

City of West Plains, Missouri

Basic Financial Statements Year Ended December 31, 2023



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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 year ended December 31, 2023, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of 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 13, 2024, 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 13, 2024

Management's Discussion and Analysis

City of West Plains

Management's Discussion and Analysis

December 31, 2023

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 year ended December 31, 2023. Please read it in conjunction with the City's financial statements.

Financial Highlights

- Significant projects completed during this fiscal year include the purchase of a new fire engine, vehicle replacements, renovation of the aquatic center pool house, sidewalk improvements, and street resurfacing. The city completed interior and exterior remodeling efforts and moved into a new warehouse facility in August 2023. The city also completed a new parking lot for customers at the Sports Complex in August 2023.
- In this fiscal year, the city continued work on significant grant-funded projects including right-of-way acquisitions for four stormwater detention basins. The first two basins are expected to be complete by the end of 2024. The last phase of the Medical District Roadway Improvement project, a multi-million-dollar project funded primarily through the Governor's Cost Share Program, was completed. The LWCF grant program funded the city's first all-inclusive park across the street from the aquatic center which hosted a ribbon-cutting ceremony in August 2023. The city was also awarded a CDBG grant to start the first phase of Garner Villas, an affordable housing complex for senior citizens, anticipated to create 48 new homes for citizens.
- Major utility accomplishments during the fiscal year included continued replacement of old water meters and review of billing to implement process improvements. 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. The old structure was removed in the spring of 2024 with plans to replace the infrastructure by the end of the year. City utilities made significant progress on the multi-year Sanitary Sewer Evaluation Survey (SSES) project and started accepting credit cards at the transfer station.

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.

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.

City of West Plains

Management's Discussion and Analysis

December 31, 2023

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, 2023

Government-Wide Financial Analysis

Net Position

The following table presents the condensed Statement of Net Position for the City as of December 31, 2023 and December 31, 2022, the previous fiscal year end:

	Governmental Activities	Business-Type Activities	Total December 31, 2023	Total December 31, 2022
Assets				
Current and other assets	\$ 13,772,563	\$ 22,019,741	\$ 35,792,304	\$ 35,727,105
Capital assets	41,077,776	47,660,656	88,738,432	89,051,642
Total Assets	54,850,339	69,680,397	124,530,736	124,778,747
Deferred Outflow of Resources				
Deferred pension outflows	1,437,720	784,384	2,222,104	1,897,396
Liabilities				
Other liabilities	2,511,034	5,128,612	7,639,646	8,037,466
Long-term liabilities	601,293	1,862,021	2,463,314	3,407,092
Total Liabilities	3,112,327	6,990,633	10,102,960	11,444,558
Deferred Inflow of Resources				
Deferred pension inflows	436,348	101,699	538,047	1,629,740
Net position				
Net investment in capital assets	40,263,742	45,663,604	85,927,346	84,653,466
Restricted	7,471,575	610,545	8,082,120	8,406,530
Unrestricted	5,004,067	17,098,300	22,102,367	20,541,849
Total Net Position	\$ 52,739,384	\$ 63,372,449	\$ 116,111,833	\$ 113,601,845

Total net position of the City increased by \$2,510,038 for the year due to current year activity. Total liabilities for the City decreased by \$1,341,598. Restricted net position of the City totaled \$8.1 million as of December 31, 2023. 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, 2023

Changes in Net Position

The following table presents the Changes in Net Position for the City for the year ended December 31, 2023 and the nine-month period ended December 31, 2022 due to the City changing fiscal year end from March to December in 2022:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Year Ending December 31, 2023</u>	<u>Total Nine-month Period Ending December 31, 2022</u>
Revenues				
Program Revenues				
Charges for services	\$ 2,009,493	\$ 26,565,375	\$ 28,574,868	\$ 20,419,557
Operating grants and contributions	2,051,916	8,400	2,060,316	540,802
Capital grants and contributions	1,022,429	-	1,022,429	1,940,424
General Revenues				
Sales taxes	9,014,766	-	9,014,766	6,558,357
Ad valorem taxes	992,714	-	992,714	937,461
Motor vehicle and gas taxes	621,874	-	621,874	440,133
Other taxes	1,402,467	-	1,402,467	924,145
Franchise taxes	2,144,010	-	2,144,010	1,659,392
Interest	584,524	770,772	1,355,296	404,688
Other revenue	290,190	517,865	808,055	285,170
Total Revenues	<u>20,134,383</u>	<u>27,862,412</u>	<u>47,996,795</u>	<u>34,110,129</u>
Expenses				
Administrative	511,909	-	511,909	553,183
Human resources	597,735	-	597,735	528,957
Information technology	120,792	-	120,792	50,302
Building maintenance	146,526	-	146,526	110,548
Public relations	47,995	-	47,995	31,322
Building official	155,583	-	155,583	107,012
City attorney	59,617	-	59,617	31,421
Court	168,964	-	168,964	117,703
Police	3,758,901	-	3,758,901	2,441,306
Animal control	85,467	-	85,467	63,960
Emergency management	16,141	-	16,141	39,892
Fire	1,617,795	-	1,617,795	880,753
Airport	515,937	-	515,937	388,138
Street	4,038,321	-	4,038,321	4,395,992
Cemetery	137,506	-	137,506	93,984
Shop	106,012	-	106,012	19,016
Health	27,705	-	27,705	18,486
City hall complex	107,324	-	107,324	75,813
Planning and zoning	313,032	-	313,032	95,968
Economic development	2,063,330	-	2,063,330	34,711

City of West Plains

Management's Discussion and Analysis

December 31, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Year Ending December 31, 2023</u>	<u>Total Nine-month Period Ending December 31, 2022</u>
Tourism	456,098	-	456,098	448,773
Parks and recreation	1,151,220	-	1,151,220	952,244
Golf	580,932	-	580,932	408,785
Transit	274,571	-	274,571	187,600
Library	709,103	-	709,103	515,642
Civic center	1,223,025	-	1,223,025	775,413
Senior citizens	27,347	-	27,347	15,185
Other	38,303	-	38,303	-
Debt service	39,056	-	39,056	36,474
Water	-	2,288,019	2,288,019	1,515,755
Sewer	-	2,545,690	2,545,690	1,817,573
Electric	-	17,551,158	17,551,158	13,371,855
Refuse	-	3,827,054	3,827,054	2,812,490
Fiber	-	178,589	178,589	104,470
Total Expenses	<u>19,096,247</u>	<u>26,390,510</u>	<u>45,486,757</u>	<u>33,040,726</u>
Transfers	47,226	(47,226)	-	-
Increase in Net Position	<u><u>\$ 1,085,362</u></u>	<u><u>\$ 1,424,676</u></u>	<u><u>\$ 2,510,038</u></u>	<u><u>\$ 1,069,403</u></u>

Governmental Activities

Governmental activities increased the net position of the City by \$1,085,362. Tax revenues for the City were \$14,175,832, which represents 70% of the funding of these activities. Program revenues for the functions totaled \$5,083,838 or 25% of the funding. The following table shows the cost of the City's nine largest programs as well as each programs' net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the taxpayers by each of these functions.

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

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Police	\$ 3,758,901	\$ 2,245,547
Fire	1,617,795	1,471,363
Human Resources	597,735	597,735
Street	4,038,321	3,747,796
Economic development	2,063,330	854,895
Parks and recreation	1,151,220	959,188
Golf	580,932	231,124
Library	709,103	625,946
Civic center	1,223,025	901,208
Other governmental activities	3,355,885	2,377,607
	<u><u>\$ 19,096,247</u></u>	<u><u>\$ 14,012,409</u></u>

City of West Plains

Management's Discussion and Analysis

December 31, 2023

Business-Type Activities

Business-type activities increased the City's net position by \$1,424,676. The decrease in the prior year was \$135,398.

Financial Analysis of the City's Funds

The combined fund balances of the City's governmental funds as of December 31, 2023, were \$11,011,439. The City transferred out beginning fund balance to a new governmental fund from the General Fund in the amount of \$308,586. The General Fund increased by \$154,210. The Grants Fund did not change, the Transportation Sales Tax Fund increased \$108,853, the Capital Improvement Sales Tax Fund decreased by \$802,763, and the Nonmajor Funds increased \$243,781.

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 \$41.1 million (net of accumulated depreciation) as of December 31, 2023. This represents a \$0.5 million 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 \$47.7 million as of December 31, 2023. This represents a \$0.8 million decrease from the prior year due primarily to current year depreciation and disposals being greater than additions.

Debt Administration

Total debt of the governmental activities as of December 31, 2023, was \$1.0 million, which is down \$906,233 from the prior year.

Total debt of the business-type activities as of December 31, 2023, was \$2.0 million, which is down \$732,728 from the prior year.

City of West Plains

Management's Discussion and Analysis

December 31, 2023

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 2024 the City's sales tax revenues are up 12% over the previous year and use tax revenues are up 41% from the previous year. Use tax revenues are highly volatile; last year's use tax revenues were 6% above budget and 33% higher than the prior year. FY2025 sales and use tax revenue is projected to increase 3-4% over the current year results. Capital sales tax revenues were up 3% in 2023 and transportation sales tax revenues were up 1% in 2023. Both of those revenues are projected to see an increase of 3-4% through 2025. In April 2023, voters approved a 3% local sales tax on the retail sale of marijuana. The tax went into effect on January 1, 2024 with the first revenues received from the state in March 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. A national IT firm has also approached the city with plans to locate to West Plains, bringing an estimated 200 jobs to the area within the next five years. The city is also making great strides in the construction phases of major grant projects including regional 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 comprehensive plan alongside the existing priority-based budgeting data to compile the 2025 Budget. These two data sources will help align the spending of local government funds with the priorities of the community, provide resources for better strategic planning and maintain the city's commitment to provide the financial stability for future investments in its workforce and infrastructure.

The city's hotel/motel tax resulted in revenues of \$338,385 during FY23 and is budgeted to bring another \$330,000 in the current fiscal year. The City uses these funds for promotions and grants to help bring tourism and events to West Plains. These tax revenues funded various events during the Total Solar Eclipse weekend in April 2024 when the city was 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. The city hopes to have this substation back in service by the end of 2024. 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. The city is nearing completion of the Sanitary Sewer Evaluation Survey which will provide data on the existing sewer collection system and will pinpoint issues the system experiences with inflow and infiltration as well as ongoing maintenance and repair needs. Considering 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, 2023

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, 2023

	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	\$ 7,831,490	\$ 15,664,194	\$ 23,495,684	\$ 12,881	\$ 304,622	\$ 3,293
Investments - unrestricted	-	-	-	478,284	-	-
Taxes receivable	1,722,928	-	1,722,928	-	-	-
Utilities receivable, net	-	2,435,865	2,435,865	-	-	-
Other accounts receivable	141,554	-	141,554	-	-	-
Court fines receivable, net	50,274	-	50,274	-	-	-
Intergovernmental receivable	1,539,724	-	1,539,724	-	-	-
Inventory	103,918	2,291,052	2,394,970	-	-	-
Prepaid expenses	222,002	331,786	553,788	-	-	-
Noncurrent						
Restricted cash and cash equivalents	665,069	1,296,844	1,961,913	-	-	-
Restricted investments	495,500	-	495,500	-	-	-
Net pension asset	1,000,104	-	1,000,104	-	-	-
Capital assets						
Non-depreciable	5,575,986	1,853,546	7,429,532	-	-	-
Depreciable, net	35,501,790	45,807,110	81,308,900	-	180,389	57,673
Total Assets	<u>54,850,339</u>	<u>69,680,397</u>	<u>124,530,736</u>	<u>491,165</u>	<u>485,011</u>	<u>60,966</u>
Deferred Outflow of Resources						
Deferred pension outflows	1,437,720	784,384	2,222,104	-	-	-
Total Deferred Outflow of Resources	<u>1,437,720</u>	<u>784,384</u>	<u>2,222,104</u>	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying Notes to the Financial Statements.

City of West Plains

Statement of Net Position

December 31, 2023

	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	1,327,849	1,208,963	2,536,812	-	4,653	-
Accrued expenses	310,878	131,093	441,971	-	-	-
Accrued interest payable	8,748	6,701	15,449	-	-	-
Unearned revenue	-	2,365,556	2,365,556	-	-	-
Court bonds payable	938	-	938	-	-	-
Deposits payable	2,851	686,299	689,150	-	-	-
Other payables	45,736	-	45,736	-	-	-
Current maturities of long-term debt	753,295	730,000	1,483,295	-	-	-
	2,450,295	5,128,612	7,578,907	-	4,653	-
Noncurrent						
Compensated absences payable	405,391	167,265	572,656	-	-	-
Net pension liability	-	427,704	427,704	-	-	-
Certificates of participation payable	-	1,267,052	1,267,052	-	-	-
Financed purchases payable	256,641	-	256,641	-	-	-
	662,032	1,862,021	2,524,053	-	-	-
Total Liabilities	3,112,327	6,990,633	10,102,960	-	4,653	-
Deferred Inflow of Resources						
Deferred pension inflows	436,348	101,699	538,047	-	-	-
	436,348	101,699	538,047	-	-	-
Net Position						
Net investment in capital assets	40,324,481	45,663,604	85,988,085	-	180,389	57,673
Restricted	7,471,575	610,545	8,082,120	-	-	-
Unrestricted	4,943,328	17,098,300	22,041,628	491,165	299,969	3,293
Total Net Position	\$ 52,739,384	\$ 63,372,449	\$ 116,111,833	\$ 491,165	\$ 480,358	\$ 60,966

See accompanying Notes to the Financial Statements.

City of West Plains

Statement of Activities

December 31, 2023

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	\$ (511,909)	\$ 102,411	\$ -	\$ 20,000	\$ (389,498)	\$ -	\$ (389,498)			
Information technology	(120,792)	-	-	-	(120,792)	-	(120,792)			
Human resources	(597,735)	-	-	-	(597,735)	-	(597,735)			
Building maintenance	(146,526)	-	-	-	(146,526)	-	(146,526)			
Public relations	(47,995)	-	-	-	(47,995)	-	(47,995)			
Building official	(155,583)	52,750	-	-	(102,833)	-	(102,833)			
City attorney	(59,617)	-	-	-	(59,617)	-	(59,617)			
Court	(168,964)	-	-	-	(168,964)	-	(168,964)			
Police	(3,758,901)	552,167	711,187	250,000	(2,245,547)	-	(2,245,547)			
Animal control	(85,467)	3,823	641	-	(81,003)	-	(81,003)			
Emergency management	(16,141)	-	934	-	(15,207)	-	(15,207)			
Fire	(1,617,795)	-	-	146,432	(1,471,363)	-	(1,471,363)			
Airport	(515,937)	299,258	-	-	(216,679)	-	(216,679)			
Street	(4,038,321)	1,304	-	289,221	(3,747,796)	-	(3,747,796)			
Cemetery	(137,506)	15,596	100	-	(121,810)	-	(121,810)			
Shop	(106,012)	-	-	-	(106,012)	-	(106,012)			
Health	(27,705)	-	-	-	(27,705)	-	(27,705)			
City hall complex	(107,324)	-	-	-	(107,324)	-	(107,324)			
Planning and zoning	(313,032)	2,321	132,878	-	(177,833)	-	(177,833)			
Economic development	(2,063,330)	-	895,720	312,715	(854,895)	-	(854,895)			
Tourism	(456,098)	61,365	80,233	-	(314,500)	-	(314,500)			
Parks and recreation	(1,151,220)	184,717	7,315	-	(959,188)	-	(959,188)			
Golf	(580,932)	349,808	-	-	(231,124)	-	(231,124)			
Transit	(274,571)	21,561	184,407	-	(68,603)	-	(68,603)			
Library	(709,103)	40,595	38,501	4,061	(625,946)	-	(625,946)			
Civic center	(1,223,025)	321,817	-	-	(901,208)	-	(901,208)			
Senior citizens	(27,347)	-	-	-	(27,347)	-	(27,347)			
Other	(38,303)	-	-	-	(38,303)	-	(38,303)			
Debt service	(39,056)	-	-	-	(39,056)	-	(39,056)			
Total Governmental Activities	(19,096,247)	2,009,493	2,051,916	1,022,429	(14,012,409)	-	(14,012,409)			

See accompanying Notes to the Financial Statements.

City of West Plains

Statement of Activities

December 31, 2023

Functions/Programs	Program Revenues				Net (Expenses), Revenues, and Changes in Net Position						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	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	
Primary Government											
Business-Type Activities											
Water	(2,288,019)	2,604,272	-	-	-	316,253	316,253				
Sewer	(2,545,690)	2,676,332	8,400	-	-	139,042	139,042				
Electric	(17,551,158)	17,304,532	-	-	-	(246,626)	(246,626)				
Sanitation	(3,827,054)	3,896,739	-	-	-	69,685	69,685				
Fiber	(178,589)	83,500	-	-	-	(95,089)	(95,089)				
Total Business-Type Activities	<u>(26,390,510)</u>	<u>26,565,375</u>	<u>8,400</u>	<u>-</u>	<u>-</u>	<u>183,265</u>	<u>183,265</u>				
Total Primary Government	<u>\$ (45,486,757)</u>	<u>\$ 28,574,868</u>	<u>\$ 2,060,316</u>	<u>\$ 1,022,429</u>	<u>(14,012,409)</u>	<u>183,265</u>	<u>(13,829,144)</u>				
Component Units											
West Plains Public Library Foundation	\$ (16,125)	\$ -	\$ -	\$ -	-	-	-	\$ (16,125)	\$ -	\$ -	
63 ByPass Community Improvement District	(6,102)	-	-	-	-	-	-	-	(6,102)	-	
Ozark Hills Community Improvement District	(22,841)	-	-	-	-	-	-	-	-	(22,841)	
Total Component Unit	<u>\$ (45,068)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,125)</u>	<u>(6,102)</u>	<u>(22,841)</u>	
General Revenues											
Sales taxes					9,014,766	-	9,014,766	-	40,192	19,870	
Ad valorem taxes					992,714	-	992,714	-	-	-	
Motor vehicle and gas taxes					621,874	-	621,874	-	-	-	
Other taxes					1,402,467	-	1,402,467	-	-	-	
Franchise taxes					2,144,010	-	2,144,010	-	-	-	
Interest					584,524	770,772	1,355,296	-	-	-	
Other revenue					290,190	517,865	808,055	6,779	-	-	
Unrealized gain on investments					-	-	-	52,095	-	-	
Transfers					47,226	(47,226)	-	-	-	-	
Total General Revenues, Unrealized Gains, and Transfers					<u>15,097,771</u>	<u>1,241,411</u>	<u>16,339,182</u>	<u>58,874</u>	<u>40,192</u>	<u>19,870</u>	
Changes in Net Position					1,085,362	1,424,676	2,510,038	42,749	34,090	(2,971)	
Net Position, Beginning of year					<u>51,654,022</u>	<u>61,947,773</u>	<u>113,601,795</u>	<u>448,416</u>	<u>446,268</u>	<u>63,937</u>	
Net Position, End of year					<u>\$ 52,739,384</u>	<u>\$ 63,372,449</u>	<u>\$ 116,111,833</u>	<u>\$ 491,165</u>	<u>\$ 480,358</u>	<u>\$ 60,966</u>	

See accompanying Notes to the Financial Statements.

City of West Plains

Balance Sheet – Governmental Funds

December 31, 2023

	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	\$ 2,017,783	\$ 4,033	\$ 1,367,627	\$ 2,527,147	\$ 1,914,900	\$ 7,831,490
Taxes receivable	945,659	-	229,135	206,492	341,642	1,722,928
Other accounts receivable	119,735	-	2,007	19,812	-	141,554
Court fines receivable, net	50,274	-	-	-	-	50,274
Intergovernmental receivable	-	1,539,724	-	-	-	1,539,724
Due from other funds	512,258	-	-	-	-	512,258
Inventory	103,918	-	-	-	-	103,918
Prepaid expenses	187,491	-	7,500	3,898	23,113	222,002
Restricted cash and cash equivalents	323,123	-	-	-	341,946	665,069
Restricted investments	495,500	-	-	-	-	495,500
Total Assets	\$ 4,755,741	\$ 1,543,757	\$ 1,606,269	\$ 2,757,349	\$ 2,621,601	\$ 13,284,717
Liabilities, Deferred Inflow of Resources, and Fund Balance						
Liabilities						
Accounts payable	\$ 92,556	\$ 1,149,088	\$ 7,452	\$ 37,431	\$ 41,322	\$ 1,327,849
Accrued expenses	258,593	-	31,297	-	20,988	310,878
Court bonds payable	938	-	-	-	-	938
Due to other funds	-	394,669	-	-	117,589	512,258
Deposits payable	2,851	-	-	-	-	2,851
Other payables	45,736	-	-	-	-	45,736
Total Liabilities	400,674	1,543,757	38,749	37,431	179,899	2,200,510
Deferred Inflows of Resources						
Deferred revenue	17,043	-	-	-	55,725	72,768
Fund Balances						
Nonspendable						
Inventory	103,918	-	-	-	-	103,918
Prepaid items	187,491	-	-	-	16,674	204,165
Restricted for						
Economic development	-	-	-	-	62,497	62,497
Parks and recreation	-	-	-	-	1,233	1,233
MODAG grant	-	-	-	-	37,174	37,174
Police	18,657	-	-	-	78,794	97,451
Fire	-	-	-	-	3,660	3,660
Streets	-	-	1,567,520	-	-	1,567,520
Cemetery perpetual care	-	-	-	-	129,273	129,273
Golf	-	-	-	-	13,793	13,793
Library	-	-	-	-	677,141	677,141
Animal Control	-	-	-	-	522	522
Nuisance abatement	-	-	-	-	15,000	15,000
Capital improvements	291,973	-	-	2,719,918	-	3,011,891
Debt service	504,204	-	-	-	1,266,365	1,770,569
Tourism	-	-	-	-	83,851	83,851
Unassigned	3,231,781	-	-	-	-	3,231,781
Total Fund Balances	4,338,024	-	1,567,520	2,719,918	2,385,977	11,011,439
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 4,755,741	\$ 1,543,757	\$ 1,606,269	\$ 2,757,349	\$ 2,621,601	\$ 13,284,717

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, 2023

Fund balance - total governmental funds	\$ 11,011,439
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Governmental capital assets	129,978,039
Less accumulated depreciation	<u>(88,900,263)</u>
	41,077,776
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	1,000,104
Deferred outflows due to pension	1,437,720
Deferred inflows due to pension	<u>(436,348)</u>
	2,001,476
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(8,748)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(1,415,327)
Adjustment of unavailable revenue	<u>72,768</u>
Net Position of Governmental Activities	<u><u>\$ 52,739,384</u></u>

See accompanying Notes to the Financial Statements.

City of West Plains

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

Year Ended December 31, 2023

	Special Revenue Funds					
	General Fund	Grants Fund	Transportation Sales Tax Fund	Capital Improvement Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 7,488,329	\$ -	\$ 2,852,488	\$ 2,314,155	\$ 1,520,859	\$ 14,175,831
Licenses and permits	109,172	-	-	-	-	109,172
Intergovernmental revenues	-	2,672,094	-	-	49,287	2,721,381
Charges for services	1,756,516	-	1,304	-	145,721	1,903,541
Donations	185	-	-	270,000	27,054	297,239
Miscellaneous	136,709	8,204	62,491	73,449	17,543	298,396
Interest	213,164	-	130,034	202,290	39,034	584,522
Total Revenues	9,704,075	2,680,298	3,046,317	2,859,894	1,799,498	20,090,082
Expenditures						
Current						
Administrative	429,314	-	-	-	-	429,314
Human resources	595,935	-	-	-	-	595,935
Public relations	45,686	-	-	-	-	45,686
Information technology	88,826	-	-	-	-	88,826
Building maintenance	131,331	-	-	-	-	131,331
Building official	155,439	-	-	-	-	155,439
City attorney	59,617	-	-	-	-	59,617
Court	163,919	-	-	-	-	163,919
Police	2,867,662	693,646	-	-	-	3,561,308
Animal control	76,427	-	-	-	-	76,427
Emergency management	3,310	934	-	-	-	4,244
Fire	1,318,734	-	-	-	-	1,318,734
Airport	340,998	-	-	-	-	340,998
Street	-	-	2,438,767	-	-	2,438,767
Cemetery	134,089	-	-	-	-	134,089
Shop	84,473	-	-	-	-	84,473
Health	27,705	-	-	-	-	27,705
Planning and zoning	173,240	-	-	-	-	173,240
Economic development	58,806	814,296	-	-	593,124	1,466,226
Tourism	-	-	-	-	442,492	442,492
Parks and recreation	946,695	-	-	-	-	946,695
Golf	507,083	-	-	-	-	507,083
Transit	229,596	-	-	-	-	229,596
Library	-	-	-	-	656,798	656,798
Civic center	918,040	-	-	-	-	918,040
Senior citizens	27,347	-	-	-	-	27,347
Miscellaneous	-	-	-	-	38,303	38,303
Capital Improvement	-	2,049,972	-	2,309,162	-	4,359,134
Debt Service						
Principal and interest	-	-	-	1,011,461	-	1,011,461
Total Expenditures	9,384,272	3,558,848	2,438,767	3,320,623	1,730,717	20,433,227
<i>Excess (Deficit) of Revenues Over Expenditures</i>	319,803	(878,550)	607,550	(460,729)	68,781	(343,145)

See accompanying Notes to the Financial Statements.

City of West Plains

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

Year Ended December 31, 2023

	<u>Special Revenue Funds</u>					<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Grants Fund</u>	<u>Transportation Sales Tax Fund</u>	<u>Capital Improvement Sales Tax Fund</u>	<u>Nonmajor Governmental Funds</u>	
Other Financing Sources (Uses)						
Transfer in (out)	(165,593)	878,550	(498,697)	(342,034)	175,000	47,226
<i>Net Change in Fund Balances</i>	154,210	-	108,853	(802,763)	243,781	(295,919)
Fund Balance, January 1	4,492,400	-	1,458,667	3,522,681	1,833,610	11,307,358
Fund Balance Transfer	(308,586)	-	-	-	308,586	-
Fund Balance, December 31	<u>\$ 4,338,024</u>	<u>\$ -</u>	<u>\$ 1,567,520</u>	<u>\$ 2,719,918</u>	<u>\$ 2,385,977</u>	<u>\$ 11,011,439</u>

See accompanying Notes to the Financial Statements.

City of West Plains

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

Year Ended December 31, 2023

Net change in fund balances - total governmental funds	\$ (295,919)
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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	3,437,730
Depreciation	(2,933,405)
	504,325

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

44,301

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	906,233
Accrued interest payable	10,427
	916,660

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	(98,863)
Change in pension related costs	14,858
	(84,005)

Change in Net Position of Governmental Activities

\$ 1,085,362

See accompanying Notes to the Financial Statements.

City of West Plains

Statement of Net Position – Enterprise Funds

December 31, 2023

	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund	Fiber Fund	Total Enterprise Funds
Assets						
Current Assets						
Cash and cash equivalents	\$ 4,571,457	\$ 5,014,410	\$ 4,606,784	\$ 1,456,874	\$ 14,669	\$ 15,664,194
Utilities receivable, net	1,509,501	301,612	222,522	394,867	7,363	2,435,865
Inventory	1,618,378	672,674	-	-	-	2,291,052
Prepaid expenses	178,426	59,704	72,560	20,927	169	331,786
Total Current Assets	7,877,762	6,048,400	4,901,866	1,872,668	22,201	20,722,897
Restricted Assets						
Cash and cash equivalents	355,527	308,112	505,381	127,824	-	1,296,844
Property, Plant and Equipment	41,430,649	23,671,825	24,379,983	4,620,007	1,706,468	95,808,932
Less accumulated depreciation	(21,731,375)	(12,196,944)	(10,468,482)	(3,381,475)	(370,000)	(48,148,276)
Total Property, Plant, and Equipment	19,699,274	11,474,881	13,911,501	1,238,532	1,336,468	47,660,656
Total Assets	27,932,563	17,831,393	19,318,748	3,239,024	1,358,669	69,680,397
Deferred Outflows of Resources						
Deferred pension outflows	217,039	147,778	119,697	299,870	-	784,384
Total Deferred Outflows of Resources	217,039	147,778	119,697	299,870	-	784,384
Liabilities						
Current Liabilities						
Accounts payable	942,043	18,691	134,683	113,184	362	1,208,963
Accrued expenses	37,928	26,500	16,237	50,428	-	131,093
Accrued interest payable	-	4,721	1,980	-	-	6,701
Unearned revenue	-	-	2,365,556	-	-	2,365,556
Meter deposits payable	355,527	308,085	3,815	18,872	-	686,299
Current maturities of long-term debt	-	235,000	495,000	-	-	730,000
Total Current Liabilities	1,335,498	592,997	3,017,271	182,484	362	5,128,612
Long-Term Liabilities						
Certificates of participation payable	-	1,267,052	-	-	-	1,267,052
Net pension liability	118,346	80,579	65,268	163,511	-	427,704
Compensated absences payable	55,295	26,408	24,147	61,415	-	167,265
Total Long-Term Liabilities	173,641	1,374,039	89,415	224,926	-	1,862,021
Total Liabilities	1,509,139	1,967,036	3,106,686	407,410	362	6,990,633
Deferred Inflows of Resources						
Deferred pension inflows	28,140	19,160	15,519	38,880	-	101,699
Total Deferred Inflows of Resources	28,140	19,160	15,519	38,880	-	101,699
Net Position						
Net investment in capital assets	19,699,274	9,972,829	13,416,501	1,238,532	1,336,468	45,663,604
Restricted	-	27	501,566	108,952	-	610,545
Unrestricted	6,913,049	6,020,119	2,398,173	1,745,120	21,839	17,098,300
Total Net Position	\$ 26,612,323	\$ 15,992,975	\$ 16,316,240	\$ 3,092,604	\$ 1,358,307	\$ 63,372,449

See accompanying Notes to the Financial Statements.

City of West Plains

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

Year Ended December 31, 2023

	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund	Fiber Fund	Total Enterprise Funds
Operating Revenues						
Charges for services	\$ 17,304,532	\$ 2,604,272	\$ 2,676,332	\$ 3,896,739	\$ 83,500	\$ 26,565,375
Miscellaneous	206,065	15,764	57,293	238,738	5	517,865
Total Operating Revenues	<u>17,510,597</u>	<u>2,620,036</u>	<u>2,733,625</u>	<u>4,135,477</u>	<u>83,505</u>	<u>27,083,240</u>
Operating Expenses						
Wages and benefits	1,035,765	718,294	566,529	1,455,823	450	3,776,861
Franchise fees	1,692,646	-	-	-	-	1,692,646
Engineering	-	3,517	-	14,525	-	18,042
Purchased power	10,585,698	-	-	-	-	10,585,698
Landfill service	-	-	-	1,035,476	-	1,035,476
Materials and supplies	962,065	276,188	41,317	434,724	80	1,714,374
Repairs and maintenance	196,197	293,137	154,120	246,718	12,741	902,913
Utilities	100,756	168,879	147,693	27,510	33,837	478,675
Contracted services	125,700	49,109	940,110	8,259	6,082	1,129,260
Other operating expenses	752,730	110,129	155,375	57,888	7,216	1,083,338
Administration	1,071,550	169,549	138,823	253,443	5,236	1,638,601
Depreciation	1,028,051	499,217	401,723	292,688	112,947	2,334,626
Total Operating Expenses	<u>17,551,158</u>	<u>2,288,019</u>	<u>2,545,690</u>	<u>3,827,054</u>	<u>178,589</u>	<u>26,390,510</u>
<i>Operating Income (Loss)</i>	(40,561)	332,017	187,935	308,423	(95,084)	692,730
Nonoperating Revenues (Expenses)						
Interest income	279,610	289,741	141,878	82,439	826	794,494
Intergovernmental	-	-	8,400	-	-	8,400
Interest expense	-	(17,946)	(5,776)	-	-	(23,722)
Total Nonoperating Revenues (Expenses)	<u>279,610</u>	<u>271,795</u>	<u>144,502</u>	<u>82,439</u>	<u>826</u>	<u>779,172</u>
<i>Net Income (Loss) Before Operating Transfers</i>	239,049	603,812	332,437	390,862	(94,258)	1,471,902
Operating Transfers						
Transfer (out)	(47,226)	-	-	-	-	(47,226)
<i>Net Income (Loss)</i>	191,823	603,812	332,437	390,862	(94,258)	1,424,676
Net Position, January 1	26,420,500	15,389,163	15,983,803	2,701,742	1,452,565	61,947,773
Net Position, December 31	<u>\$ 26,612,323</u>	<u>\$ 15,992,975</u>	<u>\$ 16,316,240</u>	<u>\$ 3,092,604</u>	<u>\$ 1,358,307</u>	<u>\$ 63,372,449</u>

See accompanying Notes to the Financial Statements.

City of West Plains

Statement of Cash Flows – Enterprise Funds

Year Ended December 31, 2023

	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund	Fiber Fund	Total Enterprise Funds
Cash Flows from Operating Activities						
Cash received from customers	\$ 17,456,812	\$ 2,517,474	\$ 2,706,666	\$ 4,140,694	\$ 82,591	\$ 26,904,237
Cash paid to suppliers	(16,177,903)	(1,141,928)	(1,593,603)	(2,197,467)	(67,243)	(21,178,144)
Cash paid to employees	(1,045,491)	(730,384)	(583,526)	(1,470,955)	(450)	(3,830,806)
Cash received from nonoperating revenues	-	-	8,400	-	-	8,400
Net Cash Provided by Operating Activities	233,418	645,162	537,937	472,272	14,898	1,903,687
Cash Flows from Noncapital Financing Activities						
Operating transfer in (out)	(47,226)	-	-	-	-	(47,226)
Net Cash (Used) by Noncapital Financing Activities	(47,226)	-	-	-	-	(47,226)
Cash Flows from Capital and Related Financing Activities						
Purchase of capital assets	(1,032,309)	(207,278)	(83,849)	(176,437)	(17,219)	(1,517,092)
Reallocate capital grant proceeds	-	(2,366,021)	2,365,556	-	-	(465)
Payment of principal on long-term debt	-	(225,000)	(505,000)	-	-	(730,000)
Payment of interest expense	-	(21,389)	(4,066)	-	-	(25,455)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,032,309)	(2,819,688)	1,772,641	(176,437)	(17,219)	(2,273,012)
Cash Flows from Investing Activities						
Interest received	279,610	289,741	141,878	82,439	826	794,494
Net Cash Provided by Investing Activities	279,610	289,741	141,878	82,439	826	794,494
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(566,507)	(1,884,785)	2,452,456	378,274	(1,495)	377,943
Cash and Cash Equivalents, Beginning of year	5,493,491	7,207,307	2,659,709	1,206,424	16,164	16,583,095
Cash and Cash Equivalents, End of year	4,926,984	5,322,522	5,112,165	1,584,698	14,669	16,961,038
Less Restricted Cash and Cash Equivalents	355,527	308,112	505,381	127,824	-	1,296,844
Unrestricted Cash and Cash Equivalents	\$ 4,571,457	\$ 5,014,410	\$ 4,606,784	\$ 1,456,874	\$ 14,669	\$ 15,664,194

See accompanying Notes to the Financial Statements.

City of West Plains

Statement of Cash Flows – Enterprise Funds

Year Ended December 31, 2023

	<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 by Operating Activities						
Operating income (loss)	\$ (40,561)	\$ 332,017	\$ 187,935	\$ 308,423	\$ (95,084)	\$ 692,730
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	1,028,051	499,217	401,723	292,688	112,947	2,334,626
(Increase) decrease in						
Receivables	(82,969)	(33,675)	(30,774)	2,338	(914)	(145,994)
Inventory	(172,632)	3,746	-	-	-	(168,886)
Prepaid expenses	(130,011)	(30,658)	(43,514)	33,941	(169)	(170,411)
Net pension asset	122,996	83,689	68,046	170,125	-	444,856
Deferred pension outflows	(41,720)	(30,532)	(14,932)	(50,504)	-	(137,688)
Increase (decrease) in						
Accounts payable	(387,918)	(44,508)	27,349	(152,865)	(1,882)	(559,824)
Compensated absences payable	4,539	(344)	(5,424)	4,584	-	3,355
Accrued expenses	(8,237)	(6,859)	(11,220)	(14,014)	-	(40,330)
Meter deposits payable	29,184	(68,887)	3,815	2,879	-	(33,009)
Other cash received for nonoperating revenues	-	-	8,400	-	-	8,400
Deferred pension inflows	(87,304)	(58,044)	(53,467)	(125,323)	-	(324,138)
Net Cash Provided by Operating Activities	<u>\$ 233,418</u>	<u>\$ 645,162</u>	<u>\$ 537,937</u>	<u>\$ 472,272</u>	<u>\$ 14,898</u>	<u>\$ 1,903,687</u>

See accompanying Notes to the Financial Statements.

City of West Plains

Notes to the Financial Statements

December 31, 2023

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, 2023

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, 2023

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 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, 2023

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, Cash Equivalents, and Investments

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 short-term investments with an original maturity of three months or less when acquired are considered 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, 2023

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, 2023

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 assets 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 assets 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 civic center 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, 2023

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, 2023, the City's deposits were adequately insured and collateralized.

3. Investments

Primary Government

Investments of the City as of December 31, 2023, consists of the following:

<u>Investment Type</u>	<u>Maturity Dates</u>	<u>Amount</u>
Certificates of Deposit	6/20/2025 - 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, 2023, all certificates of deposit are entirely insured or collateralized with securities.

West Plains Public Library Foundation

The West Plains Public Library Foundation has \$478,284 invested with the Community Foundation of the Ozarks' pooled investment fund, in which the Foundation has a pro-rata share. These investments are fair value level 2.

Custodial Risk

For an investment, custodial risk is the risk that, in the event of failure of the counterparty, the entity will not be able to recover the value of its investment. The City's Certificates of Deposit are entirely insured or collateralized by a trust department of a bank that does not hold the deposits.

Interest Rate Risk

The City has no formal policy on interest rate risk.

City of West Plains

Notes to the Financial Statements

December 31, 2023

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		
Inmate fund	\$ 18,657	\$ 18,657
Court bonds	938	-
Deposits held	2,851	-
2012 COP reserves	504,204	504,204
2015 COP proceeds	291,973	291,973
	<u>\$ 818,623</u>	<u>\$ 814,834</u>
Transportation Sales Tax Fund		
Transportation sales tax	<u>\$ -</u>	<u>\$ 1,567,520</u>
Capital Improvement Sales Tax Fund		
Capital improvement sales tax	<u>\$ -</u>	<u>\$ 2,719,918</u>
Nonmajor Governmental Funds		
Animal Control	\$ 522	\$ 522
Cemetery perpetual care	129,273	129,273
Economic development	62,497	62,497
Galloway park donations	1,233	1,233
MODAG grant	37,174	37,174
Fire department	3,660	3,660
Nuisance abatement	15,000	15,000
Police equipment/training	53,201	53,201
K-9 Unit	10,430	10,430
Golf	13,793	13,793
Police seized funds	15,163	15,163
Library	-	677,141
Debt service	-	1,266,365
Tourism	-	83,851
	<u>\$ 341,946</u>	<u>\$ 2,369,303</u>
Electric Fund		
Service deposits	<u>\$ 355,527</u>	<u>\$ -</u>
Water Fund		
2021 COP reserves	\$ 27	\$ 27
Service deposits	308,085	-
	<u>\$ 308,112</u>	<u>\$ 27</u>
Sewer Fund		
2020 bond reserves	\$ 501,566	\$ 501,566
Service deposits	3,815	-
	<u>\$ 505,381</u>	<u>\$ 501,566</u>
Sanitation Fund		
Landfill closure	\$ 108,952	\$ 108,952
Service deposits	18,872	-
	<u>\$ 127,824</u>	<u>\$ 108,952</u>

City of West Plains

Notes to the Financial Statements

December 31, 2023

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	\$ 2,702,000	\$ 1,192,499	\$ 1,509,501
Water Fund	531,984	230,372	301,612
Sewer Fund	400,114	177,592	222,522
Sanitation Fund	543,305	148,438	394,867
Fiber Fund	13,303	5,940	7,363
	<u>\$ 4,190,706</u>	<u>\$ 1,754,841</u>	<u>\$ 2,435,865</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	\$ 84,301	\$ 34,027	\$ 50,274
	<u>\$ 84,301</u>	<u>\$ 34,027</u>	<u>\$ 50,274</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:

	2023
Assessed Valuation	
Real estate	\$ 142,156,955
Personal property	48,843,871
Total	<u>\$ 191,000,826</u>
Tax Rate Per \$100 of Assessed Valuation	2023
General	\$.3106
Library	.1954
	<u>\$.5060</u>

City of West Plains

Notes to the Financial Statements

December 31, 2023

The legal debt margin at December 31, 2023, was computed as follows:

	General Obligation Bonds		
	Ordinary (1)	Additional (2)	Total
Constitutional Debt Limit	\$ 19,100,083	\$ 19,100,083	\$ 38,200,165
General Obligation Bonds Payable	-	-	-
Legal Debt Margin	\$ 19,100,083	\$ 19,100,083	\$ 38,200,165

(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 total annual principal and interest payments required at December 31, 2023, are as follows:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 495,000	\$ 3,960	\$ 498,960

City of West Plains

Notes to the Financial Statements

December 31, 2023

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, 2023, are due as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 1,485,000</u>	<u>\$ 58,751</u>	<u>\$ 1,543,751</u>

A summary of the changes in long-term liabilities – business-type activities for the year ended December 31, 2023, is as follows:

	<u>Balance December 31, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2023</u>	<u>Amount due within one year</u>
Revenue Bonds					
Series 2020	\$ 1,000,000	\$ -	\$ 505,000	\$ 495,000	\$ 495,000
Certificates of Participation					
Series 2021	1,710,000	-	225,000	1,485,000	235,000
Premium	19,780	-	2,728	17,052	-
	<u>1,729,780</u>	<u>-</u>	<u>227,728</u>	<u>1,502,052</u>	<u>235,000</u>
Compensated Absences	163,910	3,355	-	167,265	-
Total	<u>\$ 2,893,690</u>	<u>\$ 3,355</u>	<u>\$ 732,728</u>	<u>\$ 2,164,317</u>	<u>\$ 730,000</u>

City of West Plains

Notes to the Financial Statements

December 31, 2023

8. Long-Term Liabilities – Governmental Activities

Long-term liabilities for governmental activities at December 31, 2023, 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 total annual minimum payments required at December 31, 2023, are listed in the following table:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>\$ 420,000</u>	<u>\$ 12,180</u>	<u>\$ 432,180</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 total annual minimum payments required at December 31, 2023, are listed in the following table:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>\$ 265,000</u>	<u>\$ 6,758</u>	<u>\$ 271,758</u>

Finance Purchased Agreement – Golf Vehicles

On June 1, 2020, the City entered into a financed purchase agreement to finance the purchase of golf carts and two golf utility vehicles. The agreement requires monthly payments of \$1,318 and final payment of \$42,005, which includes interest at 3.3%. The balance of the agreement was adjusted during the year ended December 31, 2023 to add two golf utility vehicles. 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.

City of West Plains

Notes to the Financial Statements

December 31, 2023

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

Year Ending December 31,	Direct Borrowing	Golf Vehicles
2024		\$ 15,816
2025		15,816
2026		48,595
	Total Minimum Payments	80,227
	Less Amount Representing Interest	(5,489)
	Principal Balance December 31, 2023	\$ 74,738

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.

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

Year Ending December 31,	Direct Borrowing	Radio Equipment
2024		\$ 42,874
2025		42,874
2026		42,874
2027		42,874
2028		42,874
2029		42,874
	Total Minimum Payments	257,244
	Less Amount Representing Interest	(25,603)
	Principal Balance December 31, 2023	\$ 231,641

City of West Plains

Notes to the Financial Statements

December 31, 2023

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.

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

Year Ending December 31, 2024	Direct Borrowing	Golf Equipment
		\$ 16,251
	Total Minimum Payments	16,251
	Less Amount Representing Interest	-
	Principal Balance December 31, 2023	\$ 16,251

A summary of the changes in long-term liabilities – governmental activities for the year ended December 31, 2023, is as follows:

	Balance December 31, 2022	Additions	Retirements	Balance December 31, 2023	Amount due within one year
Certificates of Participation					
Series 2012	\$ 820,000	\$ -	\$ 400,000	\$ 420,000	\$ 420,000
Series 2015	765,000	-	500,000	265,000	265,000
Premium on Series 2015	4,151	-	1,845	2,306	2,306
	1,589,151	-	901,845	687,306	687,306
Direct Borrowing					
Financed Purchases					
Motorola equipment	266,313	-	34,672	231,641	35,739
Golf equipment	31,822	-	15,571	16,251	16,251
Golf vehicles	28,883	55,745	9,890	74,738	13,999
	327,018	55,745	60,133	322,630	65,989
Compensated absences payable	306,528	98,863	-	405,391	-
Total	\$ 2,222,697	\$ 154,608	\$ 961,978	\$ 1,415,327	\$ 753,295

City of West Plains

Notes to the Financial Statements

December 31, 2023

9. Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023
Governmental Activities				
Non-Depreciable Capital Assets				
Construction in progress	\$ 1,363,968	\$ 441,745	\$ 930,867	\$ 874,846
Land	3,872,583	828,557	-	4,701,140
Total Non-depreciable Capital Assets	5,236,551	\$ 1,270,302	\$ 930,867	5,575,986
Depreciable Capital Assets				
Building and improvements	23,788,984	\$ 207,080	\$ -	23,996,064
Machinery and equipment	7,307,188	507,366	-	7,814,554
Vehicles	4,695,381	1,394,301	79,914	6,009,768
Infrastructure	84,076,085	655,617	-	84,731,702
Land improvements	1,436,120	413,845	-	1,849,965
Total Depreciable Capital Assets	121,303,758	\$ 3,178,209	\$ 79,914	124,402,053
Less Accumulated Depreciation	85,966,858	\$ 3,011,319	\$ 77,914	88,900,263
Total Depreciable Capital Assets, net	35,336,900			35,501,790
Total Governmental Activities Capital Assets, net	\$ 40,573,451			\$ 41,077,776

City of West Plains

Notes to the Financial Statements

December 31, 2023

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

Administration	\$	69,698
Human Resources		792
Information technology		3,955
Building maintenance		10,854
Police		214,390
Animal control		8,219
Emergency management		11,897
Fire		330,151
Airport		171,223
Street		1,473,592
Cemetery		3,460
Shop		19,777
City hall complex		108,412
Tourism		8,737
Parks and recreation		190,540
Golf		18,104
Transit		43,783
Library		53,558
Civic center		270,177
		<hr/>
	\$	<u>3,011,319</u>

City of West Plains

Notes to the Financial Statements

December 31, 2023

	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023
Business-Type Activities				
Water				
Non-Depreciable Capital Assets				
Land	\$ 172,002	\$ -	\$ -	\$ 172,002
Construction in progress	330,480	-	330,480	-
Total Non-Depreciable Capital Assets	502,482	<u>\$ -</u>	<u>\$ 330,480</u>	172,002
Depreciable Capital Assets				
Buildings and improvements	142,490	\$ -	\$ -	142,490
Plant	20,353,510	41,992	-	20,395,502
Equipment	2,168,156	386,310	-	2,554,466
Vehicles	297,909	109,456	-	407,365
Total Depreciable Capital Assets	22,962,065	<u>\$ 537,758</u>	<u>\$ -</u>	23,499,823
Less Accumulated Depreciation	11,697,726	\$ 499,218	\$ -	12,196,944
Depreciable Capital Assets, net	11,264,339			11,302,879
Electric				
Non-Depreciable Capital Assets				
Land	406,873	\$ -	\$ -	406,873
Construction in progress	969,390	552,655	263,424	1,258,621
Total Non-Depreciable Capital Assets	1,376,263	<u>\$ 552,655</u>	<u>\$ 263,424</u>	1,665,494
Depreciable Capital Assets				
Buildings and improvements	773,388	\$ 261,568	\$ -	1,034,956
Plant	31,676,721	140,101	-	31,816,822
Equipment	4,627,675	302,231	-	4,929,906
Vehicles	1,964,293	39,178	20,000	1,983,471
Total Depreciable Capital Assets	39,042,077	<u>\$ 743,078</u>	<u>\$ 20,000</u>	39,765,155
Less Accumulated Depreciation	20,723,323	\$ 1,028,052	\$ 20,000	21,731,375
Depreciable Capital Assets, net	18,318,754			18,033,780

City of West Plains

Notes to the Financial Statements

December 31, 2023

Sewer

Non-Depreciable Capital Assets

Construction in progress	243,053	\$	-	\$	243,053	-
Total Non-Depreciable Capital Assets	243,053	\$	-	\$	243,053	-

Depreciable Capital Assets

Buildings and improvements	10,275,892	\$	-	\$	-	10,275,892
Plant	12,217,174	-	-	-	-	12,217,174
Equipment	1,259,348	287,725	-	-	-	1,547,073
Vehicles	340,716	39,177	-	40,049	-	339,844
Total Depreciable Capital Assets	24,093,130	\$	326,902	\$	40,049	24,379,983

Less Accumulated Depreciation	10,106,808	\$	401,723	\$	40,049	10,468,482
Depreciable Capital Assets, net	13,986,322	\$	401,723	\$	40,049	13,911,501

Sanitation

Non-Depreciable Capital Assets

Land	16,050	\$	-	\$	-	16,050
Total Non-Depreciable Capital Assets	16,050	\$	-	\$	-	16,050

Depreciable Capital Assets

Buildings and improvements	417,992	\$	-	\$	-	417,992
Transfer station	540,911	-	-	-	-	540,911
Equipment	833,580	131,437	-	-	-	965,017
Vehicles	2,865,899	45,000	-	230,862	-	2,680,037
Total Depreciable Capital Assets	4,658,382	\$	176,437	\$	230,862	4,603,957

Less Accumulated Depreciation	3,319,649	\$	292,688	\$	230,862	3,381,475
Depreciable Capital Assets, net	1,338,733	\$	292,688	\$	230,862	1,222,482

Fiber

Depreciable Capital Assets

Infrastructure	1,426,134	\$	-	\$	-	1,426,134
Transfer station	-	17,219	-	-	-	17,219
Equipment	263,115	-	-	-	-	263,115
Total Depreciable Capital Assets	1,689,249	\$	17,219	\$	-	1,706,468

Less Accumulated Depreciation	257,054	\$	112,946	\$	-	370,000
Depreciable Capital Assets, net	1,432,195	\$	112,946	\$	-	1,336,468
Total Capital Assets, net	\$ 48,478,191	\$	48,478,191	\$	47,660,656	\$ 47,660,656

City of West Plains

Notes to the Financial Statements

December 31, 2023

Component Units

	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023
63 ByPass Community Improvement District				
Depreciable Capital Assets				
Infrastructure	\$ 249,571	\$ -	\$ -	\$ 249,571
Total Depreciable Capital Assets	249,571	\$ -	\$ -	249,571
Less Accumulated Depreciation	64,191	\$ 4,991	\$ -	69,182
Depreciable Capital Assets, net	\$ 185,380	\$ -	\$ -	\$ 180,389
 Ozark Hills Community Improvement District				
Depreciable Capital Assets				
Infrastructure	\$ 63,321	\$ -	\$ -	\$ 63,321
Total Depreciable Capital Assets	63,321	\$ -	\$ -	63,321
Less Accumulated Depreciation	4,381	\$ 1,267	\$ -	5,648
Depreciable Capital Assets, net	\$ 58,940	\$ -	\$ -	\$ 57,673

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.

City of West Plains

Notes to the Financial Statements

December 31, 2023

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.

	2023 Valuation
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, 2023, the following employees were covered by the benefit terms:

	General	Police	Fire	Total
Retirees and beneficiaries	119	31	31	181
Inactive, nonretired members	55	19	13	87
Active members	133	24	13	170
	307	74	57	438

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 20.6% (General), 15.8% (Police), and 7.9% (Fire) of annual covered payroll.

Net Pension Liability/Asset. The employer’s net pension liability/asset was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability/asset was determined by an actuarial valuation as of February 28, 2023.

Actuarial Assumptions. The total pension liability in the February 28, 2023, 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

City of West Plains

Notes to the Financial Statements

December 31, 2023

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, 2023, 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%

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.

City of West Plains

Notes to the Financial Statements

December 31, 2023

Changes in the Net Pension (Asset) Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/Liability (a) - (b)
General Division			
Balances at beginning of year	\$ 31,423,085	\$ 31,466,497	\$ (43,412)
Changes for the year			
Service cost	669,758	-	669,758
Interest	2,171,330	-	2,171,330
Difference between expected and actual experiences	235,203	-	235,203
Contributions - employer	-	1,230,429	(1,230,429)
Net investment income	-	1,126,342	(1,126,342)
Benefits paid, including refunds	(1,491,826)	(1,491,826)	-
Administrative expenses	-	(45,514)	45,514
Other changes	-	(308,742)	308,742
<i>Net changes</i>	1,584,465	510,689	1,073,776
Balances at end of year	33,007,550	31,977,186	1,030,364

City of West Plains

Notes to the Financial Statements

December 31, 2023

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability (a)	Net Position (b)	(Asset)/Liability (a) - (b)
Police Division			
Balances at beginning of year	6,804,962	7,507,584	(702,622)
Changes for the year			
Service cost	147,866	-	147,866
Interest	466,947	-	466,947
Difference between expected and actual experiences	(209,994)	-	(209,994)
Contributions - employer	-	220,721	(220,721)
Net investment income	-	263,691	(263,691)
Benefits paid, including refunds	(421,062)	(421,062)	-
Administrative expenses	-	(10,198)	10,198
Other changes	-	(248,140)	248,140
<i>Net changes</i>	(16,243)	(194,988)	178,745
Balances at end of year	6,788,719	7,312,596	(523,877)
Fire Division			
Balances at beginning of year	4,009,979	5,220,918	(1,210,939)
Changes for the year			
Service cost	121,382	-	121,382
Interest	276,759	-	276,759
Difference between expected and actual experiences	(32,199)	-	(32,199)
Contributions - employer	-	50,048	(50,048)
Net investment income	-	183,147	(183,147)
Benefits paid, including refunds	(235,885)	(235,885)	-
Administrative expenses	-	(7,304)	7,304
Other changes	-	7,999	(7,999)
<i>Net changes</i>	130,057	(1,995)	132,052
Balances at end of year	4,140,036	5,218,923	(1,078,887)
Total Plan Balances at end of year	\$ 43,936,305	\$ 44,508,705	\$ (572,400)

City of West Plains

Notes to the Financial Statements

December 31, 2023

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

	Net Pension (Asset) Liability
Governmental Activities	\$ (1,000,104)
Business-Type Activities	427,704
	\$ (572,400)

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	\$ 37,666,653	\$ 33,007,550	\$ 29,173,304
Fiduciary net position	31,977,186	31,977,186	31,977,186
Net Pension (Asset) Liability	5,689,467	1,030,364	(2,803,882)
Police Division			
Total pension liability	7,773,799	6,788,719	5,986,532
Fiduciary net position	7,312,596	7,312,596	7,312,596
Net Pension (Asset) Liability	461,203	(523,877)	(1,326,064)
Fire Division			
Total pension liability	4,728,867	4,140,036	3,656,424
Fiduciary net position	5,218,923	5,218,923	5,218,923
Net Pension (Asset) Liability	(490,056)	(1,078,887)	(1,562,499)
Total Net Pension (Asset) Liability	\$ 5,660,614	\$ (572,400)	\$ (5,692,445)

City of West Plains

Notes to the Financial Statements

December 31, 2023

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

For the year ended December 31, 2023, the employer recognized pension expense of \$1,220,556 in the general division, \$234,679 in the police division, and \$16,554 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	\$ 818,180	\$ (58,279)	\$ 759,901
Assumption changes	-	(186,720)	(186,720)
Differences in earnings	439,439	-	439,439
Contributions subsequent to the measurement date*	632,006	-	632,006
	<u>1,889,625</u>	<u>(244,999)</u>	<u>1,644,626</u>
Police Division			
Differences in experiences	28,552	(233,108)	(204,556)
Assumption changes	-	(22,705)	(22,705)
Differences in earnings	76,545	-	76,545
Contributions subsequent to the measurement date*	115,611	-	115,611
	<u>220,708</u>	<u>(255,813)</u>	<u>(35,105)</u>
Fire Division			
Differences in experiences	27,751	(21,103)	6,648
Assumption changes	-	(16,132)	(16,132)
Differences in earnings	60,898	-	60,898
Contributions subsequent to the measurement date*	23,122	-	23,122
	<u>111,771</u>	<u>(37,235)</u>	<u>74,536</u>
	<u>\$ 2,222,104</u>	<u>\$ (538,047)</u>	<u>\$ 1,684,057</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	\$ 1,437,720	\$ (436,348)	\$ 1,001,372
Business-Type Activities	784,384	(101,699)	682,685
	<u>\$ 2,222,104</u>	<u>\$ (538,047)</u>	<u>\$ 1,684,057</u>

City of West Plains

Notes to the Financial Statements

December 31, 2023

*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, 2024.

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
2024	\$ 153,711	\$ (144,284)	\$ (15,448)	\$ (6,021)
2025	(129,183)	(200,035)	(76,361)	(405,579)
2026	768,368	144,393	108,032	1,020,793
2027	219,724	49,210	35,191	304,125
Total	<u><u>\$ 1,012,620</u></u>	<u><u>\$ (150,716)</u></u>	<u><u>\$ 51,414</u></u>	<u><u>\$ 913,318</u></u>

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, 2023, consisted of the following:

	General	Grants	Nonmajor	Total
	Fund	Fund	Governmental Funds	
Internal balances, net	<u><u>\$ 512,258</u></u>	<u><u>\$ (394,669)</u></u>	<u><u>\$ (117,589)</u></u>	<u><u>\$ -</u></u>

During the course of its operations, the City has numerous transactions between funds to finance operation, provide services, construct assets and service debt. To the extent that certain transactions between funds had not been paid or received as of December 31, 2023, 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, 2023

13. Interfund Transfers

Transfers between funds of the City for the period ended December 31, 2023, were as follows:

	Transfers In (Out)
General Fund	\$ (165,593)
Grants Fund	878,550
Transportation Sales Tax Fund	(498,697)
Capital Improvement Sales Tax Fund	(342,034)
Nonmajor Governmental Funds	175,000
Electric Fund	(47,226)
	<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, 2023, 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, 2023, 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 \$498,960. Principal and interest paid for the current year and total customer net revenues were \$511,046 and \$1,420,892, respectively.

City of West Plains

Notes to the Financial Statements

December 31, 2023

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 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 \$703,938.

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, 2023, consists of the following:

Tourism	\$	55,725
Court fines		17,043
	\$	<u>72,768</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 year ending December 31, 2023, 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	\$ 627,257
Tax Increment Financing Districts	Property tax	85,772
Urban Redevelopment (Chapter 353)	Property tax	15,685
Chapter 100	Property tax	9,232
Enhanced Enterprise Zone	Property tax	3,355
		<u>\$ 741,301</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.

City of West Plains

Notes to the Financial Statements

December 31, 2023

- The City has entered into two 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 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, 2023, the City had the following commitments:

<u>Contractor</u>	<u>Project</u>	<u>Amount</u>
Burns & McDonnell	Wastewater Collection System	\$ 396,035
John Adams Construction	North Fork Regional Detention Stormwater System	1,043,139
		<u>\$ 1,439,174</u>

21. Unearned Revenue

Unearned Revenue has been recorded in the Sewer Fund in the amount of \$2,365,556. This represents unspent ARPA Grant Funds received by the City.

Required Supplementary Information

City of West Plains

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Year Ended December 31, 2023

	<u>2023</u>	<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	\$ 939,006	\$ 880,363	\$ 809,966	\$ 705,090	\$ 701,064	\$ 692,815	\$ 663,466	\$ 613,175	\$ 609,092
Interest on the total pension liability	2,915,036	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	(6,990)	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	(2,148,773)	(1,906,881)	(1,784,591)	(1,781,434)	(1,699,839)	(1,495,141)	(1,141,753)	(1,152,319)	(1,218,617)
<i>Net Change in Total Pension Liability</i>	1,698,279	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>42,238,026</u>	<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	43,936,305	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	1,501,198	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	1,573,180	32,663	9,838,757	483,204	2,282,229	3,959,035	3,498,043	(81,000)	569,364
Benefit payments, including refunds	(2,148,773)	(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	(63,016)	(43,753)	(39,337)	(50,950)	(45,880)	(33,293)	(31,353)	(30,620)	(33,181)
Other	(548,883)	(637,754)	(35,725)	93,506	(101,422)	163,973	(70,304)	(24,709)	(390,217)
<i>Net Change in Plan Fiduciary Net Position</i>	313,706	(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>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>	<u>29,546,102</u>
Plan Fiduciary Net Position, Ending	<u>44,508,705</u>	<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>\$ (572,400)</u>	<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	101.30%	104.63%	113.64%	95.30%	106.02%	107.93%	101.74%	96.82%	106.49%
Covered payroll	\$ 7,504,573	\$ 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	-7.63%	-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

Year Ended December 31, 2023

	<u>2023</u>	<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>
Actuarially determined contribution	\$ 1,510,474	\$ 1,391,367	\$ 1,286,462	\$ 1,182,024	\$ 813,091	\$ 855,027	\$ 814,798	\$ 777,152	\$ 770,844	\$ 844,965
Contributions in relation to the actuarially determined contribution	<u>1,506,224</u>	<u>1,391,367</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>
Contribution deficiency (excess)	<u>\$ 4,250</u>	<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>
Covered payroll	\$ 8,084,514	\$ 7,549,632	\$ 7,145,082	\$ 6,752,932	\$ 6,438,713	\$ 6,676,590	\$ 6,427,321	\$ 6,176,065	\$ 5,865,769	\$ 5,744,876
Contributions as a percentage of covered payroll	18.63%	18.43%	18.00%	17.50%	12.59%	12.68%	12.59%	12.58%	13.14%	14.71%

See accompanying Notes to the Schedule of Contributions.

City of West Plains

Notes to the Schedule of Contributions

Year Ended December 31, 2023

Valuation Date: February 28, 2023

Notes: The roll-forward of total pension liability from February 28, 2023 to June 30, 2023, 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

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Ad valorem taxes, penalties and interest	\$ 556,906	\$ 556,906	\$ 608,843	\$ 51,937
Surtax	74,199	74,199	93,185	18,986
City sales tax	4,108,053	4,108,053	4,192,650	84,597
Franchise taxes	2,095,800	2,095,800	2,144,010	48,210
Use tax	411,588	411,588	436,558	24,970
Other taxes	8,355	8,355	13,083	4,728
	7,254,901	7,254,901	7,488,329	233,428
Licenses and Permits				
Liquor	16,885	16,885	19,682	2,797
Building permits	16,898	16,898	33,902	17,004
Business licenses	16,041	16,041	35,075	19,034
Other	26,877	26,877	20,513	(6,364)
	76,701	76,701	109,172	32,471
Charges for Services				
Parks and recreation	181,024	181,024	160,518	(20,506)
Cemetery	15,944	15,944	15,596	(348)
Transit	20,913	20,913	21,561	648
Rental income	261,229	261,229	238,061	(23,168)
Concessions	97,250	97,250	64,353	(32,897)
Fuel sales	183,216	183,216	232,927	49,711
Golf	278,134	278,134	339,957	61,823
Fines and forfeitures	97,393	97,393	276,634	179,241
Civic Center	139,500	139,500	172,887	33,387
Other	101,500	101,500	234,022	132,522
	1,376,103	1,376,103	1,756,516	380,413
Miscellaneous				
Reimbursements	48,970	48,970	118,115	69,145
Interest	36,167	36,167	213,164	176,997
Donations and other contributions	9,101	9,101	185	(8,916)
Sale of property	-	-	1,288	1,288
Other	5,350	5,350	17,306	11,956
	99,588	99,588	350,058	250,470
Total Revenues	8,807,293	8,807,293	9,704,075	896,782

See accompanying Notes to the Budgetary Comparison Schedules.

City of West Plains

Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Expenditures				
Current				
Administrative	394,511	397,640	429,314	(31,674)
Human resources	919,040	859,040	595,935	263,105
Public relations	56,022	56,022	45,686	10,336
Information technology	49,277	99,277	88,826	10,451
Building maintenance	176,930	176,930	131,331	45,599
Building official	191,861	191,861	155,439	36,422
City attorney	359	52,859	59,617	(6,758)
Court	174,360	174,360	163,919	10,441
Police	3,261,858	3,116,858	2,867,662	249,196
Animal control	99,480	99,480	76,427	23,053
Emergency management	31,132	31,132	3,310	27,822
Fire	1,458,090	1,432,090	1,318,734	113,356
Airport	314,745	314,745	340,998	(26,253)
Cemetery	137,640	137,640	134,089	3,551
Fleet management	104,017	104,017	84,473	19,544
Health	37,600	37,600	27,705	9,895
Planning and zoning	133,723	133,723	173,240	(39,517)
Economic development	-	-	58,806	(58,806)
Tourism	146,668	94,168	-	94,168
Parks and recreation	943,113	1,018,113	946,695	71,418
Golf	464,201	554,794	507,083	47,711
Transit	255,590	255,590	229,596	25,994
Civic center	869,450	994,450	918,040	76,410
Senior citizens	24,000	34,000	27,347	6,653
Total Expenditures	10,243,667	10,366,389	9,384,272	982,117
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(1,436,374)	(1,559,096)	319,803	1,878,899
Other Financing Sources (Uses)				
Transfer (out)	(350,000)	(350,000)	(350,000)	-
Transfer in	110,000	110,000	184,407	(74,407)
Total Other Financing Sources (Uses)	(240,000)	(240,000)	(165,593)	(74,407)
<i>Net Change in Fund Balance</i>	(1,676,374)	(1,799,096)	154,210	1,953,306
Fund Balance, January 1	4,492,400	4,492,400	4,492,400	-
Fund Balance Transfer	(308,586)	(308,586)	(308,586)	-
Fund Balance, December 31	\$ 2,507,440	\$ 2,384,718	\$ 4,338,024	\$ 1,953,306

See accompanying Notes to the Budgetary Comparison Schedules.

City of West Plains

Budgetary Comparison Schedule – Grants Fund

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental Revenues				
Grants	\$ 10,647,000	\$ 6,223,162	\$ 2,672,094	\$ (3,551,068)
Miscellaneous	-	-	8,204	8,204
Total Revenues	10,647,000	6,223,162	2,680,298	(3,542,864)
Expenditures				
Current				
Police	520,000	520,000	693,646	(173,646)
Emergency management	6,000	6,000	934	5,066
Economic development	800,000	800,000	814,296	(14,296)
Capital Improvement	10,211,500	5,787,662	2,049,972	3,737,690
Total Expenditures	11,537,500	7,113,662	3,558,848	3,554,814
<i>Excess (Deficit) of Revenues over Expenditures</i>	(890,500)	(890,500)	(878,550)	11,950
Other Financing Sources				
Transfer in	1,000,500	1,000,500	1,062,957	62,457
Transfer (out)	(110,000)	(110,000)	(184,407)	(74,407)
Total Other Financing Sources (Uses)	890,500	890,500	878,550	(11,950)
<i>Net Change in Fund Balance</i>	-	-	-	-
Fund Balance, January 1	-	-	-	-
Fund Balance, December 31	\$ -	\$ -	\$ -	\$ -

See accompanying Notes to the Budgetary Comparison Schedules.

City of West Plains

Budgetary Comparison Schedule – Transportation Sales Tax Fund

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
City sales tax	\$ 1,981,877	\$ 1,981,877	\$ 2,012,335	\$ 30,458
Use tax	205,794	205,794	218,279	12,485
Motor vehicle tax	555,392	555,392	621,874	66,482
	2,743,063	2,743,063	2,852,488	109,425
Charges for services	1,000	1,000	1,304	304
Miscellaneous				
Other	5,000	5,000	62,491	57,491
Interest	3,414	3,414	130,034	126,620
	8,414	8,414	192,525	184,111
Total Revenues	2,752,477	2,752,477	3,046,317	293,840
Expenditures				
Current				
Street	2,855,340	3,031,592	2,438,767	592,825
Total Expenditures	2,855,340	3,031,592	2,438,767	592,825
<i>Excess (Deficit) of Revenues over Expenditures</i>	(102,863)	(279,115)	607,550	886,665
Other Financing Sources (Uses)				
Transfer in	350,000	350,000	350,000	-
Transfer (out)	(393,500)	(393,500)	(848,697)	(455,197)
Total Other Financing Sources (Uses)	(43,500)	(43,500)	(498,697)	(455,197)
<i>Net Change in Fund Balance</i>	(146,363)	(322,615)	108,853	431,468
Fund Balance, January 1	1,458,667	1,458,667	1,458,667	-
Fund Balance, December 31	\$ 1,312,304	\$ 1,136,052	\$ 1,567,520	\$ 431,468

See accompanying Notes to the Budgetary Comparison Schedules.

City of West Plains

Budgetary Comparison Schedule – Capital Improvement Sales Tax Fund

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
City sales tax	\$ 2,025,768	\$ 2,025,768	\$ 2,095,876	\$ 70,108
Use tax	205,794	205,794	218,279	12,485
	2,231,562	2,231,562	2,314,155	82,593
Miscellaneous				
Donations	-	-	270,000	270,000
Other	50,000	50,000	73,449	23,449
Interest	3,764	3,764	202,290	198,526
	53,764	53,764	545,739	221,975
Total Revenues	2,285,326	2,285,326	2,859,894	304,568
Expenditures				
Current				
Capital improvements	1,776,500	3,106,632	2,309,162	797,470
Debt service				
Principal, interest and fees	1,052,767	1,052,767	1,011,461	41,306
Total Expenditures	2,829,267	4,159,399	3,320,623	838,776
<i>Excess (Deficit) of Revenues over Expenditures</i>	(543,941)	(1,874,073)	(460,729)	1,143,344
Other Financing (Uses)				
Transfer in	-	120,000	-	(120,000)
Transfer (out)	(312,000)	(312,000)	(342,034)	(30,034)
Total Other Financing Sources (Uses)	(312,000)	(192,000)	(342,034)	(30,034)
<i>Net Change in Fund Balance</i>	(855,941)	(2,066,073)	(802,763)	1,263,310
Fund Balance, January 1	3,522,681	3,522,681	3,522,681	-
Fund Balance, December 31	\$ 2,666,740	\$ 1,456,608	\$ 2,719,918	\$ 1,263,310

See accompanying Notes to the Budgetary Comparison Schedules.

City of West Plains

Notes to the Budgetary Comparison Schedules

Year Ended December 31, 2023

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, 2023

	Special Revenue Funds						Total
	Library Fund	Tourism Tax Fund	Consolidated Fund	TIF #1 Fund	TIF #2 Fund	TIF #3 Fund	
Assets							
Current Assets							
Cash and cash equivalents	\$ 489,661	\$ 133,619	\$ -	\$ 4,001	\$ 25,255	\$ 1,262,364	\$ 1,914,900
Taxes receivable	329,897	11,745	-	-	-	-	341,642
Prepaid expenses	16,674	6,439	-	-	-	-	23,113
Cash and cash equivalents - restricted	-	-	341,946	-	-	-	341,946
Total Assets	<u>\$ 836,232</u>	<u>\$ 151,803</u>	<u>\$ 341,946</u>	<u>\$ 4,001</u>	<u>\$ 25,255</u>	<u>\$ 1,262,364</u>	<u>\$ 2,621,601</u>
Liabilities, Deferred Inflow of Resources, and Fund Balance							
Liabilities							
Accounts payable	\$ 11,678	\$ 4,389	\$ -	\$ -	\$ 25,255	\$ -	\$ 41,322
Accrued expenses	13,150	7,838	-	-	-	-	20,988
Due to other funds	117,589	-	-	-	-	-	117,589
Total Liabilities	<u>142,417</u>	<u>12,227</u>	<u>-</u>	<u>-</u>	<u>25,255</u>	<u>-</u>	<u>179,899</u>
Deferred Inflows of Resources							
Deferred revenue	-	55,725	-	-	-	-	55,725
Fund Balance							
Nonspendable							
Prepaid items	16,674	-	-	-	-	-	16,674
Restricted for							
Cemetery perpetual care	-	-	129,273	-	-	-	129,273
Economic development	-	-	62,497	-	-	-	62,497
Parks and recreation	-	-	1,233	-	-	-	1,233
MODAG grant	-	-	37,174	-	-	-	37,174
Police	-	-	78,794	-	-	-	78,794
Fire	-	-	3,660	-	-	-	3,660
Golf	-	-	13,793	-	-	-	13,793
Nuisance abatement	-	-	15,000	-	-	-	15,000
Animal Control	-	-	522	-	-	-	522
Library	677,141	-	-	-	-	-	677,141
Debt service	-	-	-	4,001	-	1,262,364	1,266,365
Tourism	-	83,851	-	-	-	-	83,851
Total Fund Balances	<u>693,815</u>	<u>83,851</u>	<u>341,946</u>	<u>4,001</u>	<u>-</u>	<u>1,262,364</u>	<u>2,385,977</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>\$ 836,232</u>	<u>\$ 151,803</u>	<u>\$ 341,946</u>	<u>\$ 4,001</u>	<u>\$ 25,255</u>	<u>\$ 1,262,364</u>	<u>\$ 2,621,601</u>

City of West Plains

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

Year Ended December 31, 2023

	Special Revenue Funds						Total
	Library Fund	Tourism Tax Fund	Consolidated Fund	TIF #1 Fund	TIF #2 Fund	TIF #3 Fund	
Revenues							
Taxes	\$ 431,253	\$ 338,385	\$ -	\$ -	\$ 593,124	\$ 158,097	\$ 1,520,859
Intergovernmental	25,287	24,000	-	-	-	-	49,287
Charges for service	40,595	61,365	43,761	-	-	-	145,721
Donations	17,275	508	9,271	-	-	-	27,054
Miscellaneous	2,340	40	15,163	-	-	-	17,543
Interest	30,082	5,775	3,027	150	-	-	39,034
Total Revenues	<u>546,832</u>	<u>430,073</u>	<u>71,222</u>	<u>150</u>	<u>593,124</u>	<u>158,097</u>	<u>1,799,498</u>
Expenditures							
Current							
Library	656,798	-	-	-	-	-	656,798
Tourism	-	442,492	-	-	-	-	442,492
Economic development	-	-	-	-	593,124	-	593,124
Miscellaneous	-	-	37,862	-	-	441	38,303
Total Expenditures	<u>656,798</u>	<u>442,492</u>	<u>37,862</u>	<u>-</u>	<u>593,124</u>	<u>441</u>	<u>1,730,717</u>
<i>Excess (Deficit) of Revenues over Expenditures</i>	(109,966)	(12,419)	33,360	150	-	157,656	68,781
Other Financing Sources							
Transfer in	175,000	-	-	-	-	-	175,000
<i>Net Change in Fund Balance</i>	65,034	(12,419)	33,360	150	-	157,656	243,781
Fund Balance, January 1	628,781	96,270	-	3,851	-	1,104,708	1,833,610
Fund Balance Transfer	-	-	308,586	-	-	-	308,586
Fund Balance, December 31	<u>\$ 693,815</u>	<u>\$ 83,851</u>	<u>\$ 341,946</u>	<u>\$ 4,001</u>	<u>\$ -</u>	<u>\$ 1,262,364</u>	<u>\$ 2,385,977</u>

Other Reporting Requirements



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the 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 year ended December 31, 2023, 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 13, 2024.

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 13, 2024



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 year ended December 31, 2023. The City of West Plains, Missouri's major federal program is identified in the Summary of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

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 year ended December 31, 2023.

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 13, 2024

City of West Plains

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2023

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 Justice				
Missouri Department of Public Safety				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15-PBJA-21-GG-00249-MUMU-F18	\$ 194,184	\$ 194,184
	16.738	2020-MU-BX-K001	17,345	17,345
	16.738	15-PBJA-22-GG-00640-MUMU-18F	91,315	91,315
Total U.S. Department of Justice			302,844	302,844
U.S. Department of Homeland Security				
Missouri State Emergency Management Agency				
Emergency Management Performance Grants	97.042	EMK-2023-EP-APP-0004-102	-	933
Missouri Department of Public Safety				
Homeland Security Grant Program	97.067	EMW-2022-SS-00094-21	-	5,000
Total U.S. Department of Homeland Security			-	5,933
U.S. Department of Transportation				
Highway Safety Cluster				
Missouri Department of Transportation				
State and Community Highway Safety	20.600	23-PT-02-155	-	3,253
	20.600	24-PT-02-151	-	2,126
Total Highway Safety Cluster			-	5,379
Missouri Department of Transportation				
Alcohol Open Container Requirements	20.607	23-154-AL-115	-	2,720
	20.607	24-154-AL-134	-	1,642
			-	4,362
Missouri Highways and Transportation Commission				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	TM184041WP1	-	19,104
	20.509	TM184042WP1	-	35,454
	20.509	TM184044WP1	-	15,489
	20.509	TM184045WP1	-	85,290
Total U.S. Department of Transportation			-	155,337
			-	165,078
U.S. Department of Housing and Urban Development				
Missouri Department of Economic Development				
Community Development Block Grant	14.228	2018-DP-06	-	60,296
	14.228	2019-DP-05	-	38,152
	14.228	FR-2018-20	-	312,750
	14.228	18-DP-MIT30	-	15,437
	14.228	18-DP-MF5	-	818,390
Total U.S. Department of Housing and Urban Development			-	1,245,025
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 2023	-	9,000
Missouri Department of Health and Senior Services				
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	6NU50CK000546-02	-	8,400
Total U.S. Department of Health and Human Services			-	17,400
U.S. Department of the Treasury				
Direct				
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	132,878
Missouri Department of Public Safety				
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP4542-FPG258	-	20,000
Howell County, Missouri				
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	-	-	17,000
Total U.S. Department of the Treasury			-	169,878
Total Expenditures of Federal Awards			\$ 302,844	\$ 1,906,158

N/A – Not Applicable

City of West Plains

Notes to the Schedule of Expenditures of Federal Awards

Year Ended December 31, 2023

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of West Plains, Missouri, under programs of the federal government for the year ended December 31, 2023. 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 \$302,844 to the Southwest Missouri Drug Task Force in the current year.

City of West Plains

Schedule of Findings and Questioned Costs

Year Ended December 31, 2023

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

Year Ended December 31, 2023

There were no prior audit findings