

City of Webb City, Missouri

Basic Financial Statements Year Ended October 31, 2021

KPM
CPAS & ADVISORS

Table of Contents

Independent Auditors' Report	4
Management's Discussion and Analysis	8
Basic Financial Statements	
Statement of Net Position	15
Statement of Activities	17
Balance Sheet – Governmental Funds	19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Net Position – Proprietary Funds	25
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	26
Statement of Cash Flows – Proprietary Funds	27
Statement of Net Position – Component Units	29
Statement of Activities – Component Units	30
Notes to the Basic Financial Statements	31
Required Supplementary Information	
Schedule of Changes in Net Pension Asset and Related Ratios	60
Schedule of Contributions	61
Notes to the Schedule of Contributions	62
Budgetary Comparison Schedule – General Fund	63
Budgetary Comparison Schedule – Street Fund	65
Budgetary Comparison Schedule – Storm/Park Fund	66
Budgetary Comparison Schedule – Capital Improvement Fund	67
Budgetary Comparison Schedule – American Rescue Plan Act Fund	68
Notes to the Budgetary Comparison Schedules	69
Supplementary Information	
Combining Balance Sheet – Nonmajor Governmental Funds	71

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	72
Combining Balance Sheet – Library Fund.....	73
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Library Fund.....	74

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 <i>Government Auditing Standards</i>	76
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Honorable Mayor and City Council
City of Webb City
Webb City, Missouri

Report on the Financial Statements

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 Webb City, Missouri, as of and for the year ended October 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Webb City, Missouri's basic financial statements. The combining nonmajor and combining library fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor and combining library fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2022, on our consideration of the City of Webb City, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Webb City, Missouri's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
March 15, 2022

Management's Discussion and Analysis

City of Webb City

Management's Discussion and Analysis

October 31, 2021

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

Financial Highlights

The net position of the City's governmental activities increased by \$2,290,131 for the year as a result of current year activities. The net position of the City's business-type activities increased by \$933,649 for the year.

Total assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflow of resources as of October 31, 2021, by \$35.9 million (net position). Of this amount, \$11 million was unrestricted and may be used to meet future obligations of the City.

Total liabilities of the City decreased \$100,788.

Sales tax revenue for fiscal year 2021 experienced a 9.2% increase from fiscal year 2020.

Using this Annual Report

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

Government-Wide Financial Statements

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

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

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

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

City of Webb City

Management's Discussion and Analysis

October 31, 2021

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds and not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for 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 statements.

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

Notes to the Basic Financial Statements

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

City of Webb City

Management's Discussion and Analysis

October 31, 2021

Government-Wide Financial Analysis

Net Position

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total October 31, 2021</u>	<u>Total October 31, 2020</u>
Assets				
Current and other assets	\$ 7,196,332	\$ 4,702,311	\$ 11,898,643	\$ 9,594,632
Capital assets	25,354,847	4,473,707	29,828,554	29,989,916
Net pension asset	4,312,867	564,010	4,876,877	942,631
Total Assets	36,864,046	9,740,028	46,604,074	40,527,179
Deferred Outflows of Resources				
Deferred loss on bond refunding	134,497	-	134,497	153,484
Deferred pension outflows	273,255	57,221	330,476	863,912
Total Deferred Outflows of Resources	407,752	57,221	464,973	1,017,396
Liabilities				
Current liabilities	3,047,271	482,510	3,529,781	2,340,304
Long-term liabilities outstanding	4,510,569	48,453	4,559,022	5,849,287
Total Liabilities	7,557,840	530,963	8,088,803	8,189,591
Deferred Pension Inflows	2,673,167	426,568	3,099,735	698,255
Net Position				
Net investment in capital assets	19,899,157	4,473,707	24,372,864	23,666,360
Restricted				
Debt service	40,047	-	40,047	40,515
Other purposes	460,396	-	460,396	230,855
Unrestricted	6,641,191	4,366,011	11,007,202	8,718,999
Total Net Position	\$ 27,040,791	\$ 8,839,718	\$ 35,880,509	\$ 32,656,729

Total net position of the City increased by \$3,223,780 due to current year activity. Total liabilities for the City decreased \$100,788. The City's long-term liabilities decreased \$1,290,265. The decrease is due to payments made on existing debt. Restricted net position of the City totaled \$500,443 as of October 31, 2021. This amount represents monies that are restricted for capital improvements, stormwater and recreation improvements, and debt service.

City of Webb City

Management's Discussion and Analysis

October 31, 2021

Changes in Net Position

	Governmental Activities	Business-Type Activities	Total Year Ended October 31, 2021	Total Year Ended October 31, 2020
Revenues				
Program Revenues				
Charges for services	\$ 714,270	\$ 4,539,708	\$ 5,253,978	\$ 5,085,657
Operating grants and contributions	216,399	45,354	261,753	367,006
Capital grants and contributions	442,852	528,771	971,623	581,614
General Revenues				
Sales taxes	5,938,143	-	5,938,143	5,439,542
Ad valorem taxes	847,764	-	847,764	769,671
Motor vehicle and gas tax	474,011	-	474,011	429,118
Other taxes	180,696	-	180,696	192,287
Franchise taxes	766,865	-	766,865	799,654
Interest	155,216	3,792	159,008	71,043
Other revenue	206,770	5,154	211,924	131,217
Special Item				
Gain on sale of property	23,321	-	23,321	125,170
Transfers	137,000	(137,000)	-	-
Total Revenues	10,103,307	4,985,779	15,089,086	13,991,979
Expenses				
General government	769,443	-	769,443	772,670
Police	1,760,614	-	1,760,614	1,919,888
Fire	1,215,703	-	1,215,703	1,309,408
Court	155,112	-	155,112	172,036
Health and welfare	95,170	-	95,170	291,835
Economic development	78,431	-	78,431	88,359
Emergency management	99,737	-	99,737	122,788
Cemetery	5,601	-	5,601	4,547
Street	2,101,866	-	2,101,866	2,394,763
Storm/Park	697	-	697	48,407
Park	806,540	-	806,540	757,027
Library	401,261	-	401,261	335,450
Habitat	122,541	-	122,541	118,998
Debt service	200,460	-	200,460	195,076
Water	-	1,606,197	1,606,197	1,578,133
Sewer	-	1,944,964	1,944,964	2,083,679
Refuse	-	500,969	500,969	475,832
Total Expenses	7,813,176	4,052,130	11,865,306	12,668,896
<i>Increase in Net Position</i>	\$ 2,290,131	\$ 933,649	\$ 3,223,780	\$ 1,323,083

City of Webb City

Management's Discussion and Analysis

October 31, 2021

Governmental Activities

Governmental activities increased the net position of the City by \$2,290,131. Tax revenues for the City were \$8.2 million, which represents 81% of the funding of these activities. Program revenues for the functions totaled \$1,373,521 or 14% of the funding. The following table shows the cost of the City's nine largest programs as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the taxpayers by each of these functions.

Net Cost of the City of Webb City's Nine Largest Governmental Activities

	Total Cost of Services	Net Cost of Services
General government	\$ 769,443	\$ 564,084
Police	1,760,614	1,311,613
Fire	1,215,703	1,213,703
Court	155,112	151,447
Street	2,101,866	1,758,102
Park	806,540	643,527
Library	401,261	354,800
Habitat	122,541	68,903
Debt service	200,460	174,404
Other governmental activities	279,636	199,072
	<u>\$ 7,813,176</u>	<u>\$ 6,439,655</u>

Business-Type Activities

Business-type activities increased the City's net position by \$933,649.

Financial Analysis of the City's Funds

The combined fund balance of the City's governmental funds as of October 31, 2021, was \$5,385,156. In total, the governmental funds increased by \$888,177. The General Fund increased by \$347,662; the Street Fund increased by \$158,358; the Storm/Park Fund decreased by \$88,336; the Capital Improvement Fund increased by \$317,880; the American Rescue Plan Act Fund is new in the current year and earned \$59; and the nonmajor funds increased by \$152,554.

General Fund Budgetary Highlights

Revenues

The original General Fund budget had total budgeted revenues of \$4,364,809. Actual revenues were \$4,918,569. The City amended General Fund total budgeted revenues to reflect actual revenues.

City of Webb City

Management's Discussion and Analysis

October 31, 2021

Expenditures

The original General Fund budget had total budgeted expenditures of \$4,966,907. Actual expenditures were \$4,773,234. The City amended General Fund total budgeted expenditures to reflect actual expenditures.

Capital Assets and Debt Administration

Capital Assets

Capital assets of the governmental activities were \$25.4 million, net of accumulated depreciation, as of October 31, 2021. This represents a \$123,079 net decrease from the prior year. The net decrease is due to the cost of depreciation and disposals outweighing the cost of new capital items. The majority of the additions to governmental capital assets was \$1,149,909 of infrastructure additions including paving and sidewalk improvements. Other additions include \$49,170 in baseball field improvements, \$28,500 in land purchases, and \$142,095 in police vehicle and equipment purchases. Capital assets for business-type activities were \$6.7 million, net of accumulated depreciation, as of October 31, 2021. This represents a net decrease of \$38,283 from the prior year. The net decrease is due to the cost of depreciation outweighing the cost of new capital items. The majority of business-type capital purchased during the year was \$217,292 of machinery and equipment purchased in the Water Fund. The well project of \$209,919, and the liner project of \$199,995, were in progress in the Water Fund and the Sewer Fund, respectively, at the end of the prior year and were added to depreciable capital assets during the current year.

Debt

Total long-term liabilities of the governmental activities as of October 31, 2021, was \$4,510,569, which is down \$1,279,238 from the prior year. The decrease is due to the payment of principal on debt issues.

Total long-term liabilities of the business-type activities as of October 31, 2021, was \$48,453 which is down \$11,027 from the prior year due to the payment of principal on debt issues.

Economic Factors and Next Year's Budget

Highlights of the 2020-2021 fiscal year accomplishments are as follows:

- Development in the Centennial TDD continued. The 0.05% rate brought in approximately \$71,000. Collections were made from nine businesses.
- Sales and use tax remained strong this year. Sales tax collections were 11.8% over prior fiscal year with use tax collections being 26% over prior fiscal year. The City was fortunate to not experience a decrease of sales tax due to the COVID-19 pandemic.
- Because sales tax remained strong, planned expenditures, including capital projects, were kept on track.
- The American Rescue Plan Act Fund, created in 2021, was set up to track revenues and expenditures related to the funds the City received as part of the American Rescue Plan Act passed by the federal government in 2021. The City received \$1.2 million in September 2021.
- Lagers retirement benefit plan was increased from an L-7 level to L-12. This means that the percentage used to calculate a pension is going from 1.5% of a member's final average salary to 1.75%. This change will be in effect November 01, 2021.

City of Webb City

Management's Discussion and Analysis

October 31, 2021

Highlights for the upcoming 2021-2022 fiscal year include:

- The City will budget \$2,053,290 (approximately 14% of total spending) on capital expenditures
 - \$208,000 Fleet replacements
 - \$479,650 Machinery and equipment
 - \$300,000 Streets (overlays), construction/improvements
 - \$60,000 Building improvements
 - \$450,000 Wells and water line improvements
 - \$400,000 Wastewater infrastructure and I&I reduction
 - \$20,000 Stadium Drive playground equipment
 - \$25,000 Land purchase
 - \$38,640 Software
 - \$72,000 Softball field lava rock, soccer field lights, parking lot, sidewalk
- Flat Creek Grill, a restaurant, and G & W, a grocery store, are under contract for business in the TDD. The City will continue to seek other businesses to fill the remaining acreage. There are several entertainment possibilities.
- The City is due to receive the 2nd tranche of American Rescue Plan Act funds in early fall of 2022, The City's allocation of \$2,234,933 was scheduled to be released in two one-half tranches. The first was in September 2021 and the second is scheduled to be released 12 months later. A plan to spend funds must be in place by December 2024 and funds must be spent by December 31, 2026.
- A fully automated car wash and a drive thru coffee shop are under contract to build on Madison Street.
- The City will be mindful of the effects of inflation. Fuel prices will be the most notable.

Contacting the City's Financial Management

For additional information or questions, please contact any of the following members of City management at:

City of Webb City
200 South Main St.
Webb City, Missouri 64870
(417) 673-4651
tcraig@webbcity.org

Lynn Ragsdale, Mayor
Carl Francis, City Administrator
Tracy Craig, Finance Administrator

City of Webb City

Statement of Net Position

October 31, 2021

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Current				
Cash and cash equivalents - unrestricted	\$ 4,827,356	\$ 3,914,360	\$ 8,741,716	\$ 571,843
Investments - unrestricted	518,547	-	518,547	-
Taxes receivable	1,191,544	-	1,191,544	12,902
Utilities receivable	-	377,042	377,042	-
Court receivable, net	51,375	-	51,375	-
Other accounts receivable	45,860	-	45,860	45,524
Intergovernmental receivable	131,638	-	131,638	-
Interest receivable	13,410	-	13,410	-
Inventory	280,000	67,587	347,587	-
Prepaid expenses	64,576	13,729	78,305	-
Noncurrent				
Restricted cash and cash equivalents	72,026	329,593	401,619	206,075
Capital Assets				
Non-depreciable	2,389,864	78,240	2,468,104	2,350
Depreciable, net	22,964,983	4,395,467	27,360,450	5,771,746
Net pension asset	4,312,867	564,010	4,876,877	-
Total Assets	36,864,046	9,740,028	46,604,074	6,610,440
Deferred Outflows of Resources				
Deferred loss on bond refunding	134,497	-	134,497	-
Deferred pension outflows	273,255	57,221	330,476	-
Total Deferred Outflows of Resources	407,752	57,221	464,973	-

See accompanying notes to the financial statements.

City of Webb City

Statement of Net Position

October 31, 2021

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities				
Current				
Accounts payable	317,191	107,217	424,408	26,765
Accrued expenses	164,389	45,700	210,089	-
Unclaimed property	4,025	-	4,025	-
Court bonds payable	21,727	-	21,727	-
Refundable deposits	4,657	-	4,657	-
Meter deposits payable	-	329,593	329,593	-
Accrued interest payable	43,076	-	43,076	23,928
Unearned revenue	1,224,233	-	1,224,233	-
Due to other governments	367	-	367	-
Current maturities of long-term debt	1,267,606	-	1,267,606	350,000
	<u>3,047,271</u>	<u>482,510</u>	<u>3,529,781</u>	<u>400,693</u>
Noncurrent				
Compensated absences payable	187,988	48,453	236,441	-
Capital leases payable	1,456,035	-	1,456,035	-
Bonds payable, net	2,866,546	-	2,866,546	2,947,671
	<u>4,510,569</u>	<u>48,453</u>	<u>4,559,022</u>	<u>2,947,671</u>
Total Liabilities	<u>7,557,840</u>	<u>530,963</u>	<u>8,088,803</u>	<u>3,348,364</u>
Deferred Inflow of Resources				
Deferred pension inflows	<u>2,673,167</u>	<u>426,568</u>	<u>3,099,735</u>	<u>-</u>
Net Position				
Net investment in capital assets	19,899,157	4,473,707	24,372,864	2,476,868
Restricted				
Debt service	40,047	-	40,047	120,725
Other purposes	460,396	-	460,396	84,907
Unrestricted	<u>6,641,191</u>	<u>4,366,011</u>	<u>11,007,202</u>	<u>579,576</u>
Total Net Position	<u><u>\$ 27,040,791</u></u>	<u><u>\$ 8,839,718</u></u>	<u><u>\$ 35,880,509</u></u>	<u><u>\$ 3,262,076</u></u>

See accompanying notes to the financial statements.

City of Webb City

Statement of Activities

Year Ended October 31, 2021

Functions/Programs	Net (Expenses), Revenues, and Changes in Net Position							Component Units
	Expenses	Program Revenues			Primary Government			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental activities								
General government	\$ (769,443)	\$ 180,355	\$ 25,004	\$ -	\$ (564,084)	\$ -	\$ (564,084)	\$ -
Police	(1,760,614)	338,295	41,623	69,083	(1,311,613)	-	(1,311,613)	-
Fire	(1,215,703)	2,000	-	-	(1,213,703)	-	(1,213,703)	-
Court	(155,112)	3,665	-	-	(151,447)	-	(151,447)	-
Health and welfare	(95,170)	18,655	-	-	(76,515)	-	(76,515)	-
Economic development	(78,431)	-	-	-	(78,431)	-	(78,431)	-
Emergency management	(99,737)	-	56,664	-	(43,073)	-	(43,073)	-
Cemetery	(5,601)	5,245	-	-	(356)	-	(356)	-
Street	(2,101,866)	-	-	343,764	(1,758,102)	-	(1,758,102)	-
Storm/Park	(697)	-	-	-	(697)	-	(697)	-
Park	(806,540)	160,325	-	2,688	(643,527)	-	(643,527)	-
Library	(401,261)	5,730	40,731	-	(354,800)	-	(354,800)	-
Habitat	(122,541)	-	26,321	27,317	(68,903)	-	(68,903)	-
Debt service	(200,460)	-	26,056	-	(174,404)	-	(174,404)	-
Total Governmental Activities	(7,813,176)	714,270	216,399	442,852	(6,439,655)	-	(6,439,655)	-
Business-Type Activities								
Water	(1,606,197)	1,914,673	23,173	-	-	331,649	331,649	-
Sewer	(1,944,964)	2,104,944	13,162	528,771	-	701,913	701,913	-
Refuse	(500,969)	520,091	9,019	-	-	28,141	28,141	-
Total Business-Type Activities	(4,052,130)	4,539,708	45,354	528,771	-	1,061,703	1,061,703	-
Total Primary Government	\$ (11,865,306)	\$ 5,253,978	\$ 261,753	\$ 971,623	(6,439,655)	1,061,703	(5,377,952)	-

See accompanying notes to the financial statements.

City of Webb City

Statement of Activities

Year Ended October 31, 2021

	Program Revenues				Net (Expenses), Revenues, and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Component Units								
Center Creek Wastewater Treatment Board	\$ (883,322)	\$ 939,678	\$ -	\$ -				56,356
Centennial Railroad TDD	(11,743)	-	-	-				(11,743)
Total Component Units	\$ (895,065)	\$ 939,678	\$ -	\$ -				44,613
General Revenues								
Sales taxes					5,938,143	-	5,938,143	70,828
Ad valorem taxes					847,764	-	847,764	-
Motor vehicle and gas taxes					474,011	-	474,011	-
Other taxes					180,696	-	180,696	-
Franchise fees					766,865	-	766,865	-
Interest					155,216	3,792	159,008	34,886
Other revenue					206,770	5,154	211,924	-
Special Item								
Gain on sale of property					23,321	-	23,321	-
Transfers					137,000	(137,000)	-	-
Total General Revenues, Special Items, and Transfers					8,729,786	(128,054)	8,601,732	105,714
<i>Changes in Net Position</i>					2,290,131	933,649	3,223,780	150,327
Net Position, Beginning of year					24,750,660	7,906,069	32,656,729	3,038,970
Prior period adjustment					-	-	-	72,779
Net Position, Beginning of year, as restated					24,750,660	7,906,069	32,656,729	3,111,749
Net Position, End of year					\$ 27,040,791	\$ 8,839,718	\$ 35,880,509	\$ 3,262,076

See accompanying notes to the financial statements.

City of Webb City

Balance Sheet – Governmental Funds

October 31, 2021

	Special Revenue Funds						Total Governmental Funds
	General Fund	Street Fund	Storm/ Park Fund	Capital Improvement Fund	American Rescue Plan Act Fund	Nonmajor Funds	
Assets							
Cash and cash equivalents	\$ 1,580,600	\$ 457,028	\$ 14	\$ 921,436	\$ 1,224,292	\$ 521,257	\$ 4,704,627
Investments	-	-	-	-	-	518,547	518,547
Taxes receivable	556,310	254,374	174,130	174,130	-	32,600	1,191,544
Court receivables, net	51,375	-	-	-	-	-	51,375
Interest receivable	-	-	-	-	-	13,410	13,410
Other receivables	45,860	-	-	-	-	-	45,860
Intergovernmental receivable	-	76,438	-	-	-	55,200	131,638
Due from other funds	41,801	-	-	-	-	27,144	68,945
Inventory	280,000	-	-	-	-	-	280,000
Prepaid expenses	48,681	13,252	-	-	-	2,643	64,576
Restricted cash and cash equivalents	59,123	-	-	-	-	12,903	72,026
Total Assets	\$ 2,663,750	\$ 801,092	\$ 174,144	\$ 1,095,566	\$ 1,224,292	\$ 1,183,704	\$ 7,142,548
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 150,012	\$ 40,422	\$ -	\$ 8,400	\$ -	\$ 34,065	\$ 232,899
Accrued expenses	129,616	24,125	-	-	-	10,648	164,389
Due to other funds	-	-	-	-	-	68,945	68,945
Due to other governments	367	-	-	-	-	-	367
Court bonds payable	21,727	-	-	-	-	-	21,727
Refundable deposits	4,657	-	-	-	-	-	4,657
Unearned revenue	-	-	-	-	1,224,233	-	1,224,233
Total Liabilities	306,379	64,547	-	8,400	1,224,233	113,658	1,717,217

See accompanying notes to the financial statements.

City of Webb City

Balance Sheet – Governmental Funds

October 31, 2021

	Special Revenue Funds					Nonmajor Funds	Total Governmental Funds
	General Fund	Street Fund	Storm/ Park Fund	Capital Improvement Fund	American Rescue Plan Act Fund		
Deferred Inflows of Resources							
Unavailable revenue	26,765	-	-	-	-	13,410	40,175
Fund Balances							
Nonspendable							
Prepaid items	48,681	13,252	-	-	-	2,643	64,576
Restricted for							
Construction and improvements	-	-	-	378,840	-	-	378,840
Stormwater and recreation	-	-	66,735	-	-	-	66,735
Community development	-	-	-	-	-	14,821	14,821
Debt service	-	-	-	-	-	40,047	40,047
Assigned to							
Street	-	723,293	-	-	-	-	723,293
Parks and recreation	-	-	-	-	-	188,191	188,191
Stormwater and recreation	-	-	107,409	-	-	-	107,409
Library	-	-	-	-	-	788,781	788,781
Capital improvements	-	-	-	708,326	-	-	708,326
Habitat	-	-	-	-	-	22,153	22,153
COVID recovery	-	-	-	-	59	-	59
Unassigned	2,281,925	-	-	-	-	-	2,281,925
Total Fund Balances	2,330,606	736,545	174,144	1,087,166	59	1,056,636	5,385,156
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,663,750	\$ 801,092	\$ 174,144	\$ 1,095,566	\$ 1,224,292	\$ 1,183,704	\$ 7,142,548

See accompanying notes to the financial statements.

City of Webb City

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

October 31, 2021

Fund balance - total governmental funds	\$ 5,385,156
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	49,416,034
Less accumulated depreciation	<u>(24,061,187)</u>
	25,354,847
The net pension asset and deferred costs are not available to pay for current period expenditures and, therefore, are not reported in the funds:	
Net pension asset	4,312,867
Deferred outflows due to pensions	273,255
Deferred inflows due to pensions	<u>(2,673,167)</u>
	1,912,955
Internal Service Funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net position	34,412
Receivables not collected soon enough after year-end are not available to pay for current period's expenditures, and, therefore, are deferred inflows of resources in the funds	40,175
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(43,076)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds	(5,778,175)
Deferred losses on bond refunding's are expensed in fund balances upon issuance as other financing sources and uses, but are excluded from net position until amortized	134,497
Net position of governmental activities	<u><u>\$ 27,040,791</u></u>

See accompanying notes to the financial statements.

City of Webb City

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

Year Ended October 31, 2021

	Special Revenue Funds						Total Governmental Funds
	General Fund	Street Fund	Storm/ Park Fund	Capital Improvement Fund	American Rescue Plan Act Fund	Nonmajor Funds	
Revenues							
Taxes	\$ 4,083,837	\$ 1,535,376	\$ 1,061,364	\$ 1,061,364	\$ -	\$ 465,538	\$ 8,207,479
Licenses and permits	145,700	-	-	-	-	-	145,700
Intergovernmental revenues	192,374	343,764	-	-	-	97,057	633,195
Charges for services	402,515	-	-	-	-	166,055	568,570
Interest earned	60,321	-	-	-	59	94,836	155,216
Miscellaneous	33,822	4,856	-	3	-	57,913	96,594
Total Revenues	4,918,569	1,883,996	1,061,364	1,061,367	59	881,399	9,806,754
Expenditures							
Current							
General government	839,700	-	-	-	-	-	839,700
Police	2,026,822	-	-	-	-	-	2,026,822
Fire	1,448,224	-	-	-	-	-	1,448,224
Court	169,253	-	-	-	-	-	169,253
Health and welfare	102,325	-	-	-	-	-	102,325
Economic development	84,737	-	-	-	-	-	84,737
Emergency management	97,700	-	-	-	-	-	97,700
Cemetery	4,473	-	-	-	-	-	4,473
Street	-	2,269,088	-	-	-	-	2,269,088
Park	-	-	-	-	-	813,446	813,446
Capital improvement	-	-	-	30,064	-	-	30,064
Library	-	-	-	-	-	386,073	386,073
Habitat	-	-	-	-	-	138,295	138,295

See accompanying notes to the financial statements.

City of Webb City

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

Year Ended October 31, 2021

	Special Revenue Funds					Nonmajor Funds	Total Governmental Funds
	General Fund	Street Fund	Storm/ Park Fund	Capital Improvement Fund	American Rescue Plan Act Fund		
Debt Service							
Principal and interest	-	-	-	-	-	781,634	781,634
Total Expenditures	4,773,234	2,269,088	-	30,064	-	2,119,448	9,191,834
<i>Excess (Deficit) of Revenues Over Expenditures</i>	145,335	(385,092)	1,061,364	1,031,303	59	(1,238,049)	614,920
Other Financing Sources (Uses)							
Sale of assets	136,257	-	-	-	-	-	136,257
Transfers in (out)	66,070	543,450	(1,149,700)	(713,423)	-	1,390,603	137,000
Total Other Financing Sources (Uses)	202,327	543,450	(1,149,700)	(713,423)	-	1,390,603	273,257
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)</i>	347,662	158,358	(88,336)	317,880	59	152,554	888,177
Fund Balance, November 1	1,982,944	578,187	262,480	769,286	-	904,082	4,496,979
Fund Balance, October 31	\$ 2,330,606	\$ 736,545	\$ 174,144	\$ 1,087,166	\$ 59	\$ 1,056,636	\$ 5,385,156

See accompanying notes to the financial statements.

City of Webb City

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

Year Ended October 31, 2021

Net change in fund balances - total governmental funds	\$	888,177
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Internal Service Fund receipts and disbursements are included in the statement of activities.</p>		34,412
<p>Governmental funds report capital outlays as expenditures; however in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:</p>		
Capital outlay		938,934
Depreciation		(1,045,134)
Net book value of assets disposed of		(16,879)
		(123,079)
<p>The issuance of long-term debt provides current financial resources to governmental funds. The repayment of principal on long-term debt is a use of current financial resources of governmental funds. In the statement of activities, interest is accrued on outstanding leases whereas in the governmental funds, an interest expenditure is reported when due. Also, governmental funds report the effect of losses on bond refunding's when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences are as follows:</p>		
Repayment of principal on leases and bonds		597,644
Amortization of loss on bond refunding		(18,987)
Change in accrued interest payable		4,402
		583,059
Revenue in the statement of activities that does not provide current financial resources is not reported in revenue in the funds until it is available		40,175
<p>Some expenditures reported in the governmental funds represent the use of current financial resources and were recognized in the statement of activities when incurred:</p>		
Change in pension related costs		876,170
Change in compensated absences		(8,783)
		867,387
Change in net position of governmental activities	\$	2,290,131

See accompanying notes to the financial statements.

City of Webb City

Statement of Net Position – Proprietary Funds

October 31, 2021

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Water Fund	Sanitary Sewer Fund	Solid Waste Fund	Total	Internal Service Fund
Assets					
Current Assets					
Cash and cash equivalents	\$ 1,331,725	\$ 2,409,485	\$ 173,150	\$ 3,914,360	\$ 122,729
Utilities receivable	167,187	163,880	45,975	377,042	-
Inventory	67,587	-	-	67,587	-
Prepaid expenses	8,302	5,427	-	13,729	-
Total Current Assets	1,574,801	2,578,792	219,125	4,372,718	122,729
Restricted Assets					
Cash and cash equivalents	329,593	-	-	329,593	-
Property, Plant and Equipment					
Non-depreciable	68,553	9,687	-	78,240	-
Depreciable	5,693,165	3,875,267	-	9,568,432	-
Less Accumulated Depreciation	(3,568,772)	(1,604,193)	-	(5,172,965)	-
Total Property, Plant, and Equipment	2,192,946	2,280,761	-	4,473,707	-
Long-Term Assets					
Net pension asset	291,342	272,668	-	564,010	-
Total Assets	4,388,682	5,132,221	219,125	9,740,028	122,729
Deferred Outflow of Resources					
Deferred pension outflow	36,114	21,107	-	57,221	-
Liabilities					
Current					
Accounts payable	42,041	25,205	39,971	107,217	84,292
Accrued expenses	31,279	14,421	-	45,700	-
Unclaimed property	-	-	-	-	4,025
Meter deposits payable	329,593	-	-	329,593	-
Total Current Liabilities	402,913	39,626	39,971	482,510	88,317
Long-Term					
Compensated absences payable	48,453	-	-	48,453	-
Total Liabilities	451,366	39,626	39,971	530,963	88,317
Deferred Inflow of Resources					
Deferred pension inflow	230,325	196,243	-	426,568	-
Net Position					
Net investment in capital assets	2,192,946	2,280,761	-	4,473,707	-
Unrestricted	1,550,159	2,636,698	179,154	4,366,011	34,412
Total Net Position	\$ 3,743,105	\$ 4,917,459	\$ 179,154	\$ 8,839,718	\$ 34,412

See accompanying notes to the financial statements.

City of Webb City

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

Year Ended October 31, 2021

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Water Fund	Sanitary Sewer Fund	Solid Waste Fund	Total	Internal Service Fund
Operating Revenues					
Charges for Services					
Water	\$ 1,914,673	\$ -	\$ -	\$ 1,914,673	\$ -
Sewer	-	2,104,944	-	2,104,944	-
Refuse	-	-	520,091	520,091	-
Intergovernmental revenues	23,173	541,933	9,019	574,125	-
Premiums	-	-	-	-	569,249
Stop loss reimbursement	-	-	-	-	78,188
Total Operating Revenues	1,937,846	2,646,877	529,110	5,113,833	647,437
Operating Expenses					
Water					
Wages and benefits	522,481	-	-	522,481	-
Professional services	3,965	-	-	3,965	-
Utilities	233,337	-	-	233,337	-
Insurance	17,777	-	-	17,777	-
Supplies	113,594	-	-	113,594	-
Repairs and maintenance	551,634	-	-	551,634	-
Other operating expenses	15,723	-	-	15,723	-
Depreciation	147,686	-	-	147,686	-
Sewer					
Wages and benefits	-	507,414	-	507,414	-
Professional services	-	5,965	-	5,965	-
Utilities	-	27,894	-	27,894	-
Insurance	-	46,943	-	46,943	-
Supplies	-	63,742	-	63,742	-
Repairs and maintenance	-	282,831	-	282,831	-
Other operating expenses	-	427,999	-	427,999	-
Center creek	-	347,188	-	347,188	-
Depreciation	-	228,802	-	228,802	-
Refuse					
Solid waste removal	-	-	7,859	7,859	-
Solid waste contract	-	-	485,286	485,286	-
Other operating expenses	-	-	7,824	7,824	-
Internal Service					
Insurance claims	-	-	-	-	613,550
Total Operating Expenses	1,606,197	1,938,778	500,969	4,045,944	613,550
<i>Operating Income</i>	331,649	708,099	28,141	1,067,889	33,887
Nonoperating Revenues (Expenses)					
Interest income	3,745	47	-	3,792	525
Other revenue	5,154	-	-	5,154	-
Interest expense	-	(6,186)	-	(6,186)	-
Total Nonoperating Revenues (Expenses)	8,899	(6,139)	-	2,760	525
Income Before Operating Transfers	340,548	701,960	28,141	1,070,649	34,412
Operating Transfers					
Operating transfers (out)	-	(125,000)	(12,000)	(137,000)	-
<i>Net Income</i>	340,548	576,960	16,141	933,649	34,412
Net Position, November 1	3,402,557	4,340,499	163,013	7,906,069	-
Net Position, October 31	\$ 3,743,105	\$ 4,917,459	\$ 179,154	\$ 8,839,718	\$ 34,412

See accompanying notes to the financial statements.

City of Webb City

Statement of Cash Flows – Proprietary Funds

Year Ended October 31, 2021

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Water Fund	Sanitary Sewer Fund	Solid Waste Fund	Total	Internal Service Fund
Cash Flows from Operating Activities					
Cash received from customers	\$ 1,932,538	\$ 2,667,561	\$ 527,797	\$ 5,127,896	\$ 569,249
Cash paid to suppliers	(969,946)	(1,407,387)	(499,685)	(2,877,018)	(593,667)
Cash paid to employees	(588,353)	(581,600)	-	(1,169,953)	-
Other cash received for nonoperating revenues	5,154	-	-	5,154	78,188
Net Cash Provided by Operating Activities	379,393	678,574	28,112	1,086,079	53,770
Cash Flows from Noncapital Financing Activities					
Receipt of internal balances from other funds	15,361	869	-	16,230	-
Transfers (to) other funds	-	(125,000)	(12,000)	(137,000)	-
Net Cash Provided (Used) by Noncapital Financing Activities	15,361	(124,131)	(12,000)	(120,770)	-
Cash Flows from Capital and Related Financing Activities					
Purchase of capital assets	(217,292)	(120,913)	-	(338,205)	-
Payment of lease principal	-	(289,209)	-	(289,209)	-
Payment of interest	-	(6,186)	-	(6,186)	-
Net Cash (Used) by Capital and Related Financing Activities	(217,292)	(416,308)	-	(633,600)	-
Cash Flows from Investing Activities					
Interest received on investments	3,745	47	-	3,792	525
Net Cash Provided by Investing Activities	3,745	47	-	3,792	525
<i>Net Increase in Cash and Cash Equivalents</i>	181,207	138,182	16,112	335,501	54,295
Cash and Cash Equivalents, Beginning of year	1,480,111	2,271,303	157,038	3,908,452	68,434
Cash and Cash Equivalents, End of year	1,661,318	2,409,485	173,150	4,243,953	122,729
Less Restricted Cash and Cash Equivalents	329,593	-	-	329,593	-
Unrestricted Cash and Cash Equivalents	\$ 1,331,725	\$ 2,409,485	\$ 173,150	\$ 3,914,360	\$ 122,729

See accompanying notes to the financial statements.

City of Webb City

Statement of Cash Flows – Proprietary Funds

Year Ended October 31, 2021

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Water Fund	Sanitary Sewer Fund	Solid Waste Fund	Total	Internal Service Fund
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income	\$ 331,649	\$ 708,099	\$ 28,141	\$ 1,067,889	\$ 33,887
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	147,686	228,802	-	376,488	-
(Increase) decrease in					
Utilities receivable	(8,421)	20,684	(1,313)	10,950	-
Inventory	(8,224)	-	-	(8,224)	-
Prepaid expenses	1,392	1,899	-	3,291	-
Net pension asset	(291,342)	(272,668)	-	(564,010)	-
Deferred pension outflows	43,861	41,157	-	85,018	-
Increase (decrease) in					
Accounts payable	(27,084)	(206,724)	1,284	(232,524)	53,831
Accrued expenses	1,789	(7,660)	-	(5,871)	-
Unclaimed property	-	-	-	-	(33,948)
Meter deposits payable	3,113	-	-	3,113	-
Compensated absences payable	3,233	-	-	3,233	-
Net pension liability	(6,987)	(7,273)	-	(14,260)	-
Deferred pension inflows	183,574	172,258	-	355,832	-
Other cash received for nonoperating revenues	5,154	-	-	5,154	-
Net Cash Provided by Operating Activities	\$ 379,393	\$ 678,574	\$ 28,112	\$ 1,086,079	\$ 53,770

See accompanying notes to the financial statements.

City of Webb City

Statement of Net Position – Component Units

Year Ended October 31, 2021

	<u>Center Creek Wastewater Treatment Board</u>	<u>Centennial Railroad TDD</u>	<u>Total</u>
Assets			
Current			
Cash and cash equivalents - unrestricted	\$ 426,116	\$ 145,727	\$ 571,843
Taxes receivable	-	12,902	12,902
Other accounts receivable	45,524	-	45,524
Noncurrent			
Restricted cash and cash equivalents	206,075	-	206,075
Capital Assets			
Non-depreciable	2,350	-	2,350
Depreciable, net	5,771,746	-	5,771,746
Total Assets	<u>6,451,811</u>	<u>158,629</u>	<u>6,610,440</u>
Liabilities			
Current			
Accounts payable	-	26,765	26,765
Accrued interest payable	23,928	-	23,928
Current maturities of long-term debt	350,000	-	350,000
	<u>373,928</u>	<u>26,765</u>	<u>400,693</u>
Noncurrent			
Bonds payable, net	2,947,671	-	2,947,671
	<u>2,947,671</u>	<u>-</u>	<u>2,947,671</u>
Total Liabilities	<u>3,321,599</u>	<u>26,765</u>	<u>3,348,364</u>
Net Position			
Net investment in capital assets	2,476,868	-	2,476,868
Restricted for debt service	205,632	-	205,632
Unrestricted	447,712	131,864	579,576
Total Net Position	<u>\$ 3,130,212</u>	<u>\$ 131,864</u>	<u>\$ 3,262,076</u>

See accompanying notes to the financial statements.

City of Webb City

Statement of Activities – Component Units

Year Ended October 31, 2021

Functions/Programs	Program Revenues			Net (Expenses), Revenues, and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Center Creek Wastewater Treatment Board	Centennial Railroad TDD	Total
Center Creek Wastewater Treatment Board	\$ (883,322)	\$ 939,678	\$ -	\$ -	\$ 56,356	\$ -	\$ 56,356
Centennial Railroad TDD	(11,743)	-	-	-	-	(11,743)	(11,743)
Total Component Units	<u><u>\$ (895,065)</u></u>	<u><u>\$ 939,678</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>56,356</u></u>	<u><u>(11,743)</u></u>	<u><u>44,613</u></u>
General Revenues							
Sales taxes					-	70,828	70,828
Interest					34,886	-	34,886
Total General Revenues					<u><u>34,886</u></u>	<u><u>70,828</u></u>	<u><u>105,714</u></u>
<i>Changes in Net Position</i>							
Net Position, Beginning of year					3,038,970	-	3,038,970
Prior period adjustment					-	72,779	72,779
Net Position, Beginning of year, as restated					<u><u>3,038,970</u></u>	<u><u>72,779</u></u>	<u><u>3,111,749</u></u>
Net Position, End of year					<u><u>\$ 3,130,212</u></u>	<u><u>\$ 131,864</u></u>	<u><u>\$ 3,262,076</u></u>

See accompanying notes to the financial statements.

City of Webb City

Notes to the Financial Statements

October 31, 2021

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, and solid waste operations.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

Financial Reporting Entity

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

The City is a primary government, which is governed by an elected board. As required by accounting principles generally accepted in the United States of America, the City has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The City has determined that the entities described in the following paragraphs meet the above criteria and therefore, have been included as component units in the City's basic financial statements.

Component Units

Center Creek Wastewater Treatment Board

The Center Creek Wastewater Treatment Board provides wastewater treatment services to the citizens of Webb City, Cartersville, and Oronogo, Missouri. In accordance with Missouri law, the Utility is operated by a Board of Directors. Bonded debt must be authorized by a resolution of the Board of Directors and approved by a vote of the citizens. The Center Creek Wastewater Treatment Board is a jointly governed organization between the cities of Webb City, Cartersville, and Oronogo, Missouri, and authorized by an enactment of the Missouri General Assembly.

The Board is a component entity of the City of Webb City, Missouri, because the City of Webb City appoints a voting majority, five out of ten members, of the Board, which is comprised of:

- The Mayors of Webb City, Cartersville, and Oronogo
- Four citizens of Webb City, appointed by the Mayor and confirmed by the City Council
- Two citizens of Cartersville, appointed by the Mayor and confirmed by the City Council
- One citizen of Oronogo, appointed by the Mayor and confirmed by City Council

City of Webb City

Notes to the Financial Statements

October 31, 2021

The purpose of the Board is to provide responsibility for the operation, maintenance, and replacement of jointly constructed wastewater facilities which include a wastewater treatment facility, interceptor sewers, pumping facilities, and force main.

In accordance with the inter-municipal agreement, ownership and responsibility for operation, maintenance and replacement costs are allocated to each city based on flow consumption of the previous year. These percentages are as follows:

City of Webb City	82.01%
City of Cartersville	10.07%
City of Oronogo	7.92%

The Center Creek Wastewater Treatment Board issues separate financial statements that may be obtained by calling (417) 673-4651.

Centennial Railroad Transportation Development District

The Centennial Railroad Transportation Development District (TDD) is governed by a Board of Directors, all of whom are officials of the City of Webb City, and is a discretely presented component unit of the City. The TDD provides support for financing improvements within the boundaries of the TDD. The formation of the TDD allows for the authorization of an additional 0.50% sales tax to make public improvements that will benefit the TDD and the City as a whole.

Blended Component Unit

The Webb City Public Library, also operating as the Webb City Library Foundation, provides educational and literary services to the citizens of Webb City. The Library also includes the Webb City Library Development Foundation, which is a not-for-profit corporation organized for the purpose of making distributions exclusively to the Library.

In conformity with accounting principles generally accepted in the United States of America the financial statements of the component unit have been included in the financial reporting entity as a blended component unit.

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 primary government and its component unit. 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.

City of Webb City

Notes to the Financial Statements

October 31, 2021

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 Types: The governmental fund financial statements are reported using 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. It is necessary to convert the governmental fund data to arrive at the government-wide financial statements. Therefore, reconciliations have been provided following the Governmental Funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance identifying categories that required conversion from the fund statements.

The City reports the following major governmental funds:

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

Street Fund: The Street Fund is used to account for operations of the City's street department, which is responsible for the maintenance of the City's streets.

Storm/Park Fund: The Storm/Park Fund is used to account for resources collected from the storm/recreation tax to fund improvements to the City's stormwater system and recreational facilities.

Capital Improvement Fund: The Capital Improvement Fund is used to account for the payment of the City's Fire station and Library construction as well as other capital projects.

American Rescue Plan Act Fund: The American Rescue Plan Act (ARPA) Fund accounts for the resources of federal grant revenue whose use is restricted for COVID-19 expenditures or the negative economic impacts of COVID-19.

Proprietary Fund Types: The focus of proprietary fund measurement is upon determination of operating income, changes in net position, and cash flows. Operating revenues and expenses are distinguished from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of enterprise funds are charges to customers for services. Operating expenses consist of cost of sales and services, administrative expenses, and depreciation of capital assets.

City of Webb City

Notes to the Financial Statements

October 31, 2021

The City reports the following major proprietary funds:

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

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

Solid Waste Fund: The Solid Waste Fund accounts for the activities and capital improvements of the City's solid waste operations.

Internal Service Fund: The Internal Service Fund accounts for the costs of self-insurance funds on a cost-reimbursement basis.

Cash and Cash Equivalents

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

Fair Value

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

- Level 1: Inputs using quoted prices in active markets for identical assets or liabilities
- Level 2: Inputs using significant other observable inputs including quoted prices for similar assets or liabilities
- Level 3: Inputs are significant unobservable inputs

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the average cost method. Inventory usage is recognized on the consumption method. Inventory of the City consists of miscellaneous items for use by the water department.

Internal Balances

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

City of Webb City

Notes to the Financial Statements

October 31, 2021

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.

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:

Building and improvements	50 - 75 years
Water plant and distribution systems	50 - 75 years
Wastewater treatment facilities	20 - 30 years
Sewer lines	50 years
Infrastructure	50 years
Equipment	5 - 10 years

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

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.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and/or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position or fund balance that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the City has two items that qualify for reporting in this category, deferred amounts relating to the pension plan and to loss on bond refunding.

In addition to liabilities, the Statement of Net Position and/or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category, deferred inflows relating to unavailable revenue

City of Webb City

Notes to the Financial Statements

October 31, 2021

which has not been collected within the period of availability reported on the Balance Sheet and deferred inflows relating to the pension plan reported on the Statement of Net Position.

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 Board removes the specified use by taking the same type of action imposing the commitment.

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

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

City of Webb City

Notes to the Financial Statements

October 31, 2021

Revenue Recognition

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.

Pensions

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

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.

2. Risks & Uncertainties

During 2020, a strain of coronavirus (COVID-19) was identified as a global pandemic and began affecting the health of large portions of the global population. The detrimental impact of this virus is not yet fully determinable, but will likely be significant for both the local and global economy. The effects of COVID-19 on the City are also not determinable, however COVID-19 has been identified as a significant risk and uncertainty that could impact future operations and result in changes in estimates and assumptions made in the financial statements.

3. Cash & Cash Equivalents

Primary Government

State statutes require that the City's deposits be insured or collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of October 31, 2021, all bank balances on deposit are entirely insured or collateralized.

City of Webb City

Notes to the Financial Statements

October 31, 2021

Center Creek Wastewater Treatment Board

State statutes require that the Board's deposits be insured or collateralized by the trust department of a bank that does not hold the collateralized deposits. As of October 31, 2021, all bank balances on deposit are entirely insured or collateralized in the name of the City.

4. Investments

The City categorizes its investments within the fair value hierarchy as discussed in Note 1. At October 31, 2021, the City had the following recurring investments:

<u>Investment</u>	<u>Maturity Dates</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Open-ended mutual funds	N/A	\$ -	\$ 223,982	\$ 223,982
Equity funds	N/A	150,804	-	150,804
Fixed income bonds	10/15/2023 - 10/15/2027	-	143,761	143,761
		<u>\$ 150,804</u>	<u>\$ 367,743</u>	<u>\$ 518,547</u>

Open-ended Mutual Funds

The City holds funds in various mutual funds. These mutual fund investments are held by the Library Development Foundation in trust accounts at Arvest Asset Management for purposes of providing operational funding for the City Library. These open-ended mutual funds are not rated.

Equity Funds

The City holds funds in various equity funds. These equity fund investments are held by the Library Development Foundation in trust accounts at US Bank for purposes of providing operational funding for the City Library. These equity funds are not rated.

Fixed Income Bonds

The City's investment in fixed income investments are held by the Library Development Foundation in trust accounts at US Bank for purposes of providing operational funding for the City Library and are rated A2 to A3 by Moody's.

The City does not have a policy on interest rate risk.

City of Webb City

Notes to the Financial Statements

October 31, 2021

5. Restricted Assets

Primary Government

Governmental Activities

The total restricted cash and restricted net position of the City are as follows:

	Restricted Cash	Restricted Net Position
Municipal court	\$ 21,727	\$ -
Police activities	37,396	-
Construction projects	-	378,840
Debt service	12,903	40,047
Stormwater and recreation	-	66,735
Community development	-	14,821
	\$ 72,026	\$ 500,443

Business-Type Activities

Cash and cash equivalents have been restricted in the amount of \$329,593 for customer deposits.

Component Units

Center Creek Wastewater Treatment Board

The total restricted cash and restricted net position of the Board are as follows:

	Restricted Cash and Cash Equivalents	Restricted Net Position
Principal and interest	\$ 120,725	\$ 120,725
Construction account	443	-
Depreciation and replacement	84,907	84,907
	\$ 206,075	\$ 205,632

City of Webb City

Notes to the Financial Statements

October 31, 2021

6. Accounts Receivable

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

	Gross Receivable	Allowance	Net Receivable
General Fund			
Court receivable	\$ 118,460	\$ (67,085)	\$ 51,375

7. 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:

	2020
Assessed Valuation	
Real estate	\$ 116,623,060
Personal property	31,171,876
Total	\$ 147,794,936
Tax Rate Per \$100 of Assessed Valuation	
General Fund	\$.3796
Library Fund	.2556
Park Fund	.0861
Total	\$.7213

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

	General Obligation Bonds		
	Ordinary (1)	Additional (2)	Total
Constitutional Debt Limit	\$ 14,779,494	\$ 14,779,494	\$ 29,558,988
General Obligation Bonds Payable	(3,795,000)	-	(3,795,000)
Legal Debt Margin	\$ 10,984,494	\$ 14,779,494	\$ 25,763,988

(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

City of Webb City

Notes to the Financial Statements

October 31, 2021

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.

8. Long-Term Liabilities – Business-Type Activities

Primary Government

Long-term liabilities for business-type activities of the primary government at October 31, 2021, consists of compensated absences payable.

Center Creek Wastewater Treatment Board

On November 20, 2003, the Board issued \$4,000,000 in Series 2003C Sewerage System Revenue Bonds, State Revolving Fund Program, for the purpose of extending and improving the existing sewerage treatment system. The bonds bear interest at varying rates from 2.0% to 5.0%. The interest paid is offset by an interest subsidy from the State of Missouri’s 70% bond reserves. Principal and interest payments are due semi-annually on January 1 and July 1 of each year with annual principal payments due on July 1 of each year. The bonds also require an administrative fee payable annually on July 1 of each year at 0.714% of the outstanding principal amount of the Revolving Fund Loan. Bonds maturing on July 1, 2016, and thereafter are callable on June 1, 2013, under various terms of the bond ordinances. In the event of default, the owners of not less than 10% have the right to compel the performance by the Board of its duties and obligation under the Resolution. All payments made will be applied first to interest and second to principal.

On September 1, 2018, the Board issued Series 2018 Sewerage System Revenue Bonds, State Revolving Loan Program for the purpose of constructing, furnishing, equipping, and making improvements to the wastewater transport and treatment system. The bonds bear interest at 1.40%. In the event of default, the owners of not less than 10% have the right to compel the performance by the Board of its duties and obligation under the Resolution. All payments made will be applied first to interest and second to principal.

The annual debt service requirements to amortize the principal on the Series 2003C Sewerage System Revenue Bonds and the Series 2018 Sewerage System Revenue Bonds outstanding at October 31, 2021, are as follows:

Year Ending October 31,	Direct Placement			Total
	Principal	Interest	Administrative Fee	
2022	\$ 350,000	\$ 71,786	\$ 16,514	\$ 438,300
2023	358,000	58,606	14,737	431,343
2024	375,000	45,134	12,924	433,058
2025	127,000	30,884	11,030	168,914
2026	130,000	29,106	10,395	169,501
2027-2031	690,000	117,474	41,955	849,429
2032-2036	763,000	67,186	23,995	854,181
2037-2039	496,000	13,986	4,995	514,981
	<u>\$ 3,289,000</u>	<u>\$ 434,162</u>	<u>\$ 136,545</u>	<u>\$ 3,859,707</u>

City of Webb City

Notes to the Financial Statements

October 31, 2021

The following is a summary of the changes in the business-type activities and Board’s long-term liabilities for the year ended October 31, 2021:

	<u>Balance October 31, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance October 31, 2021</u>	<u>Amounts Due Within One Year</u>
Primary Government					
Compensated Absences	\$ 45,219	\$ 3,234	\$ -	\$ 48,453	\$ -
Center Creek Wastewater Treatment Board					
Direct Placements					
Series 2003C Revenue Bonds	\$ 940,000	\$ -	\$ 225,000	\$ 715,000	\$ 230,000
Series 2018 Revenue Bonds	2,692,000	-	118,000	2,574,000	120,000
Plus:					
Unamortized bond premium	13,006	-	4,335	8,671	-
	<u>\$ 3,645,006</u>	<u>\$ -</u>	<u>\$ 347,335</u>	<u>\$ 3,297,671</u>	<u>\$ 350,000</u>

9. Long-Term Liabilities – Governmental Activities

Long-term liabilities for governmental activities at October 31, 2021, consists of three General Obligation Bonds, two capital lease purchase obligations, and compensated absences payable.

Bond Obligations

On September 15, 2010, the City issued \$1,000,000 in General Taxable Obligation Bonds, Series 2010A for the purpose of acquiring, constructing, reconstructing, repairing, furnishing, and equipping certain capital improvements within the City. The City has elected to receive a subsidy payment from the United States Treasury on each payment date equal to 45% of the amount of interest payment on the bonds. The bonds bear interest at 5.75%. The bonds mature on September 1 of each year with interest payments due March 1 and September 1 of each year. Bonds maturing on September 1, 2018, and thereafter may be called for redemption under certain provisions outlined in the bond ordinance. The bonds constitute general obligations of the City and are payable as to both principal and interest from ad valorem taxes, which may be levied without limitation as to rate or amount upon all of the taxable tangible property, real and personal, within the territorial limits of the City. To the extent possible, the City intends to satisfy its debt service obligations from revenues generated from its Capital Improvement Sales Tax.

City of Webb City

Notes to the Financial Statements

October 31, 2021

The annual debt service requirements to amortize the outstanding principal of the Series 2010A bonds as of October 31, 2021, are as follows:

Year Ending October 31,	2010A Bonds			
	Principal	Interest	Subsidy	Total
2022	\$ 95,000	\$ 55,775	\$ (25,099)	\$ 125,676
2023	100,000	50,312	(22,641)	127,671
2024	100,000	44,562	(20,053)	124,509
2025	105,000	38,812	(17,466)	126,346
2026	105,000	32,775	(14,748)	123,027
2027	110,000	26,737	(12,032)	124,705
2028	115,000	20,412	(9,185)	126,227
2029	120,000	13,800	(6,210)	127,590
2030	120,000	6,900	(3,105)	123,795
	<u>\$ 970,000</u>	<u>\$ 290,085</u>	<u>\$ (130,539)</u>	<u>\$ 1,129,546</u>

On December 4, 2012, the City issued \$4,815,000 in Series 2012 General Obligation Refunding Bonds for the purpose of a partial advance refunding of the Series 2009 General Obligation Bonds. The bonds bear interest at 2.25% to 3.75%. The bonds mature on March 1 of each year with interest payments due March 1 and September 1 of each year. The bonds maturing on March 1, 2023, and thereafter may be called for redemption on March 1, 2022, and thereafter. The bonds constitute general obligations of the City and are payable as to principal and interest from ad valorem taxes, which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City.

The annual debt service requirements to amortize the principal on the Series 2012 bonds outstanding as of October 31, 2021, are as follows:

Year Ending October 31,	2012 Bonds		
	Principal	Interest	Total
2022	\$ 985,000	\$ 63,061	\$ 1,048,061
2023	-	44,593	44,593
2024	-	44,592	44,592
2025	355,000	40,598	395,598
2026	360,000	32,375	392,375
2027	365,000	23,765	388,765
2028	375,000	14,698	389,698
2029	385,000	5,005	390,005
	<u>\$ 2,825,000</u>	<u>\$ 268,687</u>	<u>\$ 3,093,687</u>

City of Webb City

Notes to the Financial Statements

October 31, 2021

Capital Lease Obligations

On November 22, 2011, the City entered into a lease purchase agreement to prepay its 2003 lease purchase agreement which was used to acquire and construct a new addition to the District's library building and fire station. Additionally, on May 2, 2012, the City entered into a supplemental lease purchase agreement to the 2011 agreement. The purpose of the supplement is to provide additional funding for various capital improvements within the City. The agreement requires semi-annual lease payments of \$91,894, including interest at 3.43%. In the event of default, the Bank has the right to declare all remaining lease payments immediately due and payable, retake possession of the leased property, and/or sell or lease the property with the City remaining liable for the outstanding balance on the lease.

The annual debt service requirements to amortize the principal on this lease outstanding at October 31, 2021, as follows:

Year Ending October 31,	Direct Borrowing		
	Principal	Interest	Total
2022	\$ 136,488	\$ 47,299	\$ 183,787
2023	141,209	42,578	183,787
2024	146,094	37,693	183,787
2025	151,148	32,639	183,787
2026	156,377	27,410	183,787
2027	161,787	22,000	183,787
2028	167,384	16,403	183,787
2029	173,174	10,613	183,787
2030	200,110	4,622	204,732
	<u>\$ 1,433,771</u>	<u>\$ 241,257</u>	<u>\$ 1,675,028</u>

On November 15, 2016, the City entered into a lease purchase agreement to finance the purchase of a fire truck. The agreement requires semi-annual lease payments of \$27,144, including interest at 1.606%. In the event of default, the Bank has the right to declare all remaining lease payments immediately due and payable, retake possession of the leased property, and/or sell or lease the property with the City remaining liable for the outstanding balance on the lease.

The annual debt service requirements to amortize the principal on this lease outstanding at October 31, 2021, are as follows:

Year Ending October 31,	Direct Borrowing		
	Principal	Interest	Total
2022	\$ 51,118	\$ 3,171	\$ 54,289
2023	51,946	2,343	54,289
2024	52,786	1,503	54,289
2025	54,020	649	54,669
	<u>\$ 209,870</u>	<u>\$ 7,666</u>	<u>\$ 217,536</u>

City of Webb City

Notes to the Financial Statements

October 31, 2021

These lease agreements provide for cancellation of the leases if the City should fail to appropriate funds on the annual renewal dates. However, the City does not foresee exercising its option to cancel. Therefore, the lease is accounted for as a non-cancelable capital lease in accordance with GASB Codification Section L20 – *Leases*.

A summary of the changes in long-term liabilities for the City’s governmental activities for the year ended October 31, 2021, is as follows:

	Balance October 31, 2020	Additions	Retirements	Balance October 31, 2021	Amounts Due Within One Year
General Obligation Bonds					
Series 2010A G.O. bonds payable	\$ 1,000,000	\$ -	\$ 30,000	\$ 970,000	\$ 95,000
Series 2010B G.O. bonds payable	60,000	-	60,000	-	-
Series 2012 G.O. bonds payable	3,130,000	-	305,000	2,825,000	985,000
Premium on bonds	172,940	-	21,394	151,546	-
	<u>4,362,940</u>	<u>-</u>	<u>416,394</u>	<u>3,946,546</u>	<u>1,080,000</u>
Capital Lease Obligations					
Direct Borrowing					
Building/Equipment lease payable	1,564,308	-	130,537	1,433,771	136,488
Fire Truck lease payable	260,583	-	50,713	209,870	51,118
	<u>1,824,891</u>	<u>-</u>	<u>181,250</u>	<u>1,643,641</u>	<u>187,606</u>
Other Long-term Obligations					
Compensated absences payable	179,205	8,783	-	187,988	-
	<u>\$ 6,367,036</u>	<u>\$ 8,783</u>	<u>\$ 597,644</u>	<u>\$ 5,778,175</u>	<u>\$ 1,267,606</u>

10. Pledged Revenues

Primary Government

The City has pledged future sales tax revenues to repay the Series 2010A General Obligation Bonds issued for the purpose of acquiring, constructing, reconstructing, repairing, furnishing and equipping certain capital improvements within the City. The bonds are payable through 2030. The total principal, interest and fees remaining to be paid on the bonds is \$1,260,085. Interest subsidies to help mitigate interest expense are anticipated to be \$130,539 for the remainder of the bonds.

Center Creek Wastewater Treatment Board

The Board has pledged future sewer customer revenues to repay the Series 2003C and Series 2018 Sewerage System Revenue Bonds. The bonds are payable solely from customer net revenues and are payable through 2039. Net revenues are revenues of the system less expenses of the system with the exception of depreciation. The total principal and interest remaining to be paid on the bonds is \$3,723,162. Principal and interest paid for the current year and total customer net revenues were \$427,275 and \$450,302, respectively.

City of Webb City

Notes to the Financial Statements

October 31, 2021

11. Capital Assets

Primary Government

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

	Balance October 31, 2020	Additions	Deletions	Balance October 31, 2021
Governmental Activities				
Non-depreciable Capital Assets				
Land	\$ 2,361,364	\$ 28,500	\$ -	\$ 2,389,864
Construction in progress	441,090	-	441,090	-
Non-depreciable Capital Assets	2,802,454	\$ 28,500	\$ 441,090	2,389,864
Depreciable Capital Assets				
Building and improvements	5,128,386	\$ -	\$ -	5,128,386
Machinery and equipment	6,512,373	152,445	123,536	6,541,282
Infrastructure	34,157,423	1,199,079	-	35,356,502
Total Depreciable Capital Assets	45,798,182	\$ 1,351,524	\$ 123,536	47,026,170
Less Accumulated Depreciation	23,122,710	\$ 1,045,134	\$ 106,657	24,061,187
Depreciable Capital Assets, net	\$ 22,675,472		\$ 106,657	\$ 22,964,983

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

General	\$ 15,298
Police	102,636
Fire	153,536
Economic development	1,871
Emergency management	11,425
Cemetery	1,128
Street	625,360
Park	96,197
Library	16,677
Habitat	21,006
	\$ 1,045,134

City of Webb City

Notes to the Financial Statements

October 31, 2021

	<u>Balance October 31, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance October 31, 2021</u>
Business-Type Activities				
Water				
Non-depreciable Capital Assets				
Land	\$ 68,553	\$ -	\$ -	\$ 68,553
Construction in progress	209,919	-	209,919	-
Non-depreciable Capital Assets	<u>278,472</u>	<u>\$ -</u>	<u>\$ 209,919</u>	68,553
Depreciable Capital Assets				
Buildings and improvements	140,356	\$ 209,919	\$ -	350,275
Plant	4,592,803	-	-	4,592,803
Equipment	532,795	217,292	-	750,087
	<u>5,265,954</u>	<u>\$ 427,211</u>	<u>\$ -</u>	5,693,165
Less Accumulated Depreciation	3,421,086	\$ 147,686	\$ -	3,568,772
Depreciable Capital Assets, net	<u>1,844,868</u>			<u>2,124,393</u>
Sewer				
Non-depreciable Capital Assets				
Land	9,687	\$ -	\$ -	9,687
Construction in progress	199,995	-	199,995	-
Non-depreciable Capital Assets	<u>209,682</u>	-	199,995	9,687
Depreciable Capital Assets				
Buildings and improvements	1,704,815	314,985	-	2,019,800
Equipment	1,849,544	5,923	-	1,855,467
	<u>3,554,359</u>	<u>\$ 320,908</u>	<u>\$ -</u>	3,875,267
Less Accumulated Depreciation	1,375,391	\$ 228,802	\$ -	1,604,193
Depreciable Capital Assets, net	<u>2,178,968</u>			<u>2,271,074</u>
Total Capital Assets, net	<u>\$ 4,511,990</u>			<u>\$ 4,473,707</u>

City of Webb City

Notes to the Financial Statements

October 31, 2021

Center Creek Wastewater Treatment Board

	Balance October 31, 2020	Additions	Deletions	Balance October 31, 2021
Non-depreciable Capital Assets				
Land	\$ 2,350	\$ -	\$ -	\$ 2,350
Total Non-depreciable Assets	2,350	\$ -	\$ -	2,350
Depreciable Capital Assets				
Wastewater treatment facilities	11,691,538	\$ 142,132	\$ -	11,826,310
Equipment	280,379	-	-	287,739
Total Depreciable Assets	11,971,917	\$ 142,132	\$ -	12,114,049
Less Accumulated Depreciation	6,056,032	\$ 286,271	\$ -	6,342,303
Depreciable Capital Assets, net	5,915,885			5,771,746
Total Capital Assets, net	\$ 5,918,235			\$ 5,774,096

12. Employee Pension Plan

General Information about the Pension Plan

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

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

City of Webb City

Notes to the Financial Statements

October 31, 2021

2020 Valuation

Benefit Multiplier	1.50% 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, 2021, the following employees were covered by the benefit terms:

	General	Police	Fire	Total
Inactive employees or beneficiaries currently receiving benefits	41	13	12	66
Inactive employees entitled to but not yet receiving benefits	11	11	6	28
Active employees	57	23	19	99
	109	47	37	193

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. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 11.0% for General, 7.6% for Police, and 7.9% for Fire, of annual covered payroll.

Net Pension Asset (Liability). The employer’s net pension asset (liability) was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 28, 2021.

Actuarial Assumptions. The total pension asset in the February 28, 2021, 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 the General Division
	2.75% to 6.55% including wage inflation for the Police Division
	2.75% to 7.15% including wage inflation for the Fire Division
Investment rate of return	7.00%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were 115% of the PubG 2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the 115% of the PUBNS 2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubS 2010 Employee Mortality Table for males and females of police, fire and public safety groups.

City of Webb City

Notes to the Financial Statements

October 31, 2021

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, 2021 valuation were based on the results of an actuarial experience study covering the period March 1, 2015 through February 29, 2020.

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

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

Discount Rate. The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon 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 Webb City

Notes to the Financial Statements

October 31, 2021

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
General Division			
Balances at beginning of year	\$ 6,944,252	\$ 6,904,805	\$ 39,447
Changes for the year			
Service cost	235,804	-	235,804
Interest	503,339	-	503,339
Difference between expected and actual experiences	(64,345)	-	(64,345)
Changes of assumptions	(156,065)	-	(156,065)
Contributions - employer	-	261,589	(261,589)
Net investment income	-	1,871,158	(1,871,158)
Benefit payments, including refunds	(239,166)	(239,166)	-
Administrative expenses	-	(11,095)	11,095
Other (net transfer)	-	23,947	(23,947)
Net Changes	<u>279,567</u>	<u>1,906,433</u>	<u>(1,626,866)</u>
Balances at end of year	<u>7,223,819</u>	<u>8,811,238</u>	<u>(1,587,419)</u>
Police Division			
Balances at beginning of year	<u>3,600,357</u>	<u>3,930,989</u>	<u>(330,632)</u>
Changes for the year			
Service cost	92,400	-	92,400
Interest	262,339	-	262,339
Difference between expected and actual experiences	(153,513)	-	(153,513)
Changes of assumptions	(5,208)	-	(5,208)
Contributions - employer	-	75,798	(75,798)
Net investment income	-	1,096,927	(1,096,927)
Benefit payments, including refunds	(55,532)	(55,532)	-
Administrative expenses	-	(3,904)	3,904
Other (net transfer)	-	3,016	(3,016)
Net Changes	<u>140,486</u>	<u>1,116,305</u>	<u>(975,819)</u>
Balances at end of year	<u>3,740,843</u>	<u>5,047,294</u>	<u>(1,306,451)</u>

City of Webb City

Notes to the Financial Statements

October 31, 2021

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Fire Division			
Balances at beginning of year	5,031,001	5,668,187	(637,186)
Changes for the year			
Service cost	106,141	-	106,141
Interest	359,891	-	359,891
Difference between expected and actual experiences	(11,075)	-	(11,075)
Changes of assumptions	(71,322)	-	(71,322)
Contributions - employer	-	71,161	(71,161)
Net investment income	-	1,622,720	(1,622,720)
Benefit payments, including refunds	(242,505)	(242,505)	-
Administrative expenses	-	(3,699)	3,699
Other changes	-	39,274	(39,274)
Net Changes	141,130	1,486,951	(1,345,821)
Balances at end of year	5,172,131	7,155,138	(1,983,007)
Total Plan Balances at end of year	\$ 16,136,793	\$ 21,013,670	\$ (4,876,877)

City of Webb City

Notes to the Financial Statements

October 31, 2021

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following present the Net Pension Liability (Asset) of the employer, calculated using the discount rate of 7.00%, as well as what the employer's Net Pension Liability (Asset) would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
General Division			
Total Pension Liability	\$ 8,233,277	\$ 7,223,819	\$ 6,384,993
Fiduciary Net Position	8,811,238	8,811,238	8,811,238
Net Pension Liability (Asset)	(577,961)	(1,587,419)	(2,426,245)
Police Division			
Total Pension Liability	4,346,004	3,740,843	3,245,342
Fiduciary Net Position	5,047,294	5,047,294	5,047,294
Net Pension Liability (Asset)	(701,290)	(1,306,451)	(1,801,952)
Fire Division			
Total Pension Liability	5,860,366	5,172,131	4,601,865
Fiduciary Net Position	7,155,138	7,155,138	7,155,138
Net Pension Liability (Asset)	(1,294,772)	(1,983,007)	(2,553,273)
Total Net Pension Liability (Asset)	\$ (2,574,023)	\$ (4,876,877)	\$ (6,781,470)

City of Webb City

Notes to the Financial Statements

October 31, 2021

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

For the year ended October 31, 2021, the employer recognized pension credits of \$127,944 in the general division, \$169,688 in the police division, and \$307,410 in the fire division. The employer reported deferred outflows and inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred Outflows (Inflows) of Resources
General Division			
Differences in experiences	\$ 66,153	\$ (172,270)	\$ (106,117)
Assumption changes	-	(126,583)	(126,583)
Net difference between projected and actual earnings on investments	-	(901,733)	(901,733)
Contributions subsequent to the measurement date*	94,896	-	94,896
	161,049	(1,200,586)	(1,039,537)
Police Division			
Differences in experiences	46,030	(247,524)	(201,494)
Assumption changes	-	(4,165)	(4,165)
Net difference between projected and actual earnings on investments	-	(531,141)	(531,141)
Contributions subsequent to the measurement date*	28,172	-	28,172
	74,202	(782,830)	(708,628)
Fire Division			
Differences in experiences	57,348	(246,312)	(188,964)
Assumption changes	12,670	(61,031)	(48,361)
Net difference between projected and actual earnings on investments	-	(808,976)	(808,976)
Contributions subsequent to the measurement date*	25,207	-	25,207
	95,225	(1,116,319)	(1,021,094)
Total	\$ 330,476	\$ (3,099,735)	\$ (2,769,259)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition in the net pension asset in the year ending October 31, 2021.

City of Webb City

Notes to the Financial Statements

October 31, 2021

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

Year Ending October 31,	Net Deferred Outflow (Inflow) of Resources			
	General	Police	Fire	Total
2022	\$ (321,369)	\$ (200,158)	\$ (284,510)	\$ (806,037)
2023	(231,964)	(155,405)	(227,719)	(615,088)
2024	(252,400)	(177,842)	(224,490)	(654,732)
2025	(316,475)	(203,395)	(273,592)	(793,462)
2026	(12,225)	-	(24,927)	(37,152)
Thereafter	-	-	(11,063)	(11,063)
Total	<u>\$ (1,134,433)</u>	<u>\$ (736,800)</u>	<u>\$ (1,046,301)</u>	<u>\$ (2,917,534)</u>

Payable to the Pension Plan

At October 31, 2021, the City reported \$32,075 as payable to the pension plan.

13. Deferred Loss on Bond Refunding

On December 4, 2012, the Series 2012 General Obligation Refunding Bonds refunded the Series 2009 General Obligation Bonds, which resulted in the recognition of a deferred loss on bond refunding of \$303,804. The deferred loss is being amortized as an adjustment to interest expense using straight-line amortization over a period of 16 years.

A summary of the deferred loss on bond refunding is listed below:

	Balance October 31, 2020	Additions	Amortization	Balance October 31, 2021
Deferred loss on bond refunding	<u>\$ 153,484</u>	<u>\$ -</u>	<u>\$ 18,987</u>	<u>\$ 134,497</u>

City of Webb City

Notes to the Financial Statements

October 31, 2021

14. Interfund Transfers

Transfers between funds of the City for the year ended October 31, 2021, were as follows:

	<u>Transfers In (Out)</u>
General Fund	\$ 66,070
Street Fund	543,450
Park Fund	622,893
Storm/Park Fund	(1,149,700)
Capital Improvement Fund	(713,423)
Debt Service Fund	767,710
Sanitary Sewer Fund	(125,000)
Solid Waste Fund	(12,000)
	<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 Enterprise Funds and General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

15. 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.

16. Claims & Adjustments

The City participates in federal and state programs that are fully or partially funded by grants or loans received from other governmental units. Expenditures financed by grants and loans are subject to audit by the appropriate government. If expenditures are disallowed due to noncompliance with program regulations, the City may be required to reimburse the grantor government. The City believes that disallowed expenditures, if any, based upon subsequent audits will not have a material effect on the City's financial position.

City of Webb City

Notes to the Financial Statements

October 31, 2021

17. Internal Balances

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

	<u>Due From (To)</u>
General Fund	\$ 41,801
Library Fund	(2,500)
Habitat Fund	(66,445)
Debt Service Fund	27,144
	<u>\$ -</u>

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

18. Self-Insurance Fund

In 2013, the City established a medical self-insurance plan for City employees and their covered dependents to minimize the total cost of medical health insurance to the City. This program is for the benefit of all City employees covered under the City of Webb City's Employee Medical Plan. Medical claims exceeding an individual participant limit of \$60,000 are covered through a private insurance carrier up to an aggregate amount of \$1,000,000 annually.

The claims of the health care plan are accounted for in the Self-Insurance Health Fund, an internal service fund. At October 31, 2021, the estimated obligation of health claims based on claims filed prior to, but not yet paid as of year-end, claims incurred during the year but filed subsequent to year-end, and an additional amount for incurred but not reported claims, based on prior experience was \$84,292. Changes in estimated benefit obligation during the past year were as follows:

Estimated Benefit Obligation, beginning of year	\$ 30,461
Claims incurred	613,550
Claims paid	(559,719)
Estimated Benefit Obligation, end of year	<u><u>\$ 84,292</u></u>

19. Conduit Debt

On December 21, 2012, the City authorized the issuance of \$15,000,000 aggregate maximum principal amount of Industrial Development Revenue Bonds, Series 2012. The issuance is authorized in accordance with Chapter 100 RSMo 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, is not included in the City's statement of net position. At October 31, 2021, the amount issued and outstanding was \$15,000,000. The outstanding balance is due on December 1, 2026. As of October 31, 2021, the third-party private entity is current on all payments due.

City of Webb City

Notes to the Financial Statements

October 31, 2021

20. Related Party Transactions

During 2021, various transactions occurred between the City and the Center Creek Wastewater Treatment Board, a component unit of the City. Per the agreement between the Board and the various cities supported by the Board, the cities pay a proportionate share in support of the services provided. During 2021, the City paid the Board \$762,857 for these services.

In addition, an agreement exists between the City and the Center Creek Wastewater Treatment Board for operation, maintenance, and management of the treatment plant provided by the City's resources. Per this agreement, the City received from the Board \$187,272 during 2021 for the base operations agreement and an additional \$40,904 in other reimbursements.

21. Restatement

Beginning net position for component units was restated due to the inclusion of the Centennial Railroad TDD during the current year. Changes to beginning net position for the inclusion was as follows:

	Component Units
Net Position, as previously stated, October 31, 2020	\$ -
Cash and cash equivalents - unrestricted	77,630
Taxes receivable	10,283
Accounts payable	(15,134)
Net Position, as restated, November 1, 2020	<u>\$ 72,779</u>

Required Supplementary Information

City of Webb City

Schedule of Changes in Net Pension Asset and Related Ratios

Year Ended October 31, 2021

Missouri Local Government Employees Retirement System (LAGERS)

	October 31, 2021	October 31, 2020	October 31, 2019	October 31, 2018	October 31, 2017	October 31, 2016	October 31, 2015
Total Pension Liability							
Service cost	\$ 434,345	\$ 421,850	\$ 398,348	\$ 390,948	\$ 373,157	\$ 360,127	\$ 354,572
Interest on total pension liability	1,125,569	1,086,207	996,213	971,127	911,744	836,751	793,673
Difference between expected and actual experience	(228,933)	(457,166)	372,456	(520,334)	(31,978)	(176,313)	(158,159)
Changes of assumptions	(232,595)	-	-	-	-	448,102	-
Benefit payments, including refunds of employee contributions	(537,203)	(491,810)	(581,187)	(420,344)	(464,043)	(418,134)	(379,804)
Net Change in Total Pension Liability	561,183	559,081	1,185,830	421,397	788,880	1,050,533	610,282
Total Pension Liability, Beginning	15,575,610	15,016,529	13,830,699	13,409,302	12,620,422	11,569,889	10,959,607
Total Pension Liability, Ending	16,136,793	15,575,610	15,016,529	13,830,699	13,409,302	12,620,422	11,569,889
Plan Fiduciary Net Position							
Contributions - employer	408,548	386,220	379,510	363,440	364,025	368,344	345,370
Net investment income	4,590,805	210,692	1,045,120	1,756,478	1,564,494	(15,203)	243,786
Benefit payments, including refunds of employee contributions	(537,203)	(491,810)	(581,187)	(420,344)	(464,043)	(418,134)	(379,804)
Pension plan administrative expenses	(18,698)	(24,069)	(21,374)	(14,427)	(14,413)	(14,048)	(15,378)
Other	66,237	(52,483)	(118,886)	(347,466)	74,950	(136)	102,890
Net Change in Plan Fiduciary Net Position	4,509,689	28,550	703,183	1,337,681	1,525,013	(79,177)	296,864
Plan Fiduciary Net Position, Beginning	16,503,981	16,475,431	15,772,248	14,434,567	12,909,554	12,988,731	12,691,867
Plan Fiduciary Net Position, Ending	21,013,670	16,503,981	16,475,431	15,772,248	14,434,567	12,909,554	12,988,731
Employer Net Pension (Asset)	\$ (4,876,877)	\$ (928,371)	\$ (1,458,902)	\$ (1,941,549)	\$ (1,025,265)	\$ (289,132)	\$ (1,418,842)
Plan fiduciary net position as a percentage of the total pension liability	130.22%	105.96%	109.72%	114.04%	107.65%	102.29%	112.26%
Covered payroll	\$ 4,388,750	\$ 4,388,099	\$ 4,199,651	\$ 3,968,594	\$ 4,024,016	\$ 3,701,494	\$ 3,716,859
Employer's net pension asset as a percentage of covered payroll	111.12%	21.16%	34.74%	48.92%	25.48%	7.81%	38.17%

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

City of Webb City

Schedule of Contributions

Year Ended October 31, 2021

Missouri Local Government Employees Retirement System (LAGERS)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 440,935	\$ 376,290	\$ 386,163	\$ 375,356	\$ 351,471	\$ 379,709	\$ 399,264	\$ 400,967	\$ 414,721	\$ 364,037
Contributions in relation to the actuarially determined contribution	<u>428,513</u>	<u>376,290</u>	<u>386,163</u>	<u>375,356</u>	<u>351,471</u>	<u>376,854</u>	<u>355,758</u>	<u>329,724</u>	<u>296,168</u>	<u>240,779</u>
Contribution deficiency	<u>\$ 12,422</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,855</u>	<u>\$ 43,506</u>	<u>\$ 71,243</u>	<u>\$ 118,553</u>	<u>\$ 123,258</u>
Covered payroll	\$4,483,208	\$4,407,490	\$4,186,580	\$4,054,256	\$4,023,713	\$3,886,155	\$3,794,493	\$3,699,275	\$3,749,754	\$3,528,135
Contributions as a percentage of covered payroll	9.56%	8.54%	9.22%	9.26%	8.73%	9.70%	9.38%	8.91%	7.90%	6.82%

See accompanying notes to the Schedule of Contributions.

City of Webb City

Notes to the Schedule of Contributions

Year Ended October 31, 2021

Valuation Date: February 28, 2021

Notes: The roll-forward of total pension liability from February 28, 2021 to June 30, 2021 reflects expected service cost and interest reduced by actual benefit payments.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method: Entry Age Normal and Modified Terminal Funding

Amortization Method: Level Percentage of Payroll, Closed

Remaining Amortization Period: Multiple bases from 10 to 15 years

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

Inflation: 2.75% wage inflation; 2.25% price inflation

Salary Increases:

- 2.75% to 6.75% including wage inflation for the General Division
- 2.75% to 6.55% including wage inflation for the Police Division
- 2.75% to 7.15% including wage inflation for the 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 Webb City

Budgetary Comparison Schedule – General Fund

Year Ended October 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Ad valorem taxes, penalties, and interest	\$ 424,822	\$ 446,222	\$ 446,222	\$ -
Surtax	61,000	57,195	57,195	-
Sales tax	2,247,761	2,754,050	2,754,050	-
Franchise taxes	820,000	766,865	766,865	-
Cigarette tax	46,000	45,739	45,739	-
Railroad and utility taxes	13,000	13,766	13,766	-
	3,612,583	4,083,837	4,083,837	-
Licenses and Permits				
Building permits	50,000	57,856	57,856	-
Business licenses	71,000	78,958	78,958	-
Zoning and planning fees	1,500	3,665	3,665	-
Animal licenses	4,000	5,221	5,221	-
	126,500	145,700	145,700	-
Intergovernmental Revenues				
Federal	139,426	192,374	192,374	-
Charges for Services				
Cemetery	5,000	5,245	5,245	-
Inspections	20,000	18,655	18,655	-
Rental income	37,000	34,655	34,655	-
Ambulance receipts	2,400	2,000	2,000	-
Fines and forfeitures	275,000	264,983	264,983	-
Other	76,100	76,977	76,977	-
	415,500	402,515	402,515	-
Miscellaneous				
Interest	60,000	60,321	60,321	-
Other	10,800	33,822	33,822	-
	70,800	94,143	94,143	-
Total Revenues	4,364,809	4,918,569	4,918,569	-

See accompanying Notes to the Budgetary Comparison Schedules.

City of Webb City

Budgetary Comparison Schedule – General Fund

Year Ended October 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Expenditures				
Current				
General government	792,321	839,700	839,700	-
Police	2,132,002	2,026,822	2,026,822	-
Fire	1,513,244	1,448,224	1,448,224	-
Court	170,589	169,253	169,253	-
Health and welfare	129,124	102,325	102,325	-
Economic development	100,275	84,737	84,737	-
Emergency management	126,077	97,700	97,700	-
Cemetery	3,275	4,473	4,473	-
Total Expenditures	4,966,907	4,773,234	4,773,234	-
 <i>Excess (Deficit) of Revenues Over Expenditures</i>	 (602,098)	 145,335	 145,335	 -
 Other Financing Sources (Uses)				
Sale of assets	-	136,257	136,257	-
Operating transfer in	168,400	168,400	168,400	-
Operating transfer (out)	-	(102,330)	(102,330)	-
Total Other Financing Sources (Uses)	168,400	202,327	202,327	-
 <i>Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)</i>	 (433,698)	 347,662	 347,662	 -
 Fund Balance, November 1	 1,982,944	 1,982,944	 1,982,944	 -
Fund Balance, October 31	\$ 1,549,246	\$ 2,330,606	\$ 2,330,606	\$ -

See accompanying Notes to the Budgetary Comparison Schedules.

City of Webb City

Budgetary Comparison Schedule – Street Fund

Year Ended October 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Transportation sales tax	\$ 890,795	\$ 1,061,365	\$ 1,061,365	\$ -
Motor fuel tax	281,000	299,731	299,731	-
Motor vehicle tax	148,676	174,280	174,280	-
	1,320,471	1,535,376	1,535,376	-
Intergovernmental Revenues				
Federal grants	283,053	343,764	343,764	-
Miscellaneous				
Other	-	4,856	4,856	-
Total Revenues	1,603,524	1,883,996	1,883,996	-
Expenditures				
Current				
Wages and benefits	989,571	937,893	937,893	-
Repairs and maintenance	117,981	104,291	104,291	-
Supplies	110,200	113,766	113,766	-
Utilities	25,000	17,373	17,373	-
Fuel	5,300	56,561	56,561	-
Insurance	49,009	46,371	46,371	-
Street lighting	122,000	124,305	124,305	-
Engineering	-	465	465	-
Capital outlay	793,565	802,681	802,681	-
Miscellaneous	73,662	65,382	65,382	-
Total Expenditures	2,286,288	2,269,088	2,269,088	-
<i>(Deficit) of Revenues Over Expenditures</i>	(682,764)	(385,092)	(385,092)	-
Other Financing Sources (Uses)				
Operating transfers in	447,560	574,850	574,850	-
Operating transfers (out)	(31,400)	(31,400)	(31,400)	-
Total Other Financing Sources (Uses)	416,160	543,450	543,450	-
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)</i>	(266,604)	158,358	158,358	-
Fund Balance, November 1	578,187	578,187	578,187	-
Fund Balance, October 31	\$ 311,583	\$ 736,545	\$ 736,545	\$ -

See accompanying Notes to the Budgetary Comparison Schedules.

City of Webb City

Budgetary Comparison Schedule – Storm/Park Fund

Year Ended October 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Sales taxes	\$ 890,795	\$ 1,061,364	\$ 1,061,364	\$ -
Total Revenues	890,795	1,061,364	1,061,364	-
Other Financing (Uses)				
Operating transfers (out)	(895,120)	(1,149,700)	(1,149,700)	-
<i>(Deficit) of Revenues Over Other (Uses)</i>	(4,325)	(88,336)	(88,336)	-
Fund Balance, November 1	262,480	262,480	262,480	-
Fund Balance, October 31	\$ 258,155	\$ 174,144	\$ 174,144	\$ -

See accompanying Notes to the Budgetary Comparison Schedules.

City of Webb City

Budgetary Comparison Schedule – Capital Improvement Fund

Year Ended October 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Sales tax	\$ 894,882	\$ 1,061,364	\$ 1,061,364	\$ -
Miscellaneous				
Other	-	3	3	-
Total Revenues	894,882	1,061,367	1,061,367	-
Expenditures				
Capital outlay	-	30,064	30,064	-
Total Expenditures	-	30,064	30,064	-
<i>Excess of Revenues Over Expenditures</i>	894,882	1,031,303	1,031,303	-
Other Financing (Uses)				
Operating transfers (out)	(700,536)	(713,423)	(713,423)	-
<i>Excess of Revenues Over Expenditures and Other (Uses)</i>	194,346	317,880	317,880	-
Fund Balance, November 1	769,286	769,286	769,286	-
Fund Balance, October 31	\$ 963,632	\$ 1,087,166	\$ 1,087,166	\$ -

See accompanying Notes to the Budgetary Comparison Schedules.

City of Webb City

Budgetary Comparison Schedule – American Rescue Plan Act Fund

Year Ended October 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Miscellaneous				
Interest	\$ -	\$ 59	\$ 59	\$ -
Total Revenues	-	59	59	-
Expenditures				
Current				
General expenditures	-	-	-	-
Total Expenditures	-	-	-	-
<i>Excess of Revenues Over Expenditures</i>	-	59	59	-
Fund Balance, November 1	-	-	-	-
Fund Balance, October 31	\$ -	\$ 59	\$ 59	\$ -

See accompanying Notes to the Budgetary Comparison Schedules.

City of Webb City

Notes to the Budgetary Comparison Schedules

Year Ended October 31, 2021

Budgets and Budgetary Accounting

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

1. Prior to November, Administration submits to the City Council a proposed operating budget for the fiscal year commencing the following November 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 August to obtain taxpayers' comments on the proposed budget and tax levy.
3. Prior to November 1, ordinances are passed by Council which provide for legally adopted budgets for all funds of the City.
4. Formal budgetary integration is employed as a management control device for all funds of the City.
5. 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 Webb City

Combining Balance Sheet – Nonmajor Governmental Funds

October 31, 2021

	Special Revenue Funds				Debt Service Fund	Total
	Park Fund	Library Fund	Community Development Fund	Habitat Fund		
Assets						
Cash and cash equivalents	\$ 219,717	\$ 247,705	\$ 14,821	\$ 39,014	\$ -	\$ 521,257
Investments	-	518,547	-	-	-	518,547
Taxes receivable	7,329	25,271	-	-	-	32,600
Interest receivable	-	-	-	-	13,410	13,410
Intergovernmental receivable	-	-	-	55,200	-	55,200
Due from other funds	-	-	-	-	27,144	27,144
Prepaid expenses	2,643	-	-	-	-	2,643
Restricted cash and cash equivalents	-	-	-	-	12,903	12,903
Total Assets	\$ 229,689	\$ 791,523	\$ 14,821	\$ 94,214	\$ 53,457	\$ 1,183,704
Liabilities						
Accounts payable	\$ 28,267	\$ 242	\$ -	\$ 5,556	\$ -	\$ 34,065
Accrued expenses	10,588	-	-	60	-	10,648
Due to other funds	-	2,500	-	66,445	-	68,945
Total Liabilities	38,855	2,742	-	72,061	-	113,658
Deferred Inflows of Resources						
Unavailable revenue	-	-	-	-	13,410	13,410
Fund Balances						
Nonspendable						
Prepaid items	2,643	-	-	-	-	2,643
Restricted for						
Community development	-	-	14,821	-	-	14,821
Debt service	-	-	-	-	40,047	40,047
Assigned to						
Parks and recreation	188,191	-	-	-	-	188,191
Library	-	788,781	-	-	-	788,781
Habitat	-	-	-	22,153	-	22,153
Total Fund Balances	190,834	788,781	14,821	22,153	40,047	1,056,636
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 229,689	\$ 791,523	\$ 14,821	\$ 94,214	\$ 53,457	\$ 1,183,704

City of Webb City

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

October 31, 2021

	Special Revenue Funds					Total
	Park Fund	Library Fund	Community Development Fund	Habitat Fund	Debt Service Fund	
Revenues						
Taxes	\$ 117,310	\$ 348,228	\$ -	\$ -	\$ -	\$ 465,538
Intergovernmental revenues	2,688	40,731	-	53,638	-	97,057
Charges for services	160,325	5,730	-	-	-	166,055
Interest earned	-	93,713	-	313	810	94,836
Miscellaneous	42,517	2,750	-	-	12,646	57,913
Total Revenues	322,840	491,152	-	53,951	13,456	881,399
Expenditures						
Current						
Park	813,446	-	-	-	-	813,446
Library	-	386,073	-	-	-	386,073
Habitat	-	-	-	138,295	-	138,295
Debt Service						
Principal and interest	-	-	-	-	781,634	781,634
Total Expenditures	813,446	386,073	-	138,295	781,634	2,119,448
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(490,606)	105,079	-	(84,344)	(768,178)	(1,238,049)
Other Financing Sources						
Transfers in	622,893	-	-	-	767,710	1,390,603
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures</i>	132,287	105,079	-	(84,344)	(468)	152,554
Fund Balance, November 1	58,547	683,702	14,821	106,497	40,515	904,082
Fund Balance, October 31	\$ 190,834	\$ 788,781	\$ 14,821	\$ 22,153	\$ 40,047	\$ 1,056,636

City of Webb City

Combining Balance Sheet – Library Fund

October 31, 2021

	Library Fund	Webb City Library	Eliminations	Total Library Fund
Assets				
Cash and cash equivalents	\$ 10,918	\$ 236,787	\$ -	\$ 247,705
Investments	-	518,547	-	518,547
Taxes receivable	25,271	-	-	25,271
Total Assets	\$ 36,189	\$ 755,334	\$ -	\$ 791,523
Liabilities				
Accounts payable	\$ 242	\$ -	\$ -	\$ 242
Due to other funds	2,500	-	-	2,500
Total Liabilities	2,742	-	-	2,742
Fund Balances				
Assigned	33,447	755,334	-	788,781
Total Liabilities and Fund Balances	\$ 36,189	\$ 755,334	\$ -	\$ 791,523

City of Webb City

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Library Fund

Year Ended October 31, 2021

	Library Fund	Webb City Library	Eliminations	Total Library Fund
Revenues				
Taxes				
Ad valorem taxes, penalties, and interest	\$ 300,458	\$ -	\$ -	\$ 300,458
Surtax	38,503	-	-	38,503
Railroad and utility taxes	9,267	-	-	9,267
	348,228	-	-	348,228
Intergovernmental Revenues				
Grants	17,307	359,211	(335,787)	40,731
Charges for Services				
Library fees	-	5,730	-	5,730
Miscellaneous				
Interest	-	93,713	-	93,713
Other	39	2,711	-	2,750
	39	96,424	-	96,463
Total Revenues	365,574	461,365	(335,787)	491,152
Expenditures				
Current				
Library	365,041	354,165	(335,787)	383,419
Investment expense	-	2,654	-	2,654
Total Expenditures	365,041	356,819	(335,787)	386,073
<i>Excess of Revenues Over Expenditures</i>	533	104,546	-	105,079
Fund Balance, November 1	32,914	650,788	-	683,702
Fund Balance, October 31	\$ 33,447	\$ 755,334	\$ -	\$ 788,781

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 Webb City
Webb City, 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Webb City, Missouri, as of and for the year ended October 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Webb City, Missouri's basic financial statements, and have issued our report thereon, dated March 15, 2022.

We have also audited the discretely presented component unit and issued our report dated March 15, 2022. This report does not include our testing of internal control over financial reporting or compliance and other matters that are reported for the discretely presented component units.

Internal Control over Financial Reporting

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

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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Webb City, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Webb City, Missouri's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Webb City, Missouri's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

KPM CPAS, PC
Springfield, Missouri
March 15, 2022