

City of West Plains, Missouri

Basic Financial Statements Nine-Month Period Ended December 31, 2022

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Honorable Mayor and Board of Aldermen
City of West Plains
West Plains, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of West Plains, Missouri, as of and for the nine-month period ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of West Plains, Missouri, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the nine-month period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining nonmajor fund financial statements and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements 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 June 15, 2023, on our consideration of the City of West Plains, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of West Plains, Missouri's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
June 15, 2023

Management's Discussion and Analysis

City of West Plains

Management's Discussion and Analysis

December 31, 2022

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 nine-month period ended December 31, 2022. Please read it in conjunction with the City's financial statements.

Financial Highlights

- The City has made the decision to change fiscal year end from March 31 to December 31 beginning with December 31, 2022.
- At the close of the period, the City's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$113,601,845 (net position). Of this amount, \$20,541,849 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- Significant projects completed during this fiscal year include vehicle replacements, sidewalk improvements, and street resurfacing. The City purchased a new warehouse facility in late 2021 and began the planning stages of remodeling the facility for the City's use with a tentative move-in for Spring 2023. In November 2022, the City implemented a new financial software which allows for electronic routing of approvals, better tracking of budgets and real-time financial data for the departments, accurate purchase order and encumbrance data, and electronic timesheets. The new software has significantly reduced the time to process payroll and allows utility customers to see their bills online and request paperless billing. Since November 2022, 1,500 customer accounts have switched to paperless billing.
- In this fiscal period, the City continued work on significant grant-funded projects including right-of-way acquisitions for four stormwater detention basins as well as land purchases and right-of-way for Independence Overpass. The City also continued work with local homeowners for the CDBG-DR grant to remove additional homes from the floodplain. Phase 1 of the Medical District Roadway Improvement project, a \$2.4 million project funded primarily through the Governor's Cost Share Program, was completed. Phase 2 is underway in 2023 and is anticipated to be completed by the end of the year. The LWCF grant program funded the City's first all-inclusive park across the street from the aquatic center. The City also opened its first dog park in June 2022.
- Major utility accomplishments during the fiscal year included completion of the solar power facility and the electric phase of AMI in April 2022 and June 2022 respectively. City utilities continued work with vendors and MIRMA (insurance carrier) to investigate the November 2021 fire at the Lincoln Substation and move forward with rebuilding the structure. City utilities completed replacing/improving the Supervisory Control and Data Acquisition (SCADA) system for electric, water, and sewer and made significant progress on the multi-year Sanitary Sewer Evaluation Study (SSES) project.

Using this Report

This 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.

City of West Plains

Management's Discussion and Analysis

December 31, 2022

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

December 31, 2022

Government-Wide Financial Analysis

Net Position

The following table presents the condensed Statement of Net Position for the City as of December 31, 2022 and March 31, 2022, the previous fiscal year end:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total December 31, 2022</u>	<u>Total March 31, 2022</u>
Assets				
Current and other assets	\$ 14,553,447	\$ 21,173,658	\$ 35,727,105	\$ 40,211,813
Capital assets	40,573,451	48,478,191	89,051,642	87,101,904
Total Assets	<u>55,126,898</u>	<u>69,651,849</u>	<u>124,778,747</u>	<u>127,313,717</u>
Deferred Outflow of Resources				
Deferred pension outflows	1,250,700	646,696	1,897,396	1,907,192
Total Deferred Outflow of Resources	<u>1,250,700</u>	<u>646,696</u>	<u>1,897,396</u>	<u>1,907,192</u>
Liabilities				
Other liabilities	2,276,221	5,761,245	8,037,466	6,192,868
Long-term liabilities	1,243,402	2,163,690	3,407,092	4,947,541
Total Liabilities	<u>3,519,623</u>	<u>7,924,935</u>	<u>11,444,558</u>	<u>11,140,409</u>
Deferred Inflow of Resources				
Deferred pension inflows	1,203,903	425,837	1,629,740	5,548,058
Net position				
Net investment in capital assets	38,905,055	45,748,411	84,653,466	81,328,495
Restricted	7,921,260	485,270	8,406,530	9,801,926
Unrestricted	4,827,757	15,714,092	20,541,849	21,402,021
Total Net Position	<u>\$ 51,654,072</u>	<u>\$ 61,947,773</u>	<u>\$ 113,601,845</u>	<u>\$ 112,532,442</u>

Total net position of the City increased by \$1,069,403 for the year due to current year activity. Total liabilities for the City increased by \$304,149. Restricted net position of the City totaled \$8.4 million as of December 31, 2022. 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

December 31, 2022

Changes in Net Position

The following table presents the Changes in Net Position for the City for the nine-month period ended December 31, 2022 and the year ended March 31, 2022:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Nine-month Period Ended December 31, 2022</u>	<u>Total Year Ending March 31, 2022</u>
Revenues				
Program Revenues				
Charges for services	\$ 1,324,032	\$ 19,095,525	\$ 20,419,557	\$ 24,449,067
Operating grants and contributions	540,802	-	540,802	1,032,447
Capital grants and contributions	1,935,324	5,100	1,940,424	619,558
General Revenues				
Sales taxes	6,558,357	-	6,558,357	8,222,011
Ad valorem taxes	937,461	-	937,461	894,037
Motor vehicle and gas taxes	440,133	-	440,133	523,511
Other taxes	924,145	-	924,145	1,079,093
Franchise taxes	1,659,392	-	1,659,392	2,513,405
Interest	157,407	247,281	404,688	101,745
Other revenue	146,331	138,839	285,170	347,753
Total Revenues	14,623,384	19,486,745	34,110,129	39,782,627
Expenses				
Administrative	553,183	-	553,183	664,235
Human resources	528,957	-	528,957	751,136
Information technology	50,302	-	50,302	-
Building maintenance	110,548	-	110,548	155,711
Public relations	31,322	-	31,322	10,911
Building official	107,012	-	107,012	115,302
City attorney	31,421	-	31,421	65,538
Court	117,703	-	117,703	140,337
Police	2,441,306	-	2,441,306	2,717,015
Animal control	63,960	-	63,960	73,713
Emergency management	39,892	-	39,892	54,127
Fire	880,753	-	880,753	1,247,271
Airport	388,138	-	388,138	508,939
Street	4,395,992	-	4,395,992	2,059,923
Cemetery	93,984	-	93,984	136,418
Shop	19,016	-	19,016	82,896
Health	18,486	-	18,486	26,014
City hall complex	75,813	-	75,813	180,485
Planning and zoning	95,968	-	95,968	-
Economic development	34,711	-	34,711	120,998

City of West Plains

Management's Discussion and Analysis

December 31, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Nine-month Period Ended December 31, 2022</u>	<u>Total Year Ending March 31, 2022</u>
Tourism	448,773	-	448,773	392,216
Parks and recreation	952,244	-	952,244	1,084,276
Golf	408,785	-	408,785	467,449
Transit	187,600	-	187,600	224,333
Library	515,642	-	515,642	574,446
Civic center	775,413	-	775,413	926,867
Galloway park	-	-	-	128,111
Capital improvement non bond	-	-	-	306,411
Grant department	-	-	-	641,629
Senior citizens	15,185	-	15,185	28,976
Other	-	-	-	511,723
Debt service	36,474	-	36,474	5,953
Water	-	1,515,755	1,515,755	1,685,727
Sewer	-	1,817,573	1,817,573	1,474,648
Electric	-	13,371,855	13,371,855	16,490,394
Refuse	-	2,812,490	2,812,490	2,999,997
Storm water engineering	-	-	-	61,170
Fiber	-	104,470	104,470	88,481
Total Expenses	<u>13,418,583</u>	<u>19,622,143</u>	<u>33,040,726</u>	<u>37,203,776</u>
Increase (Decrease) in Net Position	<u>\$ 1,204,801</u>	<u>\$ (135,398)</u>	<u>\$ 1,069,403</u>	<u>\$ 2,578,851</u>

Governmental Activities

Governmental activities increased the net position of the City by \$1,204,801. Tax revenues for the City were \$10,519,488, which represents 72% of the funding of these activities. Program revenues for the functions totaled \$3,800,158 or 26% of the funding. The following table shows the cost of the City's eight 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

December 31, 2022

Net Cost of the City of West Plains' Eight Largest Governmental Activities

	Total Cost of Services	Net Cost of Services
Administration	\$ 553,183	\$ 362,290
Police	2,441,306	1,949,458
Fire	880,753	840,231
Human Resources	528,041	528,041
Street	4,395,992	2,843,658
Parks and recreation	952,244	440,881
Library	515,642	473,134
Civic center	775,413	499,693
Other governmental activities	2,376,009	1,681,039
	<u>\$ 13,418,583</u>	<u>\$ 9,618,425</u>

Business-Type Activities

Business-type activities decreased the City's net position by \$135,398. The decrease in the prior year was \$84,303.

Financial Analysis of the City's Funds

The combined fund balances of the City's governmental funds as of December 31, 2022, were \$11,307,358. The City transferred out beginning fund balance to new governmental funds from the General Fund in the amount of \$7,048,232. The General Fund increased by \$100,216. The Grants Fund did not change, Transportation Sales Tax Fund decreased \$934,692, Capital Improvement Sales Tax Fund decreased by \$410,635, and the Nonmajor Funds increased \$98,708.

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 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 prior to the end of the fiscal year at a public meeting.

Capital Asset and Debt Administration

Capital Assets

Capital assets of the governmental activities were \$40.6 million (net of accumulated depreciation) as of December 31, 2022. This represents a \$1.2 net increase from the prior year due primarily to current year addition being greater than current year disposals and depreciation. Capital assets for business-type activities were \$48.5 million as of December 31, 2022. This represents a \$705,633 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

December 31, 2022

Debt Administration

Total debt of the governmental activities as of December 31, 2022, was \$1.9 million, which is down \$937,951 from the prior year.

Total debt of the business-type activities as of December 31, 2022, was \$2.7 million, which is down \$507,046 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. Through May 2023 the City's sales tax revenues are up 8% over the previous year, however, use tax revenues are down 10% from the previous year. Use tax revenues are highly volatile; last year's use tax revenues were 26% above budget and 19% higher than the prior year. FY2024 sales and use tax revenue is projected to increase 3-4% over the current year results. Capital sales tax revenues were up 5% in 2022 and transportation sales tax revenues were up 4% in 2022. Both of those trends are projected to continue at 3-4% increases through 2024.

The City anticipates some positive economic factors in the next fiscal year. The largest employer in the area, Ozarks Medical Center, recently completed construction of a \$70 million expansion to their main campus. Another major employer in the area, Leonardo DRS, has planned a significant investment in their West Plains campus over the next ten years. These additions will bring jobs and tax revenues to the 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 opportunities brought to light by the 2017 flooding event, and a railroad overpass at Independence Ave. During the next few months, the City will utilize its newly completed priority-based budgeting data to compile the 2024 budget which helps to align the spending of local government funds with the priorities of the community. The completion of a recent community survey for the City's Comprehensive Plan will bring additional data points for strategic planning and alignment of spending to ensure the City maintains its commitment to provide services to the community while achieving financial stability for future investments in its workforce and infrastructure.

The City's hotel/motel tax resulted in revenues of \$279,655 during FY22B (a nine-month fiscal period) and is budgeted to bring another \$396,000 in the current fiscal. The City uses these funds for promotions and grants to help bring tourism and events to West Plains. These tax revenues funded the Aaron Lewis concert in May 2023 and the tourism board is anticipating a well-attended solar eclipse event in 2024 when the City is in the path of totality.

For business-type activities, city utilities staff continue to implement a multi-year plan to upgrade the metering system to create process efficiencies and better customer service. Work continues on rebuilding the Lincoln Substation which was lost to a fire in November 2021. This project will be funded through insurance, but investigations into the failure of the station as well as supply chain issues have slowed construction on the station. In April 2022, city utilities completed an Integrated Management Plan defining future water treatment and wastewater treatment needs and determining the best approach to develop funding capacity for those projects. In light of the legislative and supply chain challenges that the City anticipates for utility projects, we will continue to review service capacities of all facilities and funding requirements to continue to provide the utility services our citizens depend on.

City of West Plains

Management's Discussion and Analysis

December 31, 2022

Contacting the City's Financial Management

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

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City of West Plains

Statement of Net Position

December 31, 2022

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	West Plains Public Library Foundation	63 ByPass Community Improvement District	Ozark Hills Community Improvement District
	Assets					
Current						
Cash and cash equivalents - unrestricted	\$ 8,643,482	\$ 13,012,496	\$ 21,655,978	\$ 17,108	\$ 263,798	\$ 5,922
Investments - unrestricted	-	-	-	431,308	-	-
Taxes receivable	1,563,301	-	1,563,301	-	-	-
Utilities receivable, net	-	2,243,410	2,243,410	-	-	-
Other accounts receivable	121,281	46,460	167,741	-	-	-
Court fines receivable, net	30,073	-	30,073	-	-	-
Intergovernmental receivable	709,273	-	709,273	-	-	-
Inventory	118,741	2,122,166	2,240,907	-	-	-
Prepaid expenses	289,989	161,375	451,364	-	-	-
Noncurrent						
Restricted cash and cash equivalents	641,986	3,570,599	4,212,585	-	-	-
Restricted investments	495,500	-	495,500	-	-	-
Net pension asset	1,939,821	17,152	1,956,973	-	-	-
Capital assets						
Non-depreciable	5,236,551	2,137,848	7,374,399	-	-	-
Depreciable, net	35,336,900	46,340,343	81,677,243	-	185,380	58,940
Total Assets	55,126,898	69,651,849	124,778,747	448,416	449,178	64,862
Deferred Outflow of Resources						
Deferred pension outflows	1,250,700	646,696	1,897,396	-	-	-
Total Deferred Outflow of Resources	1,250,700	646,696	1,897,396	-	-	-

See accompanying Notes to the Financial Statements.

City of West Plains

Statement of Net Position

December 31, 2022

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	West Plains Public Library Foundation	63 ByPass Community Improvement District	Ozark Hills Community Improvement District
Liabilities						
Current						
Accounts payable	679,035	1,768,787	2,447,822	-	2,910	925
Accrued expenses	383,931	171,423	555,354	-	-	-
Accrued interest payable	19,175	5,706	24,881	-	-	-
Unearned revenue	151,413	2,366,021	2,517,434	-	-	-
Court bonds payable	2,915	-	2,915	-	-	-
Deposits payable	1,314	719,308	720,622	-	-	-
Other payables	59,193	-	59,193	-	-	-
Current maturities of long-term debt	979,245	730,000	1,709,245	-	-	-
	2,276,221	5,761,245	8,037,466	-	2,910	925
Noncurrent						
Compensated absences payable	306,528	163,910	470,438	-	-	-
Certificates of participation payable	689,151	1,504,780	2,193,931	-	-	-
Financed purchases payable	247,723	-	247,723	-	-	-
Revenue bonds payable	-	495,000	495,000	-	-	-
	1,243,402	2,163,690	3,407,092	-	-	-
Total Liabilities	3,519,623	7,924,935	11,444,558	-	2,910	925
Deferred Inflows of Resources						
Deferred pension inflows	1,203,903	425,837	1,629,740	-	-	-
Net Position						
Net investment in capital assets	38,905,055	45,748,411	84,653,466	-	185,380	58,940
Restricted	7,921,260	485,270	8,406,530	-	-	-
Unrestricted	4,827,757	15,714,092	20,541,849	448,416	260,888	4,997
Total Net Position	\$ 51,654,072	\$ 61,947,773	\$ 113,601,845	\$ 448,416	\$ 446,268	\$ 63,937

See accompanying Notes to the Financial Statements.

City of West Plains

Statement of Activities

December 31, 2022

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	63 ByPass Community Improvement District	Ozark Hills Community Improvement District
Primary Government										
Governmental Activities										
Administrative	\$ (553,183)	\$ 94,988	\$ -	\$ 95,905	\$ (362,290)	\$ -	\$ (362,290)			
Information technology	(50,302)	-	-	-	(50,302)	-	(50,302)			
Human resources	(528,957)	-	916	-	(528,041)	-	(528,041)			
Building maintenance	(110,548)	-	-	-	(110,548)	-	(110,548)			
Public relations	(31,322)	-	-	-	(31,322)	-	(31,322)			
Building official	(107,012)	32,386	-	-	(74,626)	-	(74,626)			
City attorney	(31,421)	-	-	-	(31,421)	-	(31,421)			
Court	(117,703)	87,554	-	-	(30,149)	-	(30,149)			
Police	(2,441,306)	90,708	401,140	-	(1,949,458)	-	(1,949,458)			
Animal control	(63,960)	2,375	260	-	(61,325)	-	(61,325)			
Emergency management	(39,892)	-	1,947	-	(37,945)	-	(37,945)			
Fire	(880,753)	-	40,522	-	(840,231)	-	(840,231)			
Airport	(388,138)	258,947	-	-	(129,191)	-	(129,191)			
Street	(4,395,992)	7,375	-	1,544,959	(2,843,658)	-	(2,843,658)			
Cemetery	(93,984)	11,465	-	-	(82,519)	-	(82,519)			
Shop	(19,016)	-	-	-	(19,016)	-	(19,016)			
Health	(18,486)	-	-	-	(18,486)	-	(18,486)			
City hall complex	(75,813)	-	-	-	(75,813)	-	(75,813)			
Planning and zoning	(95,968)	2,956	16,520	-	(76,492)	-	(76,492)			
Economic development	(34,711)	-	-	-	(34,711)	-	(34,711)			
Tourism	(448,773)	82,539	7,679	-	(358,555)	-	(358,555)			
Parks and recreation	(952,244)	220,682	690	289,991	(440,881)	-	(440,881)			
Golf	(408,785)	108,918	-	-	(299,867)	-	(299,867)			
Transit	(187,600)	16,868	63,640	-	(107,092)	-	(107,092)			
Library	(515,642)	30,551	7,488	4,469	(473,134)	-	(473,134)			
Civic center	(775,413)	275,720	-	-	(499,693)	-	(499,693)			
Senior citizens	(15,185)	-	-	-	(15,185)	-	(15,185)			
Debt service	(36,474)	-	-	-	(36,474)	-	(36,474)			
Total Governmental Activities	(13,418,583)	1,324,032	540,802	1,935,324	(9,618,425)	-	(9,618,425)			

See accompanying Notes to the Financial Statements.

City of West Plains

Statement of Activities

December 31, 2022

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	63 ByPass Community Improvement District	Ozark Hills Community Improvement District
Primary Government										
Business-Type Activities										
Water	(1,515,755)	2,149,632	-	-	-	633,877	633,877			
Sewer	(1,817,573)	1,857,575	-	5,100	-	45,102	45,102			
Electric	(13,371,855)	12,434,842	-	-	-	(937,013)	(937,013)			
Sanitation	(2,812,490)	2,593,001	-	-	-	(219,489)	(219,489)			
Fiber	(104,470)	60,475	-	-	-	(43,995)	(43,995)			
Total Business-Type Activities	<u>(19,622,143)</u>	<u>19,095,525</u>	<u>-</u>	<u>5,100</u>	<u>-</u>	<u>(521,518)</u>	<u>(521,518)</u>			
Total Primary Government	<u>\$ (33,040,726)</u>	<u>\$ 20,419,557</u>	<u>\$ 540,802</u>	<u>\$ 1,940,424</u>	<u>(9,618,425)</u>	<u>(521,518)</u>	<u>(10,139,943)</u>			
Component Units										
West Plains Public										
Library Foundation	\$ (64,309)	\$ -	\$ 3,391	\$ -	-	-	\$ (60,918)	\$ -	\$ -	
63 ByPass Community										
Improvement District	(3,744)	-	-	-	-	-	-	(3,744)	-	
Ozark Hills Community										
Improvement District	(25,950)	-	-	-	-	-	-	-	(25,950)	
Total Component Unit	<u>\$ (94,003)</u>	<u>\$ -</u>	<u>\$ 3,391</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(60,918)</u>	<u>(3,744)</u>	<u>(25,950)</u>	
General Revenues										
Sales taxes					6,558,357	-	6,558,357	-	27,343	
Ad valorem taxes					937,461	-	937,461	-	-	
Motor vehicle and gas taxes					440,133	-	440,133	-	-	
Other taxes					924,145	-	924,145	-	-	
Franchise taxes					1,659,392	-	1,659,392	-	-	
Interest					157,407	247,281	404,688	186	-	
Other revenue					146,331	138,839	285,170	-	-	
Unrealized gain on investments					-	-	-	14,393	-	
Total General Revenues					<u>10,823,226</u>	<u>386,120</u>	<u>11,209,346</u>	<u>14,579</u>	<u>27,343</u>	
Changes in Net Position					1,204,801	(135,398)	1,069,403	(46,339)	23,599	
Net Position, Beginning of period					<u>50,449,271</u>	<u>62,083,171</u>	<u>112,532,442</u>	<u>494,755</u>	<u>422,669</u>	
Net Position, End of period					<u>\$ 51,654,072</u>	<u>\$ 61,947,773</u>	<u>\$ 113,601,845</u>	<u>\$ 448,416</u>	<u>\$ 446,268</u>	

See accompanying Notes to the Financial Statements.

City of West Plains

Balance Sheet – Governmental Funds

December 31, 2022

	Special Revenue Funds					
	General Fund	Grants Fund	Transportation Sales Tax Fund	Capital Improvement Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 1,985,098	\$ 194,243	\$ 1,323,094	\$ 3,493,059	\$ 1,647,988	\$ 8,643,482
Taxes receivable	863,769	-	205,216	179,798	314,518	1,563,301
Other accounts receivable	119,974	-	1,307	-	-	121,281
Court fines receivable, net	30,073	-	-	-	-	30,073
Intergovernmental receivable	26,259	683,014	-	-	-	709,273
Due from other funds	543,329	-	-	-	1,771	545,100
Inventory	118,741	-	-	-	-	118,741
Prepaid expenses	272,078	-	-	-	17,911	289,989
Restricted cash and cash equivalents	641,986	-	-	-	-	641,986
Restricted investments	495,500	-	-	-	-	495,500
Total Assets	\$ 5,096,807	\$ 877,257	\$ 1,529,617	\$ 3,672,857	\$ 1,982,188	\$ 13,158,726
Liabilities, Deferred Inflow of Resources, and Fund Balance						
Liabilities						
Accounts payable	\$ 186,394	\$ 285,531	\$ 32,867	\$ 150,176	\$ 24,067	\$ 679,035
Accrued expenses	322,289	-	38,083	-	23,559	383,931
Court bonds payable	2,915	-	-	-	-	2,915
Due to other funds	3,835	440,313	-	-	100,952	545,100
Deposits payable	1,314	-	-	-	-	1,314
Other payables	59,193	-	-	-	-	59,193
Unearned revenue	-	151,413	-	-	-	151,413
Total Liabilities	575,940	877,257	70,950	150,176	148,578	1,822,901
Deferred Inflow of Resources						
Deferred revenue	28,467	-	-	-	-	28,467
Fund Balances						
Nonspendable						
Inventory	118,741	-	-	-	-	118,741
Prepaid items	272,078	-	-	-	17,911	289,989
Restricted for						
Economic development	65,277	-	-	-	-	65,277
Parks and recreation	750	-	-	-	-	750
MODAG grant	29,775	-	-	-	-	29,775
Police	65,357	-	-	-	-	65,357
Fire	3,660	-	-	-	-	3,660
Streets	-	-	1,458,667	-	-	1,458,667
Cemetery perpetual care	126,785	-	-	-	-	126,785
Golf	13,793	-	-	-	-	13,793
Library	-	-	-	-	610,870	610,870
Southern hills CID	10,000	-	-	-	-	10,000
Nuisance abatement	15,000	-	-	-	-	15,000
Capital improvements	285,687	-	-	3,522,681	-	3,808,368
Debt service	508,129	-	-	-	1,108,559	1,616,688
Tourism	-	-	-	-	96,270	96,270
Unassigned	2,977,368	-	-	-	-	2,977,368
Total Fund Balances	4,492,400	-	1,458,667	3,522,681	1,833,610	11,307,358
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 5,096,807	\$ 877,257	\$ 1,529,617	\$ 3,672,857	\$ 1,982,188	\$ 13,158,726

See accompanying Notes to the Financial Statements.

City of West Plains

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

December 31, 2022

Fund balance - total governmental funds	\$ 11,307,358
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Governmental capital assets	126,540,309
Less accumulated depreciation	<u>(85,966,858)</u>
	40,573,451
The net pension asset 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 asset	1,939,821
Deferred outflows due to pensions	1,250,700
Deferred inflows due to pensions	<u>(1,203,903)</u>
	1,986,618
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(19,175)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(2,222,647)
Adjustment of unavailable revenue	<u>28,467</u>
Net Position of Governmental Activities	<u><u>\$ 51,654,072</u></u>

See accompanying Notes to the Financial Statements.

City of West Plains

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

Nine-month Period Ended December 31, 2022

	Special Revenue Funds					Total Governmental Funds
	General Fund	Grants Fund	Transportation Sales Tax Fund	Capital Improvement Sales Tax Fund	Nonmajor Governmental Funds	
Revenues						
Taxes	\$ 5,627,383	\$ -	\$ 2,088,665	\$ 1,681,951	\$ 1,121,489	\$ 10,519,488
Licenses and permits	78,148	-	-	-	-	78,148
Intergovernmental revenues	-	2,454,962	-	-	7,465	2,462,427
Charges for services	1,232,265	-	9,560	-	114,432	1,356,257
Donations	-	-	-	-	12,171	12,171
Miscellaneous	116,775	-	10,050	16,506	-	143,331
Interest	83,543	-	23,487	41,328	10,049	158,407
Total Revenues	7,138,114	2,454,962	2,131,762	1,739,785	1,265,606	14,730,229
Expenditures						
Current						
Administrative	348,401	312,525	-	-	-	660,926
Human resources	531,968	916	-	-	-	532,884
Public relations	36,457	-	-	-	-	36,457
Information technology	54,008	-	-	-	-	54,008
Building maintenance	93,216	-	-	-	-	93,216
Building official	114,338	-	-	-	-	114,338
City attorney	31,421	-	-	-	-	31,421
Court	123,311	-	-	-	-	123,311
Police	1,864,282	362,033	-	-	-	2,226,315
Animal control	56,934	-	-	-	-	56,934
Emergency management	2,626	1,947	-	-	-	4,573
Fire	1,006,231	40,522	-	-	-	1,046,753
Airport	267,757	39,773	-	-	-	307,530
Street	-	2,169,037	2,572,282	-	-	4,741,319
Cemetery	100,133	-	-	-	-	100,133
Shop	22,584	-	-	-	-	22,584
Health	18,486	-	-	-	-	18,486
Planning and zoning	109,730	8,260	-	-	-	117,990
Economic development	34,711	-	-	-	-	34,711
Tourism	-	-	-	-	448,270	448,270
Parks and recreation	841,371	289,991	-	-	-	1,131,362
Golf	398,463	-	-	-	-	398,463
Transit	167,130	-	-	-	-	167,130
Library	-	-	-	-	494,882	494,882
Civic center	600,285	-	-	-	-	600,285
Senior citizens	15,185	-	-	-	-	15,185
Capital improvement	-	-	-	1,033,086	354,996	1,388,082
Debt Service						
Principal and interest	-	-	-	909,084	-	909,084
Total Expenditures	6,839,028	3,225,004	2,572,282	1,942,170	1,298,148	15,876,632
<i>Excess (Deficit) of Revenues Over Expenditures</i>	299,086	(770,042)	(440,520)	(202,385)	(32,542)	(1,146,403)

See accompanying Notes to the Financial Statements.

City of West Plains

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

Nine-month Period Ended December 31, 2022

	Special Revenue Funds					Total Governmental Funds
	General Fund	Grants Fund	Transportation Sales Tax Fund	Capital Improvement Sales Tax Fund	Nonmajor Governmental Funds	
Other Financing Sources (Uses)						
Transfer in (out)	(198,870)	770,042	(494,172)	(208,250)	131,250	-
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)</i>	100,216	-	(934,692)	(410,635)	98,708	(1,146,403)
Fund Balance, April 1	11,440,416	-	-	-	1,013,345	12,453,761
Fund Balance Transfer	(7,048,232)	-	2,393,359	3,933,316	721,557	-
Fund Balance, December 31	\$ 4,492,400	\$ -	\$ 1,458,667	\$ 3,522,681	\$ 1,833,610	\$ 11,307,358

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

Nine-month Period Ended December 31, 2022

Net change in fund balances - total governmental funds	\$ (1,146,403)
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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	3,441,484
Depreciation	<u>(2,197,379)</u>
	1,244,105

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

(106,845)

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:

Repayment of principal on COPs and leases	937,951
Accrued interest payable	<u>(3,773)</u>
	934,178

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	(12,836)
Change in pension related costs	<u>292,602</u>
	279,766

Change in Net Position of Governmental Activities

\$ 1,204,801

See accompanying Notes to the Financial Statements.

City of West Plains

Statement of Net Position – Enterprise Funds

December 31, 2022

	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund	Fiber Fund	Total Enterprise Funds
Assets						
Current Assets						
Cash and cash equivalents	\$ 5,167,148	\$ 4,464,314	\$ 2,204,486	\$ 1,160,384	\$ 16,164	\$ 13,012,496
Utilities receivable, net	1,393,366	263,378	188,329	391,887	6,450	2,243,410
Other accounts receivable	33,165	4,558	3,419	5,318	-	46,460
Inventory	1,445,746	676,420	-	-	-	2,122,166
Prepaid expenses	48,415	29,046	29,046	54,868	-	161,375
Total Current Assets	<u>8,087,840</u>	<u>5,437,716</u>	<u>2,425,280</u>	<u>1,612,457</u>	<u>22,614</u>	<u>17,585,907</u>
Restricted Assets						
Cash and cash equivalents	326,343	2,742,993	455,223	46,040	-	3,570,599
Property, Plant and Equipment	40,418,340	23,464,547	24,336,183	4,674,432	1,689,249	94,582,751
Less accumulated depreciation	<u>(20,723,323)</u>	<u>(11,697,726)</u>	<u>(10,106,808)</u>	<u>(3,319,649)</u>	<u>(257,054)</u>	<u>(46,104,560)</u>
Total Property, Plant, and Equipment	<u>19,695,017</u>	<u>11,766,821</u>	<u>14,229,375</u>	<u>1,354,783</u>	<u>1,432,195</u>	<u>48,478,191</u>
Net Pension Asset	4,650	3,110	2,778	6,614	-	17,152
Total Assets	<u>28,113,850</u>	<u>19,950,640</u>	<u>17,112,656</u>	<u>3,019,894</u>	<u>1,454,809</u>	<u>69,651,849</u>
Deferred Outflows of Resources						
Deferred pension outflows	<u>175,319</u>	<u>117,246</u>	<u>104,765</u>	<u>249,366</u>	<u>-</u>	<u>646,696</u>
Total Deferred Outflows of Resources	<u>175,319</u>	<u>117,246</u>	<u>104,765</u>	<u>249,366</u>	<u>-</u>	<u>646,696</u>
Liabilities						
Current Liabilities						
Accounts payable	1,329,961	63,199	107,334	266,049	2,244	1,768,787
Accrued expenses	46,165	33,359	27,457	64,442	-	171,423
Accrued interest payable	-	5,436	270	-	-	5,706
Unearned revenue	-	2,366,021	-	-	-	2,366,021
Meter deposits payable	326,343	376,972	-	15,993	-	719,308
Current maturities of long-term debt	<u>-</u>	<u>225,000</u>	<u>505,000</u>	<u>-</u>	<u>-</u>	<u>730,000</u>
Total Current Liabilities	<u>1,702,469</u>	<u>3,069,987</u>	<u>640,061</u>	<u>346,484</u>	<u>2,244</u>	<u>5,761,245</u>
Long-Term Liabilities						
Revenue bonds payable	-	-	495,000	-	-	495,000
Certificates of participation payable	-	1,504,780	-	-	-	1,504,780
Compensated absences payable	<u>50,756</u>	<u>26,752</u>	<u>29,571</u>	<u>56,831</u>	<u>-</u>	<u>163,910</u>
Total Long-Term Liabilities	<u>50,756</u>	<u>1,531,532</u>	<u>524,571</u>	<u>56,831</u>	<u>-</u>	<u>2,163,690</u>
Total Liabilities	<u>1,753,225</u>	<u>4,601,519</u>	<u>1,164,632</u>	<u>403,315</u>	<u>2,244</u>	<u>7,924,935</u>
Deferred Inflows of Resources						
Deferred pension inflows	<u>115,444</u>	<u>77,204</u>	<u>68,986</u>	<u>164,203</u>	<u>-</u>	<u>425,837</u>
Net Position						
Net investment in capital assets	19,695,017	10,037,041	13,229,375	1,354,783	1,432,195	45,748,411
Restricted	-	-	455,223	30,047	-	485,270
Unrestricted	<u>6,725,483</u>	<u>5,352,122</u>	<u>2,299,205</u>	<u>1,316,912</u>	<u>20,370</u>	<u>15,714,092</u>
Total Net Position	<u>\$ 26,420,500</u>	<u>\$ 15,389,163</u>	<u>\$ 15,983,803</u>	<u>\$ 2,701,742</u>	<u>\$ 1,452,565</u>	<u>\$ 61,947,773</u>

See accompanying Notes to the Financial Statements.

City of West Plains

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

Nine-month Period Ended December 31, 2022

	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund	Fiber Fund	Total Enterprise Funds
Operating Revenues						
Charges for services	\$ 12,434,842	\$ 2,149,632	\$ 1,857,575	\$ 2,593,001	\$ 60,475	\$ 19,095,525
Miscellaneous	29,476	4,465	517	104,381	-	138,839
Total Operating Revenues	<u>12,464,318</u>	<u>2,154,097</u>	<u>1,858,092</u>	<u>2,697,382</u>	<u>60,475</u>	<u>19,234,364</u>
Operating Expenses						
Wages and benefits	729,363	470,537	426,677	983,023	-	2,609,600
Franchise fees	1,327,894	-	-	-	-	1,327,894
Engineering	-	11,806	-	-	-	11,806
Purchased power	7,934,189	-	-	-	-	7,934,189
Landfill service	-	-	-	756,589	-	756,589
Materials and supplies	995,073	217,424	39,055	335,937	2,967	1,590,456
Repairs and maintenance	149,048	110,356	107,427	283,721	25,940	676,492
Utilities	56,505	116,875	99,707	17,482	28,459	319,028
Contracted services	418,647	52,256	691,661	4,420	-	1,166,984
Other operating expenses	218,983	33,686	34,990	52,592	-	340,251
Administration	796,782	143,336	121,722	187,468	5,659	1,254,967
Depreciation	745,371	359,479	296,334	191,258	41,445	1,633,887
Total Operating Expenses	<u>13,371,855</u>	<u>1,515,755</u>	<u>1,817,573</u>	<u>2,812,490</u>	<u>104,470</u>	<u>19,622,143</u>
<i>Operating Income (Loss)</i>	(907,537)	638,342	40,519	(115,108)	(43,995)	(387,779)
Nonoperating Revenues (Expenses)						
Interest income	93,113	65,151	49,279	47,211	13,474	268,228
Intergovernmental	-	-	5,100	-	-	5,100
Interest expense	-	(13,980)	(6,967)	-	-	(20,947)
Total Nonoperating Revenues (Expenses)	<u>93,113</u>	<u>51,171</u>	<u>47,412</u>	<u>47,211</u>	<u>13,474</u>	<u>252,381</u>
<i>Net Income (Loss) Before Operating Transfers</i>	(814,424)	689,513	87,931	(67,897)	(30,521)	(135,398)
Operating Transfers						
Transfer in	36,005	101,587	1,391	19,524	-	158,507
Transfer (out)	(7,758)	-	(86,938)	(35,397)	(28,414)	(158,507)
Total Operating Transfers	<u>28,247</u>	<u>101,587</u>	<u>(85,547)</u>	<u>(15,873)</u>	<u>(28,414)</u>	<u>-</u>
<i>Net Income (Loss)</i>	(786,177)	791,100	2,384	(83,770)	(58,935)	(135,398)
Net Position, April 1	-	-	-	-	-	62,083,171
Net Position Allocation	27,206,677	14,598,063	15,981,419	2,785,512	1,511,500	-
Net Position, December 31	<u>\$ 26,420,500</u>	<u>\$ 15,389,163</u>	<u>\$ 15,983,803</u>	<u>\$ 2,701,742</u>	<u>\$ 1,452,565</u>	<u>\$ 61,947,773</u>

See accompanying Notes to the Financial Statements.

City of West Plains

Statement of Cash Flows – Enterprise Funds

Nine-month Period Ended December 31, 2022

	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund	Fiber Fund	Total Enterprise Funds
Cash Flows from Operating Activities						
Cash received from customers	\$ 12,738,705	\$ 3,231,723	\$ 1,473,574	\$ 2,625,829	\$ 60,238	\$ 20,130,069
Cash paid to suppliers	(11,012,387)	(921,219)	(1,094,620)	(1,589,900)	(64,455)	(14,682,581)
Cash paid to employees	(773,646)	(495,448)	(444,168)	(1,068,454)	(232)	(2,781,948)
Cash received from nonoperating revenues	-	-	5,100	-	-	5,100
Net Cash Provided (Used) by Operating Activities	952,672	1,815,056	(60,114)	(32,525)	(4,449)	2,670,640
Cash Flows from Noncapital Financing Activities						
Operating transfer in (out)	28,247	101,587	(85,547)	(15,873)	(28,414)	-
Net Cash Provided (Used) by Noncapital Financing Activities	28,247	101,587	(85,547)	(15,873)	(28,414)	-
Cash Flows from Capital and Related Financing Activities						
Purchase of capital assets	(1,460,120)	(347,111)	(172,156)	(360,133)	-	(2,339,520)
Payment of principal on long-term debt	-	-	(505,000)	-	-	(505,000)
Payment of interest expense	-	(11,817)	(8,878)	-	-	(20,695)
Net Cash (Used) by Capital and Related Financing Activities	(1,460,120)	(358,928)	(686,034)	(360,133)	-	(2,865,215)
Cash Flows from Investing Activities						
Interest received on investments	93,113	65,151	49,279	47,211	13,474	268,228
Net Cash Provided by Investing Activities	93,113	65,151	49,279	47,211	13,474	268,228
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(386,088)	1,622,866	(782,416)	(361,320)	(19,389)	73,653
Cash and Cash Equivalents, Beginning of year	5,879,579	5,584,441	3,442,125	1,567,744	35,553	16,509,442
Cash and Cash Equivalents, End of year	5,493,491	7,207,307	2,659,709	1,206,424	16,164	16,583,095
Less Restricted Cash and Cash Equivalents	326,343	2,742,993	455,223	46,040	-	3,570,599
Unrestricted Cash and Cash Equivalents	\$ 5,167,148	\$ 4,464,314	\$ 2,204,486	\$ 1,160,384	\$ 16,164	\$ 13,012,496

See accompanying Notes to the Financial Statements.

City of West Plains

Statement of Cash Flows – Enterprise Funds

Nine-month Period Ended December 31, 2022

	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Fiber Fund</u>	<u>Total Enterprise Funds</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating income (loss)	\$ (907,537)	\$ 638,342	\$ 40,519	\$ (115,108)	\$ (43,995)	\$ (387,779)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	745,371	359,479	296,334	191,258	41,445	1,633,887
(Increase) decrease in						
Receivables	(51,956)	(68,640)	(41,139)	(87,546)	(237)	(249,518)
Inventory	398,055	(162,502)	-	-	-	235,553
Prepaid expenses	(30,582)	(18,346)	(18,346)	(34,658)	-	(101,932)
Net pension asset	682,916	153,929	149,830	380,998	-	1,367,673
Deferred pension outflows	234,506	(23,642)	(13,803)	(18,329)	-	178,732
Increase (decrease) in						
Accounts payable	517,261	(54,632)	18,288	82,967	(1,430)	562,454
Compensated absences payable	(18,310)	(14,531)	(5,060)	(37,191)	-	(75,092)
Accrued expenses	(20,016)	19,395	13,126	10,520	(232)	22,793
Unearned revenue	-	1,112,674	-	-	-	1,112,674
Meter deposits payable	326,343	33,592	(343,379)	15,993	-	32,549
Other cash received for nonoperating revenues	-	-	5,100	-	-	5,100
Deferred pension inflows	(923,379)	(160,062)	(161,584)	(421,429)	-	(1,666,454)
Net Cash Provided (Used) by Operating Activities	<u>\$ 952,672</u>	<u>\$ 1,815,056</u>	<u>\$ (60,114)</u>	<u>\$ (32,525)</u>	<u>\$ (4,449)</u>	<u>\$ 2,670,640</u>

See accompanying Notes to the Financial Statements.

City of West Plains

Notes to the Financial Statements

December 31, 2022

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. 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.

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.

City of West Plains

Notes to the Financial Statements

December 31, 2022

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.

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.

City of West Plains

Notes to the Financial Statements

December 31, 2022

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.

Grants Fund: The Grants Fund is used to account for resources and restricted, committed, or assigned for various grant agreements.

Transportation Sales Tax Fund: The Transportation Sales Tax Fund is used to account for revenue sources restricted, committed, or assigned for expenditures for transportation.

Capital Improvement Sales Tax Fund: The Capital Sales Tax Fund is used to account for revenue sources restricted, committed, or assigned for expenditures for capital improvement.

The City reports the following major proprietary funds:

Electric Fund: The Electric Fund accounts for the activities and capital improvements of the City's electric operations.

Water Fund: The Water Fund accounts for the activities and capital improvements of the City's water operations.

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

Sanitation Fund: The Sanitation Fund accounts for the activities and capital improvements of the City's sanitation operations.

Fiber Fund: The Fiber Fund accounts for the activities and capital improvements of the City's 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 one year. 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.

City of West Plains

Notes to the Financial Statements

December 31, 2022

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:

Plants, systems, and stations	20-100 years
Buildings 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

Pooled Cash and Cash Equivalents

The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash account is available to meet current operating requirements. For purposes of the statements of cash flows, the City considers all accounts subject to withdrawal by check or on demand to be cash and cash equivalents.

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.

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.

City of West Plains

Notes to the Financial Statements

December 31, 2022

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.

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.

City of West Plains

Notes to the Financial Statements

December 31, 2022

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.

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.

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 two items that qualify for reporting in this category, deferred pension inflows relating to the retirement plan on the Statement of Net Position and deferred amounts relating to court fines and park deposits on the Balance Sheet. These amounts are recognized as an inflow of resources in the period that the amounts become available.

Unearned Revenue

This is future revenue received for unspent grant proceeds and will be recognized as income when earned.

City of West Plains

Notes to the Financial Statements

December 31, 2022

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.

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 December 31, 2022, the City's deposits were adequately insured and collateralized.

3. Investments

Primary Government

Investments of the City as of December 31, 2022, consists of the following:

<u>Investment Type</u>	<u>Maturity Dates</u>	<u>Amount</u>
Certificates of Deposit	6/20/2023 - 6/20/2026	<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 December 31, 2022, all certificates of deposit are entirely insured or collateralized with securities.

West Plains Public Library Foundation

The West Plains Public Library Foundation has \$431,308 invested with the Community Foundation of the Ozarks' pooled investment fund. These investments are fair value level 2. 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

December 31, 2022

4. Restricted Assets

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

	Restricted Cash and Investments	Restricted Fund Balance/ Net Position
General Fund		
Cemetery perpetual care	\$ 126,785	\$ 126,785
Economic development	59,185	65,277
Galloway park donations	750	750
MODAG grant	29,775	29,775
Fire department	3,660	3,660
Southern Hills CID	10,000	10,000
Nuisance abatement	15,000	15,000
Inmate fund	13,891	13,891
Police equipment/training	37,564	37,564
K-9 Unit	13,902	13,902
Golf	13,793	13,793
Police seized funds	15,136	-
Court bonds	2,915	-
Deposits held	1,314	-
2012 COP reserves	508,129	508,129
2015 COP proceeds	285,687	285,687
	<u>\$ 1,137,486</u>	<u>\$ 1,124,213</u>
Transportation Sales Tax Fund		
Transportation sales tax	<u>\$ -</u>	<u>\$ 1,458,667</u>
Capital Improvement Sales Tax Fund		
Capital improvement sales tax	<u>\$ -</u>	<u>\$ 3,522,681</u>
Nonmajor Governmental Funds		
Library	\$ -	\$ 610,870
Debt service	-	1,108,559
Tourism	-	96,270
	<u>\$ -</u>	<u>\$ 1,815,699</u>
Electric Fund		
Service deposits	<u>\$ 326,343</u>	<u>\$ -</u>
Water Fund		
Grant Funds	\$ 2,366,021	\$ -
Service deposits	376,972	-
	<u>\$ 2,742,993</u>	<u>\$ -</u>
Sewer Fund		
2020 bond reserves	<u>\$ 455,223</u>	<u>\$ 455,223</u>
Sanitation Fund		
Landfill closure	\$ 30,047	\$ 30,047
Service deposits	15,993	-
	<u>\$ 46,040</u>	<u>\$ 30,047</u>

City of West Plains

Notes to the Financial Statements

December 31, 2022

5. Accounts Receivable

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

	Gross Receivable	Allowance	Net Receivable
Utilities Receivable			
Electric Fund	\$ 2,535,046	\$ 1,141,680	\$ 1,393,366
Water Fund	461,931	198,553	263,378
Sewer Fund	370,336	182,007	188,329
Sanitation Fund	524,255	132,368	391,887
Fiber Fund	6,450	-	6,450
	<u>\$ 3,898,018</u>	<u>\$ 1,654,608</u>	<u>\$ 2,243,410</u>

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

	Gross Receivable	Allowance	Net Receivable
Court Fines Receivable			
General Fund	\$ 88,825	\$ 58,752	\$ 30,073
	<u>\$ 88,825</u>	<u>\$ 58,752</u>	<u>\$ 30,073</u>

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:

	2022
Assessed Valuation	
Real estate	\$ 130,392,553
Personal property	49,567,067
Total	<u>\$ 179,959,620</u>
Tax Rate Per \$100 of Assessed Valuation	
General	\$.3106
Library	.1954
	<u>\$.5060</u>

City of West Plains

Notes to the Financial Statements

December 31, 2022

The legal debt margin at December 31, 2022, was computed as follows:

	General Obligation Bonds		
	Ordinary (1)	Additional (2)	Total
Constitutional Debt Limit	\$ 17,995,962	\$ 17,995,962	\$ 35,991,924
General Obligation Bonds Payable	-	-	-
Legal Debt Margin	\$ 17,995,962	\$ 17,995,962	\$ 35,991,924

(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.

7. 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 December 31, 2022, are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	\$ 505,000	\$ 7,495	\$ 512,495
2024	495,000	3,960	498,960
	\$ 1,000,000	\$ 11,455	\$ 1,011,455

City of West Plains

Notes to the Financial Statements

December 31, 2022

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 seller may take possession of any property covered under the certificate and take any action at law or in equity that is deemed necessary or desirable to enforce its rights with respect to the property.

The Certificates of Participation outstanding at December 31, 2022, are due as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 1,710,000</u>	<u>\$ 77,391</u>	<u>\$ 1,787,391</u>

A summary of the changes in long-term liabilities – business-type activities for the nine-month period ended December 31, 2022, is as follows:

	<u>Balance March 31, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2022</u>	<u>Amount due within one year</u>
Revenue Bonds					
Series 2020	\$ 1,505,000	\$ -	\$ 505,000	\$ 1,000,000	\$ 505,000
Certificates of Participation					
Series 2021	1,710,000	-	-	1,710,000	225,000
Premium	21,826	-	2,046	19,780	-
	<u>1,731,826</u>	<u>-</u>	<u>2,046</u>	<u>1,729,780</u>	<u>225,000</u>
Compensated Absences	239,002	-	75,092	163,910	-
Total	<u>\$ 3,475,828</u>	<u>\$ -</u>	<u>\$ 582,138</u>	<u>\$ 2,893,690</u>	<u>\$ 730,000</u>

City of West Plains

Notes to the Financial Statements

December 31, 2022

8. Long-Term Liabilities – Governmental Activities

Long-term liabilities for governmental activities at December 31, 2022, consists of the Series 2012 and 2015 Certificates of Participation, three financed purchases, and compensated absences.

Series 2012 Certificates of Participation

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

The annual debt service requirements to amortize principal on the 2012 Certificates of Participation outstanding at December 31, 2022, are listed in the following table:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 400,000	\$ 23,180	\$ 423,180
2024	420,000	12,180	432,180
	<u>\$ 820,000</u>	<u>\$ 35,360</u>	<u>\$ 855,360</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 seller may take possession of any property covered under the certificate and take any action at law or in equity that is deemed necessary or desirable to enforce its rights with respect to the property.

The annual debt service requirements to amortize principal on the Series 2015 Certificates of Participation outstanding at December 31, 2022, are listed in the following table:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 500,000	\$ 18,508	\$ 518,508
2024	265,000	6,758	271,758
	<u>\$ 765,000</u>	<u>\$ 25,266</u>	<u>\$ 790,266</u>

Finance Purchased Agreement – Golf Carts

On February 12, 2018, the City entered into a financed purchase agreement to finance the purchase of golf carts. The agreement requires monthly payments of \$1,036 and final payment of \$28,833, which includes interest at 4.80%. In the event of default, the seller may declare all rental payments immediately due and payable and/or take possession of the equipment at the expense of the City.

City of West Plains

Notes to the Financial Statements

December 31, 2022

The City's agreement provide for the cancellation of the agreement 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, the agreement is accounted for as a noncancellable financed purchase in accordance with GASB Section L20, "Leases".

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

Year Ending December 31,	Direct Borrowing
2023	Golf Carts
	\$ 30,765
	Total Minimum Payments 30,765
	Less Amount Representing Interest (1,932)
	Principal Balance December 31, 2022 \$ 28,833

Finance Purchased Agreement – Radio Equipment

On December 19, 2019, the City entered into a financed 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 seller may declare all rental payments immediately due and payable and/or take possession of the radio equipment at the expense of the City.

The City's financed purchase agreement provide for the cancellation of the agreement 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, the agreement is accounted for as a noncancellable financed purchase in accordance with GASB Section L20, "Leases".

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

Year Ending December 31,	Direct Borrowing
2023	Radio Equipment
	\$ 42,874
2024	42,874
2025	42,874
2026	42,874
2027	42,874
2028	42,874
2029	42,874
	Total Minimum Payments 300,118
	Less Amount Representing Interest (33,805)
	Principal Balance December 31, 2022 \$ 266,313

City of West Plains

Notes to the Financial Statements

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Finance Purchased Agreement – Golf Equipment

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

The City's agreement provide for the cancellation of the agreement 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, the agreement is accounted for as a noncancellable financed purchase in accordance with GASB Section L20, "Leases".

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

Year Ending December 31,	Direct Borrowing
2023	\$ 15,740
2024	16,082
	Total Minimum Payments 31,822
	Less Amount Representing Interest -
	Principal Balance December 31, 2022 \$ 31,822

A summary of the changes in long-term liabilities – governmental activities for the nine-month period ended December 31, 2022, is as follows:

	Balance March 31, 2022	Additions	Retirements	Balance December 31, 2022	Amount due within one year
Certificates of Participation					
Series 2012	\$ 1,215,000	\$ -	\$ 395,000	\$ 820,000	\$ 400,000
Series 2015	1,245,000	-	480,000	765,000	500,000
Premium on Series 2015	5,534	-	1,383	4,151	-
	2,465,534	-	876,383	1,589,151	900,000
Direct Borrowing					
Financed Purchases					
Motorola equipment	299,949	-	33,636	266,313	34,672
Golf equipment	47,392	-	15,570	31,822	15,740
Golf carts	41,195	-	12,362	28,833	28,833
	388,536	-	61,568	326,968	79,245
Compensated absences payable	293,692	-	12,836	306,528	-
Total	\$ 3,147,762	\$ -	\$ 950,787	\$ 2,222,647	\$ 979,245

City of West Plains

Notes to the Financial Statements

December 31, 2022

9. Capital Assets

Capital asset activity for the nine-month period ended December 31, 2022, was as follows:

Primary Government

	Balance March 31, 2022	Additions	Deletions	Balance December 31, 2022
Governmental Activities				
Non-Depreciable Capital Assets				
Construction in progress	\$ 3,113,562	\$ 832,210	\$ 2,581,804	\$ 1,363,968
Land	3,436,650	435,933	-	3,872,583
Total Non-depreciable Capital Assets	6,550,212	\$ 1,268,143	\$ 2,581,804	5,236,551
Depreciable Capital Assets				
Building and improvements	23,243,068	\$ 545,916	\$ -	23,788,984
Machinery and equipment	6,773,329	533,859	-	7,307,188
Vehicles	4,385,351	398,402	88,372	4,695,381
Infrastructure	81,002,711	3,073,374	-	84,076,085
Land improvements	1,232,526	203,594	-	1,436,120
Total Depreciable Capital Assets	116,636,985	\$ 4,755,145	\$ 88,372	121,303,758
Less Accumulated Depreciation	83,857,851	\$ 2,197,379	\$ 88,372	85,966,858
Total Depreciable Capital Assets, net	32,779,134			35,336,900
Total Governmental Activities Capital Assets, net	\$ 39,329,346			\$ 40,573,451

City of West Plains

Notes to the Financial Statements

December 31, 2022

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

Administration	\$	33,270
Human Resources		594
Information technology		2,966
Building maintenance		10,047
Police		148,817
Animal control		6,164
Emergency management		35,573
Fire		194,615
Airport		126,476
Street		1,128,702
Cemetery		2,477
Shop		9,181
City hall complex		78,195
Tourism		6,553
Parks and recreation		128,672
Golf		16,555
Transit		32,977
Library		39,089
Civic center		196,456
	\$	<u>2,197,379</u>

City of West Plains

Notes to the Financial Statements

December 31, 2022

	Balance March 31, 2022	Additions	Deletions	Departmental Transfers	Balance December 31, 2022
Business-Type Activities					
Water					
Non-Depreciable Capital Assets					
Land	\$ 166,752	\$ -	\$ -	\$ 5,250	\$ 172,002
Construction in progress	137,866	207,215	-	(14,601)	330,480
Total Non-Depreciable Capital Assets	304,618	<u>\$ 207,215</u>	<u>\$ -</u>	<u>\$ (9,351)</u>	502,482
Depreciable Capital Assets					
Buildings and improvements	102,044	\$ 11,986	\$ -	\$ 28,460	142,490
Plant	20,877,330	24,925	-	(548,745)	20,353,510
Equipment	1,542,404	12,310	-	613,442	2,168,156
Vehicles	332,638	-	-	(34,729)	297,909
Total Depreciable Capital Assets	22,854,416	<u>\$ 49,221</u>	<u>\$ -</u>	<u>\$ 58,428</u>	22,962,065
Less Accumulated Depreciation	11,379,845	\$ 359,479	\$ -	\$ (41,598)	11,697,726
Depreciable Capital Assets, net	11,474,571				11,264,339
Electric					
Non-Depreciable Capital Assets					
Land	317,103	\$ 43,569	\$ -	\$ 46,201	406,873
Construction in progress	255,840	707,018	(8,069)	14,601	969,390
Total Non-Depreciable Capital Assets	572,943	<u>\$ 750,587</u>	<u>\$ (8,069)</u>	<u>\$ 60,802</u>	1,376,263
Depreciable Capital Assets					
Buildings and improvements	258,266	\$ 93,686	\$ -	\$ 421,436	773,388
Plant	30,632,187	616,639	-	427,895	31,676,721
Equipment	4,672,485	-	-	(44,810)	4,627,675
Vehicles	2,215,263	-	-	(250,970)	1,964,293
Total Depreciable Capital Assets	37,778,201	<u>\$ 710,325</u>	<u>\$ -</u>	<u>\$ 553,551</u>	39,042,077
Less Accumulated Depreciation	19,970,625	\$ 745,371	\$ -	\$ 7,327	20,723,323
Depreciable Capital Assets, net	17,807,576				18,318,754
Sewer					
Non-Depreciable Capital Assets					
Construction in progress	-	\$ 243,053	\$ -	\$ -	243,053
Total Non-Depreciable Capital Assets	-	<u>\$ 243,053</u>	<u>\$ -</u>	<u>\$ -</u>	243,053
Depreciable Capital Assets					
Buildings and improvements	82,633	\$ -	\$ -	\$ 10,193,259	10,275,892
Plant	22,430,350	-	-	(10,213,176)	12,217,174
Equipment	1,285,766	15,975	-	(42,393)	1,259,348
Vehicles	347,746	-	-	(7,030)	340,716
Total Depreciable Capital Assets	24,146,495	<u>\$ 259,028</u>	<u>\$ -</u>	<u>\$ (69,340)</u>	24,093,130
Less Accumulated Depreciation	9,792,942	\$ 296,334	\$ -	\$ 17,532	10,106,808
Depreciable Capital Assets, net	14,353,553				13,986,322

City of West Plains

Notes to the Financial Statements

December 31, 2022

	Balance March 31, 2022	Additions	Deletions	Departmental Transfers	Balance December 31, 2022
Administration					
Non-Depreciable Capital Assets					
Land	52,501	\$ -	\$ -	\$ (52,501)	-
Construction in progress	30,000	-	(30,000)	-	-
Total Non-Depreciable Capital Assets	82,501	\$ -	\$ (30,000)	\$ (52,501)	-
Depreciable Capital Assets					
Buildings and improvements	427,399	\$ -	\$ -	\$ (427,399)	-
Equipment	103,713	30,000	-	(133,713)	-
Total Depreciable Capital Assets	531,112	\$ 30,000	\$ -	\$ (561,112)	-
Less Accumulated Depreciation	13,864	\$ -	\$ -	\$ (13,864)	-
Depreciable Capital Assets, net	517,248	\$ -	\$ -	\$ -	-
Sanitation					
Non-Depreciable Capital Assets					
Land	15,000	\$ -	\$ -	\$ 1,050	16,050
Total Non-Depreciable Capital Assets	15,000	\$ -	\$ -	\$ 1,050	16,050
Depreciable Capital Assets					
Buildings and improvements	262,045	\$ -	\$ -	\$ 155,947	417,992
Transfer station	540,911	-	-	-	540,911
Equipment	1,168,010	20,320	-	(354,750)	833,580
Vehicles	2,297,728	350,894	-	217,277	2,865,899
Total Depreciable Capital Assets	4,268,694	\$ 371,214	\$ -	\$ 18,474	4,658,382
Less Accumulated Depreciation	3,097,786	\$ 191,260	\$ -	\$ 30,603	3,319,649
Depreciable Capital Assets, net	1,170,908	\$ -	\$ -	\$ -	1,338,733
Fiber					
Non-Depreciable Capital Assets					
Construction in progress	1,206,637	\$ -	\$ (1,206,637)	\$ -	-
Total Non-Depreciable Capital Assets	1,206,637	\$ -	\$ (1,206,637)	\$ -	-
Depreciable Capital Assets					
Infrastructure	219,497	\$ 1,206,637	\$ -	\$ -	1,426,134
Equipment	263,115	-	-	-	263,115
Total Depreciable Capital Assets	482,612	\$ 1,206,637	\$ -	\$ -	1,689,249
Less Accumulated Depreciation	215,609	\$ 41,445	\$ -	\$ -	257,054
Depreciable Capital Assets, net	267,003	\$ -	\$ -	\$ -	1,432,195
Total Capital Assets, net	\$ 47,772,558	\$ -	\$ -	\$ -	\$ 48,478,191

City of West Plains

Notes to the Financial Statements

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Component Units

	Balance March 31, 2022	Additions	Deletions	Balance December 31, 2022
63 ByPass Community				
Improvement District				
Depreciable Capital Assets				
Infrastructure	\$ 249,571	\$ -	\$ -	\$ 249,571
Total Depreciable Capital Assets	249,571	\$ -	\$ -	249,571
Less Accumulated Depreciation	60,447	\$ 3,744	\$ -	64,191
Depreciable Capital Assets, net	\$ 189,124			\$ 185,380
 Ozark Hills Community				
Improvement District				
Depreciable Capital Assets				
Infrastructure	\$ 63,321	\$ -	\$ -	\$ 63,321
Total Depreciable Capital Assets	63,321	\$ -	\$ -	63,321
Less Accumulated Depreciation	3,431	\$ 950	\$ -	4,381
Depreciable Capital Assets, net	\$ 59,890			\$ 58,940

City of West Plains

Notes to the Financial Statements

December 31, 2022

10. Employee Pension Plan

General Information about the Pension Plan

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

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

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

	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Retirees and beneficiaries	114	29	28	171
Inactive, nonretired members	53	22	16	91
Active members	131	24	13	168
	<u>298</u>	<u>75</u>	<u>57</u>	<u>430</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 20.2% (General), 17.2% (Police), and 6.9% (Fire) of annual covered payroll.

City of West Plains

Notes to the Financial Statements

December 31, 2022

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

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

Inflation	2.75% wage inflation, 2.25% price inflation
Salary Increase	2.75% to 6.75% including wage inflation for general 2.75% to 6.55% wage inflation for police 2.75% to 7.15% wage inflation for fire
Investment rate of return	7.00%, net of investment expenses

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash/Leverage	-25.00%	-0.29%

City of West Plains

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Discount Rate. The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon 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	Plan Fiduciary	Net Pension
	Liability	Net Position	(Asset)/Liability
	(a)	(b)	(a) - (b)
General Division			
Balances at beginning of year	\$ 29,472,336	\$ 32,071,970	\$ (2,599,634)
Changes for the year			
Service cost	629,824	-	629,824
Interest	2,037,997	-	2,037,997
Difference between expected and actual experiences	641,273	-	641,273
Contributions - employer	-	1,078,254	(1,078,254)
Net investment income	-	21,715	(21,715)
Benefits paid, including refunds	(1,358,345)	(1,358,345)	-
Administrative expenses	-	(31,822)	31,822
Other changes	-	(315,275)	315,275
<i>Net changes</i>	<u>1,950,749</u>	<u>(605,473)</u>	<u>2,556,222</u>
Balances at end of year	<u>31,423,085</u>	<u>31,466,497</u>	<u>(43,412)</u>

City of West Plains

Notes to the Financial Statements

December 31, 2022

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/Liability (a) - (b)
Police Division			
Balances at beginning of year	6,773,395	8,023,704	(1,250,309)
Changes for the year			
Service cost	146,389	-	146,389
Interest	465,920	-	465,920
Difference between expected and actual experiences	(195,535)	-	(195,535)
Contributions - employer	-	194,248	(194,248)
Net investment income	-	5,736	(5,736)
Benefits paid, including refunds	(385,207)	(385,207)	-
Administrative expenses	-	(6,850)	6,850
Other changes	-	(324,047)	324,047
<i>Net changes</i>	31,567	(516,120)	547,687
Balances at end of year	6,804,962	7,507,584	(702,622)
Fire Division			
Balances at beginning of year	3,734,610	5,337,511	(1,602,901)
Changes for the year			
Service cost	104,150	-	104,150
Interest	259,386	-	259,386
Difference between expected and actual experiences	75,162	-	75,162
Contributions - employer	-	45,037	(45,037)
Net investment income	-	5,212	(5,212)
Benefits paid, including refunds	(163,329)	(163,329)	-
Administrative expenses	-	(5,081)	5,081
Other changes	-	1,568	(1,568)
<i>Net changes</i>	275,369	(116,593)	391,962
Balances at end of year	4,009,979	5,220,918	(1,210,939)
Total Plan Balances at end of year	\$ 42,238,026	\$ 44,194,999	\$ (1,956,973)

City of West Plains

Notes to the Financial Statements

December 31, 2022

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

	Net Pension (Asset)
Governmental Activities	\$ (1,939,821)
Business-Type Activities	(17,152)
	\$ (1,956,973)

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

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
General Division			
Total pension liability	\$ 35,905,260	\$ 31,423,085	\$ 27,731,839
Fiduciary net position	31,466,497	31,466,497	31,466,497
Net Pension (Asset) Liability	4,438,763	(43,412)	(3,734,658)
Police Division			
Total pension liability	7,809,876	6,804,962	5,988,520
Fiduciary net position	7,507,584	7,507,584	7,507,584
Net Pension (Asset) Liability	302,292	(702,622)	(1,519,064)
Fire Division			
Total pension liability	4,587,050	4,009,979	3,537,183
Fiduciary net position	5,220,918	5,220,918	5,220,918
Net Pension (Asset) Liability	(633,868)	(1,210,939)	(1,683,735)
Total Net Pension (Asset) Liability	\$ 4,107,187	\$ (1,956,973)	\$ (6,937,457)

City of West Plains

Notes to the Financial Statements

December 31, 2022

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

For the nine-month period ended December 31, 2022, the employer recognized pension expense (credit) of \$513,339 in the general division, \$271,952 in the police division, and (\$104,736) 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>
General Division			
Differences in experiences	\$ 1,006,767	\$ (116,771)	\$ 889,996
Assumption changes	-	(312,611)	(312,611)
Differences in earnings	-	(648,414)	(648,414)
Contributions subsequent to the measurement date*	630,022	-	630,022
	<u>1,636,789</u>	<u>(1,077,796)</u>	<u>558,993</u>
Police Division			
Differences in experiences	66,406	(154,537)	(88,131)
Assumption changes	-	(43,102)	(43,102)
Differences in earnings	-	(184,270)	(184,270)
Contributions subsequent to the measurement date*	115,248	-	115,248
	<u>181,654</u>	<u>(381,909)</u>	<u>(200,255)</u>
Fire Division			
Differences in experiences	55,903	(14,261)	41,642
Assumption changes	-	(31,958)	(31,958)
Differences in earnings	-	(123,816)	(123,816)
Contributions subsequent to the measurement date*	23,050	-	23,050
	<u>78,953</u>	<u>(170,035)</u>	<u>(91,082)</u>
	<u>\$ 1,897,396</u>	<u>\$ (1,629,740)</u>	<u>\$ 267,656</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	\$ 1,250,700	\$ (1,203,903)	\$ 46,797
Business-Type Activities	646,696	(425,837)	220,859
	<u>\$ 1,897,396</u>	<u>\$ (1,629,740)</u>	<u>\$ 267,656</u>

City of West Plains

Notes to the Financial Statements

December 31, 2022

*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 December 31, 2023.

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

Year Ending December 31,	Net Deferred (Inflows) of Resources			
	General	Police	Fire	Total
2023	\$ (60,969)	\$ (112,075)	\$ (45,468)	\$ (218,512)
2024	(113,941)	(127,636)	(39,118)	(280,695)
2025	(396,835)	(183,387)	(102,389)	(682,611)
2026	500,716	107,595	72,843	681,154
Total	\$ (71,029)	\$ (315,503)	\$ (114,132)	\$ (500,664)

11. 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.

12. Internal Balances

Internal balances as of December 31, 2022, consisted of the following:

	General Fund	Grants Fund	Nonmajor Governmental Funds
Internal balances, net	\$ 539,494	\$ (440,313)	\$ (99,181)

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 December 31, 2022, balances of interfund amounts receivable or payable have been recorded within the fund financial statements.

City of West Plains

Notes to the Financial Statements

December 31, 2022

13. Interfund Transfers

Transfers between funds of the City for the period ended December 31, 2022, were as follows:

	Transfers In (Out)
General Fund	\$ (198,870)
Grants Fund	770,042
Transportation Sales Tax Fund	(494,172)
Capital Improvement Sales Tax Fund	(208,250)
Nonmajor Governmental Funds	131,250
	<u>\$ -</u>

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

14. 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 December 31, 2022, the amount issued and outstanding was \$2,012,127.

15. 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 December 31, 2022, 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.

16. 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 2024. 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 \$1,011,435. Principal and interest paid for the current year and total customer net revenues were \$510,536 and \$1,334,674, 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 certificates are payable

City of West Plains

Notes to the Financial Statements

December 31, 2022

solely from tax revenues of the City and are payable through 2024. The total principal and interest remaining to be paid on the certificates are \$1,645,626.

17. 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 December 31, 2022, consists of the following:

Court fines	\$	18,467
Other		10,000
	<u>\$</u>	<u>28,467</u>

18. Tax Increment Financing Districts & Community Improvement Districts

TIF #2 taxes 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.

19. Tax Abatements

The amount of foregone tax revenues for the nine-month period ending December 31, 2022, consisted of the following:

<u>Tax Abatement Program</u>	<u>Type of Tax Abated</u>	<u>Amount of Taxes Abated</u>
Tax Increment Financing Districts	Sales tax	\$ 424,795
Tax Increment Financing Districts	Property tax	101,552
Urban Redevelopment (Chapter 353)	Property tax	20,284
Chapter 100	Property tax	9,232
Enhanced Enterprise Zone	Property tax	3,355
		<u>\$ 559,218</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 three agreements under the Urban Redevelopment Corporation Law, or Chapter 353, which is an economic development tool to encourage redevelopment of blighted areas. Under Sections 353.010-353.190, RSMo, the Urban Redevelopment Corporation has a tax abatement available for 25 years. During the first 10 years, the property is not subject to real property taxes except in the amount of real property taxes assessed on the land during the calendar year during with the Urban Redevelopment Corporation acquired title

City of West Plains

Notes to the Financial Statements

December 31, 2022

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 abatements are to tear down a blighted hotel and build a new hotel.

- The City and Howell County have entered into six agreements 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 abatements are 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.

20. Commitments

At December 31, 2022, the City had the following commitments:

<u>Contractor</u>	<u>Project</u>	<u>Amount</u>
Cary Stewart Construction	Alaska Street Project	\$ 390,664
Toth & Associates	EDA Regional Detention Basins	71,181
		<u>\$ 461,845</u>

21. Unearned Revenue

Unearned Revenue has been recorded in the Water Fund in the amount of \$2,366,021 and in the Grants Fund in the amount of \$151,413. This represents unspent ARPA Grant Funds and other grant funds received by the City.

Required Supplementary Information

City of West Plains

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Nine-month Period Ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability								
Service Cost	\$ 880,363	\$ 809,966	\$ 705,090	\$ 701,064	\$ 692,815	\$ 663,466	\$ 613,175	\$ 609,092
Interest on the total pension liability	2,763,303	2,719,161	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	520,900	963,248	(392,119)	432,328	(26,372)	(90,032)	(152,545)	(254,854)
Changes of assumptions	-	(711,899)	-	-	-	-	921,055	-
Benefit payments including refunds	<u>(1,906,881)</u>	<u>(1,784,591)</u>	<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>	2,257,685	1,995,885	3,543,282	1,766,868	1,409,430	1,567,692	2,203,459	1,032,362
Total Pension Liability, Beginning	<u>39,980,341</u>	<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>	<u>26,461,363</u>
Total Pension Liability, Ending	42,238,026	39,980,341	37,984,456	34,441,174	32,674,306	31,264,876	29,697,184	27,493,725
Plan Fiduciary Net Position								
Contributions - employer	1,317,539	1,254,063	940,377	813,273	829,814	802,330	762,050	805,190
Contributions - employee	-	-	-	-	33,560	-	-	-
Pension plan net investment income	32,663	9,838,757	483,204	2,282,229	3,959,035	3,498,043	(81,000)	569,364
Benefit payments, including refunds	(1,906,881)	(1,784,591)	(1,781,434)	(1,699,839)	(1,495,141)	(1,141,753)	(1,152,319)	(1,218,617)
Pension plan administrative expense	(43,753)	(39,337)	(50,950)	(45,880)	(33,293)	(31,353)	(30,620)	(33,181)
Other	<u>(637,754)</u>	<u>(35,725)</u>	<u>93,506</u>	<u>(101,422)</u>	<u>163,973</u>	<u>(70,304)</u>	<u>(24,709)</u>	<u>(390,217)</u>
<i>Net Change in Plan Fiduciary Net Position</i>	(1,238,186)	9,233,167	(315,297)	1,248,361	3,457,948	3,056,963	(526,598)	(267,461)
Plan Fiduciary Net Position , Beginning	<u>45,433,185</u>	<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>	<u>29,546,102</u>
Plan Fiduciary Net Position , Ending	<u>44,194,999</u>	<u>45,433,185</u>	<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>
Employer Net Pension (Asset) Liability	<u>\$ (1,956,973)</u>	<u>\$ (5,452,844)</u>	<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	104.63%	113.64%	95.30%	106.02%	107.93%	101.74%	96.82%	106.49%
Covered employee payroll	\$ 7,203,852	\$ 6,760,987	\$ 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	-27.17%	-80.65%	29.57%	-31.18%	-40.64%	-8.48%	15.84%	-32.43%

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

City of West Plains

Schedule of Contributions

Nine-month Period Ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contribution	\$ 1,390,672	\$ 1,286,462	\$ 1,182,024	\$ 813,091	\$ 855,027	\$ 814,798	\$ 777,152	\$ 770,844	\$ 844,965	\$ 853,633
Contributions in relation to the actuarially determined contribution	<u>1,390,672</u>	<u>1,286,462</u>	<u>1,182,024</u>	<u>810,664</u>	<u>846,337</u>	<u>809,037</u>	<u>777,153</u>	<u>770,844</u>	<u>844,966</u>	<u>837,022</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,427</u>	<u>\$ 8,690</u>	<u>\$ 5,761</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 16,611</u>
Covered-employee payroll	\$ 7,546,252	\$ 7,145,082	\$ 6,752,932	\$ 6,438,713	\$ 6,676,590	\$ 6,427,321	\$ 6,176,065	\$ 5,865,769	\$ 5,744,876	\$ 5,653,267
Contributions as a percentage of covered-employee payroll	18.43%	18.00%	17.50%	12.59%	12.68%	12.59%	12.58%	13.14%	14.71%	14.81%

See accompanying Notes to the Schedule of Contributions.

City of West Plains

Notes to the Schedule of Contributions

Nine-month Period Ended December 31, 2022

Valuation Date: February 28, 2022

Notes: The roll-forward of total pension liability from February 28, 2022 to June 30, 2022, reflects expected service cost and interest reduced by actual benefit payments.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method: Entry Age Normal and Modified Terminal Funding

Amortization Method: A level percentage of payroll amortization method is used to amortize the unfunded actuarial accrued liability (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 8 to 18 years for general division 13 to 18 years for the police division and 15 to 18 years for the fire division

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

Inflation: 2.75% wage inflation; 2.25% price inflation

Salary Increases: 2.75% to 6.75% including wage inflation for the general division

2.75% to 6.55% for police division

2.75% to 7.15% for fire division

Investment Rate of Return: 7.00%, net of investment expenses

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

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

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

Other Information: None

City of West Plains

Budgetary Comparison Schedule – General Fund

Nine-month Period Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes				
Ad valorem taxes, penalties and interest	\$ 122,600	\$ 122,600	\$ 576,966	\$ 454,366
Surtax	15,400	15,400	71,843	56,443
City sales tax	2,770,898	2,770,898	3,058,860	287,962
Franchise taxes	1,671,180	1,671,180	1,659,392	(11,788)
Use tax	224,025	224,025	255,779	31,754
Other taxes	1,340	1,340	4,543	3,203
	<u>4,805,443</u>	<u>4,805,443</u>	<u>5,627,383</u>	<u>821,940</u>
Licenses and Permits				
Liquor	24,700	24,700	14,868	(9,832)
Building permits	12,350	12,350	16,705	4,355
Business licenses	15,910	15,910	29,100	13,190
Other	13,440	13,440	17,475	4,035
	<u>66,400</u>	<u>66,400</u>	<u>78,148</u>	<u>11,748</u>
Charges for Services				
Parks and recreation	111,800	127,680	162,296	34,616
Cemetery	10,565	10,565	11,464	899
Transit	16,880	16,880	16,868	(12)
Rental income	135,650	140,150	190,827	50,677
Concessions	47,880	47,880	91,708	43,828
Fuel sales	120,950	120,950	213,300	92,350
Golf	249,290	249,290	202,570	(46,720)
Fines and forfeitures	71,410	71,410	92,136	20,726
Civic Center	83,620	83,620	161,023	77,403
Other	53,230	53,230	90,073	36,843
	<u>901,275</u>	<u>921,655</u>	<u>1,232,265</u>	<u>310,610</u>
Miscellaneous				
Reimbursements	53,840	92,409	100,841	8,432
Interest	26,720	26,720	83,543	56,823
Donations and other contributions	790	790	1,530	740
Sale of property	-	-	217	217
Other	4,002	4,002	14,187	10,185
	<u>85,352</u>	<u>123,921</u>	<u>200,318</u>	<u>76,397</u>
Total Revenues	<u>5,858,470</u>	<u>5,917,419</u>	<u>7,138,114</u>	<u>1,220,695</u>

See accompanying Notes to the Budgetary Comparison Schedules.

City of West Plains

Budgetary Comparison Schedule – General Fund

Nine-month Period Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures				
Current				
Administrative	390,773	192,873	348,401	(155,528)
Human resources	705,736	663,866	531,968	131,898
Public relations	85,113	85,113	36,457	48,656
Information technology	10,908	13,408	54,008	(40,600)
Building maintenance	91,938	91,938	93,216	(1,278)
Building official	120,380	120,380	114,338	6,042
City attorney	25,018	25,018	31,421	(6,403)
Court	128,496	128,496	123,311	5,185
Police	2,247,190	2,167,190	1,864,282	302,908
Animal control	72,670	72,670	56,934	15,736
Emergency management	32,624	32,624	2,626	29,998
Fire	1,052,260	1,180,721	1,006,231	174,490
Airport	223,520	228,020	267,757	(39,737)
Cemetery	99,290	99,290	100,133	(843)
Fleet management	50,752	50,752	22,584	28,168
Health	20,630	20,630	18,486	2,144
Planning and zoning	168,293	247,793	109,730	138,063
Economic development	114,060	114,060	34,711	79,349
Parks and recreation	608,246	793,113	841,371	(48,258)
Golf	380,080	380,080	398,463	(18,383)
Transit	173,770	181,570	167,130	14,440
Civic center	607,600	607,600	600,285	7,315
Senior citizens	17,480	17,480	15,185	2,295
Total Expenditures	<u>7,426,827</u>	<u>7,514,685</u>	<u>6,839,028</u>	<u>675,657</u>
<i>Excess (Deficit) of Revenues Over</i>	(1,568,357)	(1,597,266)	299,086	1,896,352
Other Financing Sources (Uses)				
Transfer (out)	(262,500)	(262,500)	(262,500)	-
Transfer in	59,870	59,870	63,630	(3,760)
Total Other Financing Sources (Uses)	<u>(202,630)</u>	<u>(202,630)</u>	<u>(198,870)</u>	<u>(3,760)</u>
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)</i>	(1,770,987)	(1,799,896)	100,216	1,900,112
Fund Balance, April 1	11,440,416	11,440,416	11,440,416	-
Fund Balance Transfer	(7,048,232)	(7,048,232)	(7,048,232)	-
Fund Balance, December 31	<u>\$ 2,621,197</u>	<u>\$ 2,592,288</u>	<u>\$ 4,492,400</u>	<u>\$ 1,900,112</u>

See accompanying Notes to the Budgetary Comparison Schedules.

City of West Plains

Budgetary Comparison Schedule – Grants Fund

Nine-month Period Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental Revenues				
Grants	\$ 13,524,143	\$ 14,212,883	\$ 2,454,962	\$ (11,757,921)
Total Revenues	13,524,143	14,212,883	2,454,962	(11,757,921)
Expenditures				
Current				
Administrative	7,499,782	7,844,152	312,525	7,531,627
Human resources	3,380	3,380	916	2,464
Planning and zoning	283,960	283,960	8,260	275,700
Police	81,000	81,000	362,033	(281,033)
Emergency management	-	-	1,947	(1,947)
Airport	700,000	700,000	39,773	660,227
Fire	16,880	16,880	40,522	(23,642)
Parks and recreation	327,000	327,000	289,991	37,009
Street	6,601,479	6,945,849	2,169,037	4,776,812
Total Expenditures	15,513,481	16,202,221	3,225,004	12,977,217
<i>(Deficit) of Revenues Over Expenditures</i>	(1,989,338)	(1,989,338)	(770,042)	1,219,296
Other Financing Sources				
Transfer in	1,989,338	1,989,338	770,042	(1,219,296)
<i>Excess of Revenues and Other Sources Over Expenditures</i>	-	-	-	-
Fund Balance, April 1	-	-	-	-
Fund Balance, December 31	\$ -	\$ -	\$ -	\$ -

See accompanying Notes to the Budgetary Comparison Schedules.

City of West Plains

Budgetary Comparison Schedule – Transportation Sales Tax Fund

Nine-month Period Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
City sales tax	\$ 1,344,150	\$ 1,344,150	\$ 1,520,642	\$ 176,492
Use tax	88,200	88,200	127,890	39,690
Motor vehicle tax	373,420	373,420	440,133	66,713
	1,805,770	1,805,770	2,088,665	282,895
Charges for services				
Sale of supplies	6,050	6,050	9,560	3,510
Miscellaneous				
Other	-	-	10,050	10,050
Interest	3,380	3,380	23,487	20,107
	3,380	3,380	33,537	30,157
Total Revenues	1,815,200	1,815,200	2,131,762	316,562
Expenditures				
Current				
Street	1,693,585	2,630,285	2,572,282	58,003
Total Expenditures	1,693,585	2,630,285	2,572,282	58,003
<i>Excess (Deficit) of Revenues Over Expenditures</i>	121,615	(815,085)	(440,520)	374,565
Other Financing Sources (Uses)				
Transfer (out)	(1,314,708)	(1,314,708)	(494,172)	820,536
<i>(Deficit) of Revenues Over Expenditures and Other (Uses)</i>	(1,193,093)	(2,129,793)	(934,692)	1,195,101
Fund Balance, April 1	-	-	-	-
Fund Balance Transfer	2,393,359	2,393,359	2,393,359	-
Fund Balance, December 31	\$ 1,200,266	\$ 263,566	\$ 1,458,667	\$ 1,195,101

See accompanying Notes to the Budgetary Comparison Schedules.

City of West Plains

Budgetary Comparison Schedule – Capital Improvement Sales Tax Fund

Nine-month Period Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
City sales tax	\$ 1,449,250	\$ 1,449,250	\$ 1,554,061	\$ 104,811
Use tax	113,000	113,000	127,890	14,890
	1,562,250	1,562,250	1,681,951	119,701
Miscellaneous				
Sale of property	50,000	50,000	16,506	(33,494)
Interest	2,560	2,560	41,328	38,768
	52,560	52,560	57,834	5,274
Total Revenues	1,614,810	1,614,810	1,739,785	124,975
Expenditures				
Current				
Capital improvements	2,599,612	2,563,542	1,033,086	1,530,456
Debt service				
Principal, interest and fees	929,610	929,610	909,084	20,526
Total Expenditures	3,529,222	3,493,152	1,942,170	1,550,982
<i>(Deficit) of Revenues Over Expenditures</i>	(1,914,412)	(1,878,342)	(202,385)	1,675,957
Other Financing (Uses)				
Transfer (out)	(103,250)	(103,250)	(208,250)	(105,000)
<i>(Deficit) of Revenues Over Expenditures and Other (Uses)</i>	(2,017,662)	(1,981,592)	(410,635)	1,570,957
Fund Balance, April 1	-	-	-	-
Fund Balance Transfer	3,933,316	3,933,316	3,933,316	-
Fund Balance, December 31	\$ 1,915,654	\$ 1,951,724	\$ 3,522,681	\$ 1,570,957

See accompanying Notes to the Budgetary Comparison Schedules.

City of West Plains

Notes to the Budgetary Comparison Schedules

Nine-month Period Ended December 31, 2022

Budgets and Budgetary Accounting

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

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

Supplementary Information

City of West Plains

Combining Balance Sheet – Nonmajor Governmental Funds

December 31, 2022

	Special Revenue Funds					Total
	Library Fund	Tourism Tax Fund	TIF #1 Fund	TIF #2 Fund	TIF #3 Fund	
Assets						
Current Assets						
Cash and cash equivalents	\$ 422,823	\$ 118,139	\$ 2,080	\$ -	\$ 1,104,946	\$ 1,647,988
Accounts receivable	314,518	-	-	-	-	314,518
Prepaid expenses	17,911	-	-	-	-	17,911
Due from other funds	-	-	1,771	-	-	1,771
Total Assets	\$ 755,252	\$ 118,139	\$ 3,851	\$ -	\$ 1,104,946	\$ 1,982,188
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 8,931	\$ 15,136	\$ -	\$ -	\$ -	\$ 24,067
Accrued expenses	16,826	6,733	-	-	-	23,559
Due to other funds	100,714	-	-	-	238	100,952
Total Liabilities	126,471	21,869	-	-	238	148,578
Fund Balance						
Nonspendable						
Prepaid items	17,911	-	-	-	-	17,911
Restricted for						
Library	610,870	-	-	-	-	610,870
Debt service	-	-	3,851	-	1,104,708	1,108,559
Tourism	-	96,270	-	-	-	96,270
Total Fund Balances	628,781	96,270	3,851	-	1,104,708	1,833,610
Total Liabilities and Fund Balances	\$ 755,252	\$ 118,139	\$ 3,851	\$ -	\$ 1,104,946	\$ 1,982,188

City of West Plains

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds

Nine-month Period Ended December 31, 2022

	Special Revenue Funds					Total
	Library Fund	Tourism Tax Fund	TIF #1 Fund	TIF #2 Fund	TIF #3 Fund	
Revenues						
Taxes	\$ 391,657	\$ 279,655	\$ 20,095	\$ 334,901	\$ 95,181	\$ 1,121,489
Intergovernmental	7,465	-	-	-	-	7,465
Charges for service	31,893	82,539	-	-	-	114,432
Donations	4,492	7,679	-	-	-	12,171
Interest	7,290	2,726	33	-	-	10,049
Total Revenues	442,797	372,599	20,128	334,901	95,181	1,265,606
Expenditures						
Current						
Library	494,882	-	-	-	-	494,882
Tourism	-	448,270	-	-	-	448,270
Capital improvements	-	-	20,095	334,901	-	354,996
Total Expenditures	494,882	448,270	20,095	334,901	-	1,298,148
<i>Operating Income (Loss)</i>	(52,085)	(75,671)	33	-	95,181	(32,542)
Other Financing Sources						
Transfer in	131,250	-	-	-	-	131,250
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures</i>	79,165	(75,671)	33	-	95,181	98,708
Fund Balance, April 1	-	-	3,818	-	1,009,527	1,013,345
Fund Balance Transfer	549,616	171,941	-	-	-	721,557
Fund Balance, December 31	\$ 628,781	\$ 96,270	\$ 3,851	\$ -	\$ 1,104,708	\$ 1,833,610

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of West Plains, Missouri, as of and for the nine-month period ended December 31, 2022, 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 June 15, 2023.

Report on 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 were not identified.

Report on 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
June 15, 2023



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

Opinion on Each Major Federal Program

We have audited the City of West Plains, Missouri's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City of West Plains, Missouri's major federal program for the nine-month period ended December 31, 2022. The City of West Plains, Missouri's major federal program is identified in the Summary Schedule of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City of West Plains, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the nine-month period ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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 Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of West Plains, Missouri, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of West Plains, Missouri's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City of West Plains, Missouri's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of West Plains, Missouri's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of West Plains, Missouri's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
June 15, 2023

City of West Plains

Schedule of Expenditures of Federal Awards

Nine-month Period Ended March 31, 2022

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Grantor's Number</u>	<u>Pass-through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Justice				
Missouri Department of Public Safety				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-MU-BX-0059-F-18	\$ 104,328	\$ 104,328
	16.738	15-PBJA-21-GG-00249-MUMU-18-F	50,468	50,468
	16.738	15-PBJA-21-GG-MUMU-019-2021	-	5,000
			<u>154,796</u>	<u>159,796</u>
National White Collar Crime Center				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-MU-BX-K001	-	24,647
Total U.S. Department of Justice			<u>154,796</u>	<u>184,443</u>
U.S. Department of Homeland Security				
Missouri State Emergency Management Agency				
Emergency Management Performance Grants	97.042	EMK-2021-EP-00006-123	-	1,947
Total U.S. Department of Homeland Security			-	<u>1,947</u>
U.S. Department of Transportation				
Highway Safety Cluster				
Missouri Department of Transportation				
State and Community Highway Safety	20.600	23-PT-02-155	-	11,884
	20.600	22-PT-02-148	-	1,919
Total Highway Safety Cluster			-	<u>13,803</u>
Missouri Department of Transportation				
Alcohol Open Container Requirements	20.607	23-154-AL-115	-	1,106
	20.607	22-154-AL-128	-	149
			-	<u>1,255</u>
Missouri Highways and Transportation Commission				
Formula Grants and Rural Areas and Tribal Transit Program	20.509	TSTOAG22WP1	-	80,232
Missouri Department of Transportation				
Airport Improvement Program	20.106	22-104C-01	-	106,447
COVID 19 - Airport Improvement Program	20.106	20-104C-01	-	30,000
			<u>-</u>	<u>136,447</u>
Total U.S. Department of Transportation			-	<u>231,737</u>
U.S. Department of Housing and Urban Development				
Missouri Department of Economic Development				
Community Development Block Grant	14.228	2018-DP-06	-	649,978
	14.228	2019-DP-05	-	29,261
	14.228	FR-2018-20	-	95,895
	14.228	18-DP-MIT30	-	37,802
Total U.S. Department of Housing and Urban Development			-	<u>812,936</u>

City of West Plains

Schedule of Expenditures of Federal Awards Nine-month Period Ended December 31, 2022

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number	Pass-through Grantor's Number	Pass-through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Direct				
Community Facilities Loans and Grants	10.766	N/A	-	4,136
Total U.S. Department of Agriculture			-	4,136
U.S. Department of Health and Human Services				
Aging Cluster				
Senior Age Area Agency on Aging Special Programs for the Aging, Title III, Part B	93.044	Fiscal Year 2022	-	6,795
Missouri Department of Health and Senior Services Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	6NU50CK000546-02	-	5,100
Total U.S. Department of Health and Human Services			-	11,895
U.S. Department of Commerce				
Direct				
Economic Adjustment Assistance	11.307	05-79-05913	-	70,195
Total U.S. Department of Commerce			-	70,195
U.S. Department of the Interior				
Missouri Department of Natural Resources Outdoor Recreation Acquisition, Development, and Planning	15.916	P21AP11969	-	245,658
Total U.S. Department of the Interior			-	245,658
U.S. Department of the Treasury				
Missouri Department of Treasury COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	-	-	8,260
Total U.S. Department of the Treasury			-	8,260
Total Expenditures of Federal Awards			<u>\$ 154,796</u>	<u>\$ 1,571,207</u>

N/A – Not Applicable

City of West Plains

Notes to the Schedule of Expenditures of Federal Awards

Nine-month Period Ended December 31, 2022

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 nine-month period ended December 31, 2022. 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 \$154,796 to the Southwest Missouri Drug Task Force in the current year.

City of West Plains

Schedule of Findings and Questioned Costs
 Nine-month Period Ended December 31, 2022

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:	
Assistance Listing Number(s)	Name of Federal Program or Cluster
14.228	Community Development Block Grant
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

Summary Schedule of Prior Audit Findings
Nine-month Period Ended December 31, 2022

There were no prior audit findings



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

In planning and performing our audit of the basic financial statements of the City of West Plains, Missouri, for the nine-month period ended December 31, 2022, we considered the City's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

In addition to the Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments regarding these matters.

1. Cybersecurity and Information Technology Controls

Cyberattacks are on the rise across the globe, and the cost of these attacks is ever increasing. Because of these attacks, municipalities stand to lose their reputation, the ability to operate efficiently, and proprietary information or assets. Communities potentially can also be subject to financial and legal liabilities. Managing this issue is especially challenging because even a municipality with a highly mature cybersecurity risk management program still has a residual risk that a material cybersecurity breach could occur and not be detected in a timely manner.

We Recommend:

The City continue to monitor and evaluate this risk, which is a critical best practice. Additionally, periodic assessments of the system in order to verify that the control environment is working as intended are key parts of measuring the associated business risk.

2. Software Training

During the current period, the City implemented a new accounting software. Although all accounting functions are being handled, we feel it would be beneficial for additional training for all employees involved in the various accounting areas to ensure that proper processes are formed. Additional training will provide for a deeper understanding of the system and help formulate processes that best use the capabilities of the software, employee roles, and reduce the chance for errors.

We Recommend:

Accounting staff receive additional software training in their specific fields. It is important to use the software's full potential and develop processes around this.

3. New Pronouncements

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

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements* – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology agreements (SBITAs). It defines a SBITA, establishes that a SBITA results in a right-to-use asset and corresponding subscription liability, provides capitalization criteria, and requires note disclosures regarding a SBITA. The effective date is for fiscal year December 31, 2023, with earlier application encouraged.

GASB Statement No. 100 – *Accounting Changes and Error Corrections*, an amendment of GASB Statement No. 62 – defines accounting changes and prescribes the accounting and financial reporting for each type of accounting change and error correction. This statement is effective for the fiscal year ending December 31, 2024.

GASB Statement No. 101 – *Compensated Absences* – updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures. The statement is effective for the fiscal year ending December 31, 2024.

We Recommend:

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

We will review the status of these comments during our next audit engagement. We have already discussed these comments with the City's administrative personnel, and we will be pleased to discuss it in further detail at your convenience.

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

Respectfully submitted,

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
June 15, 2023



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

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the City of West Plains, Missouri, for the nine-month period ended December 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 2, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of West Plains, Missouri, are described in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. The City did not adopt any new standards in the current year.

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

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the business-type activities' financial statements:

Management's estimate of the Utility Funds allowance for doubtful accounts, which is based on the aged accounts receivable balance. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We are pleased to report that no such adjustments were identified during the audit.

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Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 15, 2023.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, pension information and budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

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

Sincerely,

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
June 15, 2023