Statements	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal Control over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No
Federal Awards	
Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for major federal program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	No
Identification of major federal program:	
<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
16.738	Edward Byrne Memorial Justice Assistance Grant Program
21.019	Coronavirus Relief Fund
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

### Section II – Financial Statement Findings

None

### Section III – Federal Award Findings and Questioned Costs

None

# City of West Plains

Schedule of Prior Audit Findings

Year Ended March 31, 2021

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There were no prior audit findings