

City of Webb City, Missouri

Basic Financial Statements

Year Ended October 31, 2020

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Independent Auditors' Report

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, each major fund, and the discretely presented component unit of the City of Webb City, Missouri, as of and for the year ended October 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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, each major fund, and the discretely presented component unit of the City of Webb City, Missouri, as of October 31, 2020, 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 Library Fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Library Fund 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 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 April 28, 2021, 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
April 28, 2021

Management's Discussion and Analysis

City of Webb City

Management's Discussion and Analysis

October 31, 2020

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, 2020. Please read it in conjunction with the City's financial statements.

Financial Highlights

The net position of the City's governmental activities increased by \$875,829 for the year as a result of current year activities. The net position of the City's business-type activities increased by \$447,254 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, 2020, by \$32.7 million (net position). Of this amount, \$8.7 million was unrestricted and may be used to meet future obligations of the City.

Total liabilities of the City decreased \$443,000.

Sales tax revenue for fiscal year 2020 experienced a 11.8% increase from fiscal year 2019.

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.

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.

City of Webb City

Management's Discussion and Analysis

October 31, 2020

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, 2020

Government-Wide Financial Analysis

Net Position

The following table presents the condensed Statement of Net Position for the City as of October 31, 2020 and 2019:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total October 31, 2020</u>	<u>Total October 31, 2019</u>
Assets				
Current and other assets	\$ 5,205,575	\$ 4,389,057	\$ 9,594,632	\$ 9,775,948
Capital assets	25,477,926	4,511,990	29,989,916	28,846,265
Net pension asset	942,631	-	942,631	1,458,902
Total Assets	<u>31,626,132</u>	<u>8,901,047</u>	<u>40,527,179</u>	<u>40,081,115</u>
Deferred Outflows of Resources				
Deferred loss on bond refunding	153,484	-	153,484	172,472
Deferred pension outflows	721,673	142,239	863,912	617,044
Total Deferred Outflows of Resources	<u>875,157</u>	<u>142,239</u>	<u>1,017,396</u>	<u>789,516</u>
Liabilities				
Current liabilities	1,333,303	1,007,001	2,340,304	1,927,974
Long-term liabilities outstanding	5,789,807	59,480	5,849,287	6,704,617
Total Liabilities	<u>7,123,110</u>	<u>1,066,481</u>	<u>8,189,591</u>	<u>8,632,591</u>
Deferred Pension Inflows	<u>627,519</u>	<u>70,736</u>	<u>698,255</u>	<u>904,394</u>
Net Position				
Net investment in capital assets	19,443,579	4,222,781	23,666,360	21,680,257
Restricted				
Debt service	40,515	-	40,515	13,995
Other purposes	230,855	-	230,855	636,052
Unrestricted	5,035,711	3,683,288	8,718,999	9,003,342
Total Net Position	<u>\$ 24,750,660</u>	<u>\$ 7,906,069</u>	<u>\$ 32,656,729</u>	<u>\$ 31,333,646</u>

Total net position of the City increased by \$1,323,083 due to current year activity. Total liabilities for the City decreased \$443,000. The City's long-term liabilities decreased \$855,330. The decrease is due to payments made on existing debt. Restricted net position of the City totaled \$271,370 as of October 31, 2020. 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, 2020

Changes in Net Position

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Year Ended October 31, 2020</u>	<u>Total Year Ended October 31, 2019</u>
Revenues				
Program Revenues				
Charges for services	\$ 689,079	\$ 4,396,578	\$ 5,085,657	\$ 4,910,635
Operating grants and contributions	367,006	-	367,006	314,070
Capital grants and contributions	262,349	319,265	581,614	380,786
General Revenues				
Sales taxes	5,439,542	-	5,439,542	4,865,463
Ad valorem taxes	769,671	-	769,671	767,205
Motor vehicle and gas tax	429,118	-	429,118	447,842
Other taxes	192,287	-	192,287	150,856
Franchise taxes	799,654	-	799,654	815,655
Interest	67,447	3,596	71,043	122,174
Other revenue	128,758	2,459	131,217	70,648
Special Items				
Gain on sale of property	125,170	-	125,170	15,000
Net insurance recovery	-	-	-	16,505
Transfers	137,000	(137,000)	-	-
Total Revenues	<u>9,407,081</u>	<u>4,584,898</u>	<u>13,991,979</u>	<u>12,876,839</u>
Expenses				
General government	772,670	-	772,670	880,807
Police	1,919,888	-	1,919,888	1,782,985
Fire	1,309,408	-	1,309,408	1,095,640
Court	172,036	-	172,036	194,058
Health and welfare	291,835	-	291,835	134,927
Economic development	88,359	-	88,359	87,894
Emergency management	122,788	-	122,788	131,006
Elections	-	-	-	120
Cemetery	4,547	-	4,547	3,327
Street	2,394,763	-	2,394,763	2,280,369
Storm/Park	48,407	-	48,407	50,026
Park	757,027	-	757,027	814,086
Library	335,450	-	335,450	338,106
Habitat	118,998	-	118,998	174,685
Debt service	195,076	-	195,076	211,935
Water	-	1,578,133	1,578,133	1,413,778
Sewer	-	2,083,679	2,083,679	1,906,559
Refuse	-	475,832	475,832	456,782
Total Expenses	<u>8,531,252</u>	<u>4,137,644</u>	<u>12,668,896</u>	<u>11,957,090</u>
<i>Increase in Net Position</i>	<u>\$ 875,829</u>	<u>\$ 447,254</u>	<u>\$ 1,323,083</u>	<u>\$ 919,749</u>

City of Webb City

Management's Discussion and Analysis

October 31, 2020

Governmental Activities

Governmental activities increased the net position of the City by \$875,829. Tax revenues for the City were \$7.6 million, which represents 81% of the funding of these activities. Program revenues for the functions totaled \$1,318,434 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

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
General government	\$ 772,670	\$ 584,593
Police	1,919,888	1,529,622
Fire	1,309,408	1,306,808
Court	172,036	164,770
Street	2,394,763	2,132,414
Park	757,027	627,676
Library	335,450	323,415
Habitat	118,998	(113,542)
Debt service	195,076	195,076
Other governmental activities	555,936	461,986
	<u>\$ 8,531,252</u>	<u>\$ 7,212,818</u>

Business-Type Activities

Business-type activities increased the City's net position by \$447,254.

Financial Analysis of the City's Funds

The combined fund balance of the City's governmental funds as of October 31, 2020, was \$4,496,979. The General Fund decreased by \$113,123; the Street Fund decreased by \$343,662; the Park Fund increased by \$21,826; the Storm/Park Fund increased by \$115,785; the Library Fund increased by \$25,644; the Capital Improvement Fund decreased by \$520,982; the Habitat Fund increased by \$103,770; the Debt Service Fund increased by \$26,520; and the Community Development Fund did not change.

General Fund Budgetary Highlights

Revenues

The original General Fund budget had total budgeted revenues of \$4,260,754. Actual revenues were \$4,607,947. The City amended General Fund total budgeted revenues to reflect actual revenues.

Expenditures

The original General Fund budget had total budgeted expenditures of \$5,703,845. Actual expenditures were \$5,534,721. The City amended General Fund total budgeted expenditures to reflect actual expenditures.

City of Webb City

Management's Discussion and Analysis

October 31, 2020

Capital Assets and Debt Administration

Capital Assets

Capital assets of the governmental activities were \$25.5 million, net of accumulated depreciation, as of October 31, 2020. This represents a \$1,040,165 net increase from the prior year. The net increase is due to the cost of new capital items outweighing the cost of depreciation. The majority of the increase of governmental capital assets was \$1,059,446 of machinery and equipment, specifically a new fire truck and several new vehicles. Other major purchases were of infrastructure and construction in progress in the amounts of \$547,427 and \$218,551, respectively. Capital assets for business-type activities were \$4.5 million, net of accumulated depreciation, as of October 31, 2020. This represents a net increase of \$103,486 from the prior year. The net increase is due to the cost of new capital items outweighing the cost of depreciation. The majority of business-type capital purchased during the year was \$209,919 worth of well improvements in the Water Fund and \$199,995 of improvements related to the CIPP Liner Project in the Sewer Fund.

Debt

Total long-term liabilities of the governmental activities as of October 31, 2020, was \$5,789,807, which is down \$588,251 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, 2020, was \$59,480 which is down from the prior year due to the payment of principal on debt issues.

Economic Factors and Next Year's Budget

Highlights of the 2019-2020 fiscal year accomplishments are as follows:

- Total building permit fees are up 52.2% over the previous fiscal year. New commercial building in the Centennial Railroad TDD accounted for most of this increase.
- Sales and use tax remained strong this year. Sales tax collections were 11.34% over prior fiscal year with use tax collections being 18.52% over prior fiscal year. The City was fortunate to not experience a decrease of sales tax from the COVID-19 pandemic while it is probable that the increase in use tax was a positive effect.
- The City was prepared to re-evaluate capital expenditures to mitigate any loss of revenues due to the pandemic. In the end, the City did not need to delay any of the outlays.

Highlights for the upcoming 2020-2021 fiscal year include:

- The City will budget \$2,318,569 (17.55% of total spending) on capital expenditures in 2020-2021 fiscal year.
 - \$135,000 for fleet replacements
 - \$136,751 for machinery and equipment
 - \$733,893 for streets (overlays), sidewalks (Stadium Drive, finishing Rt D), 171 stormwater retention
 - \$130,000 for new and remodeled structures
 - \$700,000 wells (well # 14), water lines
 - \$355,000 wastewater infrastructure and I&I reduction.
 - \$43,000 for park amenities
 - \$84,925 software

City of Webb City

Management's Discussion and Analysis

October 31, 2020

- Total Centennial retail park is continuing growth with 9 new retail businesses under contract. The City has purchased 7.5 additional acres to expand and diversify retail space.
- After the budget was approved by Council, one capital project was added and one capital project was increased:
 - \$400,000 milling and paving 1,400 feet of Enterprise Dr (joint project with Joplin)
 - \$250,000 additional funds for overlay (This was decided early spring of 2021 because of the harsh winter)
- At the time of this writing, the American Rescue Plan Act has been enacted. The City's allocation of \$2,234,933 is to be released in 2 one-half tranches. The first is to be released around May 10th and the second to be released 12 months later. Funds must be spent by December 31, 2024. Unexpended funds will be returned to the Treasury.

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, 2020

Assets	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Center Creek Wastewater Treatment Board
	Current			
Cash and cash equivalents - unrestricted	\$ 3,186,352	\$ 3,581,972	\$ 6,768,324	\$ 554,572
Investments - unrestricted	437,177	-	437,177	-
Taxes receivable	1,129,691	-	1,129,691	-
Utilities receivable	-	387,992	387,992	-
Court receivable, net	55,396	-	55,396	-
Other accounts receivable	12,771	-	12,771	45,524
Intergovernmental receivable	221,132	-	221,132	-
Internal balances	(16,230)	16,230	-	-
Interest receivable	13,444	-	13,444	-
Inventory	-	59,363	59,363	-
Prepaid expenses	83,864	17,020	100,884	-
Noncurrent				
Restricted cash and cash equivalents	81,978	326,480	408,458	181,311
Capital Assets				
Non-depreciable	2,802,454	488,154	3,290,608	2,350
Depreciable, net	22,675,472	4,023,836	26,699,308	5,915,885
Net pension asset	942,631	-	942,631	-
Total Assets	31,626,132	8,901,047	40,527,179	6,699,642
Deferred Outflows of Resources				
Deferred loss on bond refunding	153,484	-	153,484	-
Deferred pension outflows	721,673	142,239	863,912	-
Total Deferred Outflows of Resources	875,157	142,239	1,017,396	-

See accompanying notes to the financial statements.

City of Webb City

Statement of Net Position

October 31, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Center Creek Wastewater Treatment Board
Liabilities				
Current				
Accounts payable	426,840	339,741	766,581	-
Accrued expenses	212,886	51,571	264,457	-
Unclaimed property	37,973	-	37,973	-
Court bonds payable	26,590	-	26,590	-
Refundable deposits	3,940	-	3,940	-
Meter deposits payable	-	326,480	326,480	-
Accrued interest payable	47,478	-	47,478	15,666
Due to other governments	367	-	367	-
Current maturities of long-term debt	577,229	289,209	866,438	343,000
	1,333,303	1,007,001	2,340,304	358,666
Noncurrent				
Compensated absences payable	179,205	45,220	224,425	-
Net pension liability	-	14,260	14,260	-
Capital leases payable	1,642,662	-	1,642,662	-
Bonds payable, net	3,967,940	-	3,967,940	3,302,006
	5,789,807	59,480	5,849,287	3,302,006
Total Liabilities	7,123,110	1,066,481	8,189,591	3,660,672
Deferred Inflow of Resources				
Deferred pension inflows	627,519	70,736	698,255	-
	627,519	70,736	698,255	-
Net Position				
Net investment in capital assets	19,443,579	4,222,781	23,666,360	2,273,229
Restricted				
Debt service	40,515	-	40,515	180,872
Other purposes	230,855	-	230,855	-
Unrestricted	5,035,711	3,683,288	8,718,999	584,869
Total Net Position	\$ 24,750,660	\$ 7,906,069	\$ 32,656,729	\$ 3,038,970

See accompanying notes to the financial statements.

City of Webb City

Statement of Activities

Year Ended October 31, 2020

Functions/Programs	Program Revenues				Net (Expenses), Revenues, and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental activities								
General government	\$ (772,670)	\$ 188,077	\$ -	\$ -	\$ (584,593)	\$ -	\$ (584,593)	\$ -
Police	(1,919,888)	327,635	62,631	-	(1,529,622)	-	(1,529,622)	-
Fire	(1,309,408)	2,600	-	-	(1,306,808)	-	(1,306,808)	-
Court	(172,036)	7,266	-	-	(164,770)	-	(164,770)	-
Health and welfare	(291,835)	20,825	-	-	(271,010)	-	(271,010)	-
Economic development	(88,359)	-	-	-	(88,359)	-	(88,359)	-
Emergency management	(122,788)	-	64,930	-	(57,858)	-	(57,858)	-
Cemetery	(4,547)	8,195	-	-	3,648	-	3,648	-
Street	(2,394,763)	-	-	262,349	(2,132,414)	-	(2,132,414)	-
Storm/Park	(48,407)	-	-	-	(48,407)	-	(48,407)	-
Park	(757,027)	129,351	-	-	(627,676)	-	(627,676)	-
Library	(335,450)	5,130	6,905	-	(323,415)	-	(323,415)	-
Habitat	(118,998)	-	232,540	-	113,542	-	113,542	-
Debt service	(195,076)	-	-	-	(195,076)	-	(195,076)	-
Total Governmental Activities	(8,531,252)	689,079	367,006	262,349	(7,212,818)	-	(7,212,818)	-
Business-Type Activities								
Water	(1,578,133)	1,853,436	-	-	-	275,303	275,303	-
Sewer	(2,083,679)	2,039,443	-	319,265	-	275,029	275,029	-
Refuse	(475,832)	503,699	-	-	-	27,867	27,867	-
Total Business-Type Activities	(4,137,644)	4,396,578	-	319,265	-	578,199	578,199	-
Total Primary Government	\$ (12,668,896)	\$ 5,085,657	\$ 367,006	\$ 581,614	(7,212,818)	578,199	(6,634,619)	-

See accompanying notes to the financial statements.

City of Webb City

Statement of Activities

Year Ended October 31, 2020

	Program Revenues				Net (Expenses), Revenues, and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Primary Government		Component Unit
					Governmental Activities	Business-Type Activities	Center Creek Wastewater Treatment Board
Component Unit							
Center Creek Wastewater Treatment Board	<u>\$ (673,514)</u>	<u>\$ 935,601</u>	<u>\$ -</u>	<u>\$ -</u>			<u>262,087</u>
General Revenues							
Sales taxes				5,439,542	-	-	-
Ad valorem taxes				769,671	-	-	-
Motor vehicle and gas taxes				429,118	-	-	-
Other taxes				192,287	-	-	-
Franchise fees				799,654	-	-	-
Interest				67,447	3,596	-	43,261
Other revenue				128,758	2,459	-	-
Special Items							
Gain on sale of property				125,170	-	-	-
Transfers				137,000	(137,000)	-	-
Total General Revenues, Special Items, and Transfers				<u>8,088,647</u>	<u>(130,945)</u>	<u>7,957,702</u>	<u>43,261</u>
<i>Changes in Net Position</i>				875,829	447,254	1,323,083	305,348
Net Position, Beginning of year				23,874,831	7,458,815	31,333,646	2,733,622
Net Position, End of year				<u>\$ 24,750,660</u>	<u>\$ 7,906,069</u>	<u>\$ 32,656,729</u>	<u>\$ 3,038,970</u>

See accompanying notes to the financial statements.

City of Webb City

Balance Sheet – Governmental Funds

October 31, 2020

	Special Revenue Funds										Total Governmental Funds
	General Fund	Street Fund	Park Fund	Storm/ Park Fund	Library Fund	Community Development Fund	Capital Improvement Fund	Habitat Fund	Debt Service Fund	Total	
Assets											
Cash and cash equivalents	\$ 1,526,485	\$ 505,702	\$ 120,425	\$ 99,452	\$ 221,402	\$ 14,821	\$ 571,581	\$ 58,050	\$ -	\$ 3,117,918	
Investments	-	-	-	-	437,177	-	-	-	-	437,177	
Taxes receivable	536,358	234,642	6,996	163,028	25,639	-	163,028	-	-	1,129,691	
Court receivables, net	55,396	-	-	-	-	-	-	-	-	55,396	
Interest receivable	-	-	-	-	-	-	-	-	13,444	13,444	
Other receivables	12,771	-	-	-	-	-	-	-	-	12,771	
Intergovernmental receivable	-	103,726	-	-	-	-	-	117,406	-	221,132	
Due from other funds	76,020	-	-	-	-	-	34,677	-	1	110,698	
Prepaid expenses	60,958	18,344	4,012	-	-	-	-	550	-	83,864	
Restricted cash and cash equivalents	54,908	-	-	-	-	-	-	-	27,070	81,978	
Total Assets	\$ 2,322,896	\$ 862,414	\$ 131,433	\$ 262,480	\$ 684,218	\$ 14,821	\$ 769,286	\$ 176,006	\$ 40,515	\$ 5,264,069	
Liabilities and Fund Balances											
Liabilities											
Accounts payable	\$ 145,485	\$ 236,810	\$ 10,750	\$ -	\$ 516	\$ -	\$ -	\$ 2,818	\$ -	\$ 396,379	
Accrued expenses	163,570	34,975	14,093	-	-	-	-	248	-	212,886	
Due to other funds	-	12,442	48,043	-	-	-	-	66,443	-	126,928	
Due to other governments	367	-	-	-	-	-	-	-	-	367	
Court bonds payable	26,590	-	-	-	-	-	-	-	-	26,590	
Refundable deposits	3,940	-	-	-	-	-	-	-	-	3,940	
Total Liabilities	339,952	284,227	72,886	-	516	-	-	69,509	-	767,090	

See accompanying notes to the financial statements.

City of Webb City

Balance Sheet – Governmental Funds

October 31, 2020

	Special Revenue Funds										Total Governmental Funds
	General Fund	Street Fund	Park Fund	Storm/ Park Fund	Library Fund	Community Development Fund	Capital Improvement Fund	Habitat Fund	Debt Service Fund		
Fund Balances											
Nonspendable											
Prepaid items	60,958	18,344	4,012	-	-	-	-	550	-	-	83,864
Restricted for											
Construction and improvements	-	-	-	-	-	-	60,963	-	-	-	60,963
Stormwater and recreation	-	-	-	155,071	-	-	-	-	-	-	155,071
Community development	-	-	-	-	-	14,821	-	-	-	-	14,821
Debt service	-	-	-	-	-	-	-	-	40,515	-	40,515
Assigned to											
Street	-	559,843	-	-	-	-	-	-	-	-	559,843
Parks and recreation	-	-	54,535	-	-	-	-	-	-	-	54,535
Stormwater and recreation	-	-	-	107,409	-	-	-	-	-	-	107,409
Library	-	-	-	-	683,702	-	-	-	-	-	683,702
Capital improvements	-	-	-	-	-	708,323	-	-	-	-	708,323
Habitat	-	-	-	-	-	-	-	105,947	-	-	105,947
Unassigned	1,921,986	-	-	-	-	-	-	-	-	-	1,921,986
Total Fund Balances	1,982,944	578,187	58,547	262,480	683,702	14,821	769,286	106,497	40,515	-	4,496,979
Total Liabilities and Fund Balances	\$ 2,322,896	\$ 862,414	\$ 131,433	\$ 262,480	\$ 684,218	\$ 14,821	\$ 769,286	\$ 176,006	\$ 40,515	\$	\$ 5,264,069

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, 2020

Fund balance - total governmental funds	\$ 4,496,979
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	48,600,636
Less accumulated depreciation	<u>(23,122,710)</u>
	25,477,926
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	942,631
Deferred outflows due to pensions	721,673
Deferred inflows due to pensions	<u>(627,519)</u>
	1,036,785
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(47,478)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds	(6,367,036)
Deferred losses on bond refundings are expensed in fund balances upon issuance as other financing sources and uses, but are excluded from net position until amortized	<u>153,484</u>
Net position of governmental activities	<u><u>\$ 24,750,660</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, 2020

	Special Revenue Funds										Total Governmental Funds
	General Fund	Street Fund	Park Fund	Storm/ Park Fund	Library Fund	Community Development Fund	Capital Improvement Fund	Habitat Fund	Debt Service Fund		
Revenues											
Taxes	\$ 3,826,978	\$ 1,409,753	\$ 109,437	\$ 980,635	\$ 322,834	\$ -	\$ 980,635	\$ -	\$ -	\$ -	\$ 7,630,272
Licenses and permits	155,191	-	-	-	-	-	-	-	-	-	155,191
Intergovernmental											
revenues	127,561	262,349	-	-	6,905	-	-	232,540	-	-	629,355
Charges for services	399,407	-	129,351	-	5,130	-	-	-	-	-	533,888
Interest earned	56,092	-	49	-	9,934	-	-	775	597	-	67,447
Miscellaneous	42,718	148	81,240	-	1,052	-	-	3,600	-	-	128,758
Total Revenues	4,607,947	1,672,250	320,077	980,635	345,855	-	980,635	236,915	597	-	9,144,911
Expenditures											
Current											
General government	837,530	-	-	-	-	-	-	-	-	-	837,530
Police	2,124,465	-	-	-	-	-	-	-	-	-	2,124,465
Fire	2,131,910	-	-	-	-	-	-	-	-	-	2,131,910
Court	153,842	-	-	-	-	-	-	-	-	-	153,842
Health and welfare	86,727	-	-	-	-	-	-	-	-	-	86,727
Economic development	76,424	-	-	-	-	-	-	-	-	-	76,424
Emergency management	120,404	-	-	-	-	-	-	-	-	-	120,404
Cemetery	3,419	-	-	-	-	-	-	-	-	-	3,419
Street	-	2,416,937	-	-	-	-	-	-	-	-	2,416,937
Park	-	-	730,676	-	-	-	-	-	-	-	730,676
Library	-	-	-	-	320,211	-	-	-	-	-	320,211
Habitat	-	-	-	-	-	-	-	133,145	-	-	133,145
Debt Service											
Principal and interest	-	-	-	-	-	-	-	-	759,483	-	759,483
Total Expenditures	5,534,721	2,416,937	730,676	-	320,211	-	-	133,145	759,483	-	9,895,173

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, 2020

	Special Revenue Funds										Total					
	General Fund	Street Fund		Storm/Park Fund		Library Fund		Community Development Fund		Capital Improvement Fund		Habitat Fund	Debt Service Fund		Governmental Funds	
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(926,774)	(744,687)	(410,599)	980,635	25,644	-	980,635	103,770	-	980,635	103,770	-	(758,886)	(750,262)		
Other Financing Sources (Uses)																
Sale of assets	125,170	-	-	-	-	-	-	-	-	-	-	-	-	125,170		
Transfers in (out)	688,481	401,025	432,425	(864,850)	-	-	(1,501,617)	-	-	-	-	-	785,406	(59,130)		
Total Other Financing Sources (Uses)	813,651	401,025	432,425	(864,850)	-	-	(1,501,617)	-	-	-	-	-	785,406	66,040		
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)</i>	(113,123)	(343,662)	21,826	115,785	25,644	-	(520,982)	103,770	-	26,520	(684,222)	-	-	-		
Fund Balance, November 1	2,096,067	921,849	36,721	146,695	658,058	14,821	1,290,268	2,727	-	13,995	5,181,201	-	-	-		
Fund Balance, October 31	<u>\$ 1,982,944</u>	<u>\$ 578,187</u>	<u>\$ 58,547</u>	<u>\$ 262,480</u>	<u>\$ 683,702</u>	<u>\$ 14,821</u>	<u>\$ 769,286</u>	<u>\$ 106,497</u>	<u>\$ 40,515</u>	<u>\$ 40,515</u>	<u>\$ 4,496,979</u>	<u>\$ 4,496,979</u>	<u>\$ 4,496,979</u>	<u>\$ 4,496,979</u>		

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, 2020

Net change in fund balances - total governmental funds \$ (684,222)

Amounts reported for governmental activities in the Statement of Activities are different because:

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

Capital outlay	1,996,868
Depreciation	(956,703)
	1,040,165

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 refundings 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:

Repayment of principal on leases and bonds	580,999
Amortization of loss on bond refunding	(18,988)
Change in accrued interest payable	4,218
	566,229

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

Change in pension related costs	(38,383)
Change in compensated absences	(7,960)
	(46,343)

Change in net position of governmental activities	\$ 875,829
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See accompanying notes to the financial statements.

City of Webb City

Statement of Net Position – Proprietary Funds

October 31, 2020

	Enterprise Funds			Total Enterprise Funds	Internal Service Fund
	Water Fund	Sanitary Sewer Fund	Solid Waste Fund		
Assets					
Current Assets					
Cash and cash equivalents	\$ 1,153,631	\$ 2,271,303	\$ 157,038	\$ 3,581,972	\$ 68,434
Utilities receivable	158,766	184,564	44,662	387,992	-
Due from other funds	15,361	869	-	16,230	-
Inventory	59,363	-	-	59,363	-
Prepaid expenses	9,694	7,326	-	17,020	-
Total Current Assets	1,396,815	2,464,062	201,700	4,062,577	68,434
Restricted Assets					
Cash and cash equivalents	326,480	-	-	326,480	-
Total Restricted Assets	326,480	-	-	326,480	-
Property, Plant and Equipment					
Non-depreciable	278,472	209,682	-	488,154	-
Depreciable	5,265,954	3,554,359	-	8,820,313	-
Less Accumulated Depreciation	(3,421,086)	(1,375,391)	-	(4,796,477)	-
Total Property, Plant, and Equipment	2,123,340	2,388,650	-	4,511,990	-
Total Assets	3,846,635	4,852,712	201,700	8,901,047	68,434
Deferred Outflow of Resources					
Deferred pension outflow	79,975	62,264	-	142,239	-
Total Deferred Outflow of Resources	79,975	62,264	-	142,239	-
Liabilities					
Current Liabilities					
Accounts payable	69,125	231,929	38,687	339,741	30,461
Accrued expenses	29,490	22,081	-	51,571	-
Unclaimed property	-	-	-	-	37,973
Meter deposits payable	326,480	-	-	326,480	-
Current maturities of long-term debt	-	289,209	-	289,209	-
Total Current Liabilities	425,095	543,219	38,687	1,007,001	68,434
Long-Term Liabilities					
Compensated absences payable	45,220	-	-	45,220	-
Net pension liability	6,987	7,273	-	14,260	-
Total Long-Term Liabilities	52,207	7,273	-	59,480	-
Total Liabilities	477,302	550,492	38,687	1,066,481	68,434
Deferred Inflow of Resources					
Deferred pension inflow	46,751	23,985	-	70,736	-
Net Position					
Net investment in capital assets	2,123,340	2,099,441	-	4,222,781	-
Unrestricted	1,279,217	2,241,058	163,013	3,683,288	-
Total Net Position	\$ 3,402,557	\$ 4,340,499	\$ 163,013	\$ 7,906,069	\$ -

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, 2020

	Enterprise Funds			Total Enterprise Funds	Internal Service Fund
	Water Fund	Sanitary Sewer Fund	Solid Waste Fund		
Operating Revenues					
Charges for Services					
Water	\$ 1,853,436	\$ -	\$ -	\$ 1,853,436	\$ -
Sewer	-	2,039,443	-	2,039,443	-
Refuse	-	-	503,699	503,699	-
Intergovernmental revenues	-	319,265	-	319,265	-
Premiums	-	-	-	-	571,922
Stop loss reimbursement	-	-	-	-	16,815
Total Operating Revenues	<u>1,853,436</u>	<u>2,358,708</u>	<u>503,699</u>	<u>4,715,843</u>	<u>588,737</u>
Operating Expenses					
Water					
Wages and benefits	595,226	-	-	595,226	-
Professional services	4,000	-	-	4,000	-
Utilities	240,830	-	-	240,830	-
Insurance	23,351	-	-	23,351	-
Supplies	123,613	-	-	123,613	-
Repairs and maintenance	426,608	-	-	426,608	-
Other operating expenses	28,190	-	-	28,190	-
Depreciation	136,315	-	-	136,315	-
Sewer					
Wages and benefits	-	569,200	-	569,200	-
Professional services	-	6,000	-	6,000	-
Utilities	-	28,579	-	28,579	-
Insurance	-	45,267	-	45,267	-
Supplies	-	93,850	-	93,850	-
Repairs and maintenance	-	309,756	-	309,756	-
Other operating expenses	-	454,046	-	454,046	-
Center creek	-	347,445	-	347,445	-
Depreciation	-	214,680	-	214,680	-
Refuse					
Solid waste removal	-	-	906	906	-
Solid waste contract	-	-	468,806	468,806	-
Other operating expenses	-	-	6,120	6,120	-
Internal Service					
Insurance claims	-	-	-	-	669,651
Insurance administration fees	-	-	-	-	116,033
Total Operating Expenses	<u>1,578,133</u>	<u>2,068,823</u>	<u>475,832</u>	<u>4,122,788</u>	<u>785,684</u>
Operating Income (Loss)	<u>275,303</u>	<u>289,885</u>	<u>27,867</u>	<u>593,055</u>	<u>(196,947)</u>
Nonoperating Revenues (Expenses)					
Interest income	3,596	-	-	3,596	817
Other revenue	2,459	-	-	2,459	-
Interest expense	-	(14,856)	-	(14,856)	-
Total Nonoperating Revenues (Expenses)	<u>6,055</u>	<u>(14,856)</u>	<u>-</u>	<u>(8,801)</u>	<u>817</u>
Income (Loss) Before Operating Transfers	281,358	275,029	27,867	584,254	(196,130)
Operating Transfers					
Operating transfers in (out)	<u>120,000</u>	<u>(245,000)</u>	<u>(12,000)</u>	<u>(137,000)</u>	<u>196,130</u>
Net Income	401,358	30,029	15,867	447,254	-
Net Position, November 1	3,001,199	4,310,470	147,146	7,458,815	-
Net Position, October 31	<u>\$ 3,402,557</u>	<u>\$ 4,340,499</u>	<u>\$ 163,013</u>	<u>\$ 7,906,069</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

City of Webb City

Statement of Cash Flows – Proprietary Funds

Year Ended October 31, 2020

	Enterprise Funds			Total Enterprise Funds	Internal Service Fund
	Water Fund	Sanitary Sewer Fund	Solid Waste Fund		
Cash Flows from Operating Activities					
Cash received from customers	\$ 1,843,779	\$ 2,341,533	\$ 501,730	\$ 4,687,042	\$ 571,922
Cash paid to suppliers	(811,736)	(1,114,330)	(474,536)	(2,400,602)	(743,255)
	(556,367)	(567,966)	-	(1,124,333)	-
Other cash received for nonoperating revenues	2,459	-	-	2,459	16,815
Net Cash Provided (Used) by Operating Activities	478,135	659,237	27,194	1,164,566	(154,518)
Cash Flows from Noncapital Financing Activities					
Receipt of internal balances from other funds	169	71	-	240	-
Transfers (to) from other funds	120,000	(245,000)	(12,000)	(137,000)	196,130
Net Cash Provided (Used) by Noncapital Financing Activities	120,169	(244,929)	(12,000)	(136,760)	196,130
Cash Flows from Capital and Related Financing Activities					
Purchase of capital assets	(218,411)	(236,070)	-	(454,481)	-
Payment of lease principal	-	(280,441)	-	(280,441)	-
Payment of interest	-	(14,856)	-	(14,856)	-
Net Cash (Used) by Capital and Related Financing Activities	(218,411)	(531,367)	-	(749,778)	-
Cash Flows from Investing Activities					
Interest received on investments	3,596	-	-	3,596	817
Net Cash Provided by Investing Activities	3,596	-	-	3,596	817
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	383,489	(117,059)	15,194	281,624	42,429
Cash and Cash Equivalents, Beginning of year	1,096,622	2,388,362	141,844	3,626,828	26,005
Cash and Cash Equivalents, End of year	1,480,111	2,271,303	157,038	3,908,452	68,434
Less Restricted Cash and Cash Equivalents	326,480	-	-	326,480	-
Unrestricted Cash and Cash Equivalents	\$ 1,153,631	\$ 2,271,303	\$ 157,038	\$ 3,581,972	\$ 68,434

See accompanying notes to the financial statements.

City of Webb City

Statement of Cash Flows – Proprietary Funds

Year Ended October 31, 2020

	Enterprise Funds			Total Enterprise Funds	Internal Service Fund
	Water Fund	Sanitary Sewer Fund	Solid Waste Fund		
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ 275,303	\$ 289,885	\$ 27,867	\$ 593,055	\$ (196,947)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	136,315	214,680	-	350,995	-
(Increase) decrease in					
Utilities receivable	(18,483)	(17,175)	(1,969)	(37,627)	-
Inventory	(1,354)	-	-	(1,354)	-
Prepaid expenses	(1,391)	(1,899)	-	(3,290)	-
Net pension asset	73,430	40,923	-	114,353	-
Deferred pension outflows	(9,307)	(9,687)	-	(18,994)	-
Increase (decrease) in					
Accounts payable	37,601	172,512	1,296	211,409	4,456
Accrued expenses	(5,467)	(1,331)	-	(6,798)	-
Unclaimed property	-	-	-	-	37,973
Meter deposits payable	8,826	-	-	8,826	-
Compensated absences payable	7,750	-	-	7,750	-
Net pension liability	6,987	7,273	-	14,260	-
Deferred pension inflows	(34,534)	(35,944)	-	(70,478)	-
Other cash received for nonoperating revenues	2,459	-	-	2,459	-
Net Cash Provided (Used) by Operating Activities	\$ 478,135	\$ 659,237	\$ 27,194	\$ 1,164,566	\$ (154,518)

See accompanying notes to the financial statements.

City of Webb City

Notes to the Financial Statements

October 31, 2020

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 Unit

Center Creek Wastewater Treatment Board

The Center Creek Wastewater Treatment Board provides wastewater treatment services to the citizens of Webb City, Carterville, 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, Carterville, and Oronogo, Missouri, and authorized by an enactment of the Missouri General Assembly.

City of Webb City

Notes to the Financial Statements

October 31, 2020

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

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

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	81.86%
City of Carterville	10.14%
City of Oronogo	8.00%

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

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.

City of Webb City

Notes to the Financial Statements

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

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

Fund Financial Statements

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

Governmental Fund 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.

Park Fund: The Park Fund is used to account for operations of the City's Park department which is responsible for the maintenance and improvement of the City's parks.

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.

Library Fund: The Library Fund is used to account for operations of the City's library system. This fund accounts for the City's Library Fund account as well as activity reported by the Webb City Library and its foundations.

Community Development Fund: This Community Development Fund is used to account for the operations of construction and repair for the City's roads and streets.

Capital Improvement Fund: This 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.

City of Webb City

Notes to the Financial Statements

October 31, 2020

Habitat Fund: This Habitat Fund is used to account for the activity of the habitat restoration project.

Debt Service Fund: The Debt Service Fund is used to account for payments related to the 2010 and 2012 General Obligation Bond issues.

Propriety 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.

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.

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.

Capital Assets

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

City of Webb City

Notes to the Financial Statements

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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.

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.

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.

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.

Compensated Absences

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

Use of Estimates

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

City of Webb City

Notes to the Financial Statements

October 31, 2020

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.

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, 2020, balances of interfund amounts receivable or payable have been recorded within the fund financial statements.

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.

City of Webb City

Notes to the Financial Statements

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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.

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

Deferred Outflows/Inflows of Resources

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

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

City of Webb City

Notes to the Financial Statements

October 31, 2020

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.

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, 2020, all bank balances on deposit are entirely insured or collateralized.

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, 2020, 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, 2020, 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	\$ -	\$ 179,959	\$ 179,959
Equity funds	N/A	124,099	-	124,099
Fixed income bonds	10/15/2023 - 10/15/2027	-	125,443	125,443
Real estate investment funds	N/A	-	7,676	7,676
		<u>\$ 124,099</u>	<u>\$ 313,078</u>	<u>\$ 437,177</u>

City of Webb City

Notes to the Financial Statements

October 31, 2020

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.

Real Estate Investment Funds

The City has investments in U.S. real estate investment funds. These real estate investment funds are held by the Library Development Foundation in trust accounts at US Bank for purposes of providing operational funding for the City Library. Real estate investment funds are not rated.

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

5. Restricted Assets

Primary Government

Governmental Activities

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

	<u>Restricted Cash</u>	<u>Restricted Net Position</u>
Municipal court	\$ 26,590	\$ -
Police activities	28,318	-
Construction projects	-	60,963
Debt service	27,070	40,515
Stormwater and recreation	-	155,071
Community development	-	14,821
	<u>\$ 81,978</u>	<u>\$ 271,370</u>

Business-Type Activities

Cash and cash equivalents have been restricted in the amount of \$326,480 for customer deposits.

City of Webb City

Notes to the Financial Statements

October 31, 2020

Center Creek Wastewater Treatment Board

During 2003, the Board issued \$4,000,000 of 2003C Sewerage Revenue Bonds to finance the extension and improvement of the existing sewerage treatment system. On September 1, 2018, the Board issued Series 2018 Sewerage State Revenue Bonds, which are not to exceed \$2,750,000. The bond agreements specify amounts to be deposited in certain sinking and reserve funds. As of October 31, 2020, the Board has made the required deposits. The special reserves consist of cash and cash equivalents and are reported in the accompanying balance sheets as restricted cash and cash and cash equivalents and restricted net position. Restricted cash and cash equivalents also include restricted amounts from bond proceeds.

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	\$ 120,644	\$ 120,644
Construction account	439	-
Depreciation and replacement	60,228	60,228
	\$ 181,311	\$ 180,872

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 fines receivable	\$ 692,461	\$ (637,065)	\$ 55,396

City of Webb City

Notes to the Financial Statements

October 31, 2020

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:

	2019
Assessed Valuation	
Real estate	\$ 110,267,390
Personal property	30,618,223
Total	\$ 140,885,613
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, 2020, was computed as follows:

	General Obligation Bonds		
	Ordinary (1)	Additional (2)	Total
Constitutional Debt Limit	\$ 14,088,561	\$ 14,088,561	\$ 28,177,122
General Obligation Bonds Payable	(4,190,000)	-	(4,190,000)
Legal Debt Margin	\$ 9,898,561	\$ 14,088,561	\$ 23,987,122

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

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

8. Long-Term Liabilities – Business-Type Activities

Primary Government

Long-term liabilities for business-type activities of the primary government at October 31, 2020, consists of one capital lease purchase obligation and compensated absences payable.

City of Webb City

Notes to the Financial Statements

October 31, 2020

On June 12, 2018, the City entered into a lease purchase agreement to purchase equipment and for construction of its composting project. The agreement requires semi-annual lease payments of \$147,649, which includes interest at 2.9%. In the event of default, the Lessor has the right to declare all remaining lease payments immediately due and payable, retake possession of the leased equipment, and/or sell or lease the equipment with the Lessee 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, 2020, is as follows:

Year Ending October 31,	Direct Borrowing		
	Principal	Interest	Total
2021	\$ 289,209	\$ 6,392	\$ 295,601

Center Creek Wastewater Treatment Board

On November 20, 2003, the Board issued \$4,000,000 in 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 .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, which are not to exceed \$2,750,000, for the purpose of constructing, furnishing, and equipping improvements to the wastewater transport and treatment system. The bonds bear interest at 1.40%. Bonds are issued once per year as reimbursements are requested. The amount of bonds issued and outstanding at October 31, 2020, are \$2,692,000. 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.

City of Webb City

Notes to the Financial Statements

October 31, 2020

The annual debt service requirements to amortize the principal on the 2003C Sewerage System Revenue Bonds and the 2018 Sewerage System Revenue Bonds outstanding at October 31, 2020, are as follows:

<u>Year Ending October 31,</u>	Direct Placement			
	Principal	Interest	Administrative Fee	Total
2021	\$ 343,000	\$ 84,688	\$ 18,261	\$ 445,949
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
2026-2030	677,000	126,952	45,340	849,292
2031-2035	747,000	77,644	27,730	852,374
2036-2039	655,000	23,156	8,270	686,426
	\$ 3,632,000	\$ 518,850	\$ 154,806	\$ 4,305,656

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, 2020:

	Balance October 31, 2019	Additions	Retirements	Balance October 31, 2020	Amounts Due Within One Year
Primary Government					
Direct Borrowing					
Capital Lease	\$ 569,650	\$ -	\$ 280,441	\$ 289,209	\$ 289,209
Compensated Absences	37,470	7,750	-	45,220	-
	\$ 607,120	\$ 7,750	\$ 280,441	\$ 334,429	\$ 289,209
Center Creek Wastewater Treatment Board					
Direct Placements					
Series 2003C Revenue Bonds	\$ 1,160,000	\$ -	\$ 220,000	\$ 940,000	\$ 225,000
Series 2018 Revenue Bonds	2,446,819	303,181	58,000	2,692,000	118,000
Plus:					
Unamortized bond premium	17,341	-	4,335	13,006	-
	\$ 3,624,160	\$ 303,181	\$ 282,335	\$ 3,645,006	\$ 343,000

City of Webb City

Notes to the Financial Statements

October 31, 2020

9. Long-Term Liabilities – Governmental Activities

Long-term liabilities for governmental activities at October 31, 2020, consists of three General Obligation Bonds, two capital lease purchase obligations, and compensated absences payable.

On September 15, 2010, the City issued \$1,855,000 in General Taxable Obligation Bonds, Series 2010A, 2010B, and 2010C (Build America Bonds-Direct Pay), 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% and 35% of the amount of interest payment on the 2010A and 2010B bonds, respectively. The bonds bear interest at 2.00% to 5.75%. The bonds mature on September 1 of each year with interest payments due March 1 and September 1 of each year. The 2010A and 2010B 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.

The annual debt service requirements to amortize the principal on the Series 2010A and 2010B G.O. Bonds outstanding as of October 31, 2020, are as follows:

<u>Year Ending October 31,</u>	<u>2010A Bonds</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Subsidy</u>	<u>Total</u>
2021	\$ 30,000	\$ 57,500	\$ (25,874)	\$ 61,626
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
2026-2030	570,000	100,626	(45,282)	625,344
	<u>\$ 1,000,000</u>	<u>\$ 347,587</u>	<u>\$ (156,415)</u>	<u>\$ 1,191,172</u>

<u>Year Ending October 31,</u>	<u>2010B Bonds</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Subsidy</u>	<u>Total</u>
2021	\$ 60,000	\$ 2,700	\$ (945)	\$ 61,755

City of Webb City

Notes to the Financial Statements

October 31, 2020

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, 2020, are as follows:

<u>Year Ending October 31,</u>	<u>2012 Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 305,000	\$ 86,868	\$ 391,868
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>\$ 3,130,000</u>	<u>\$ 355,555</u>	<u>\$ 3,485,555</u>

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.

City of Webb City

Notes to the Financial Statements

October 31, 2020

The annual debt service requirements to amortize the principal on this lease outstanding at October 31, 2020, are listed in the following table:

Year Ending October 31,	Direct Borrowing		
	Principal	Interest	Total
2021	\$ 131,924	\$ 51,863	\$ 183,787
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
2026-2030	857,445	81,049	938,494
	<u>\$ 1,564,308</u>	<u>\$ 293,121</u>	<u>\$ 1,857,429</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, 2020, are listed in the following table:

Year Ending October 31,	Direct Borrowing		
	Principal	Interest	Total
2021	\$ 50,305	\$ 3,984	\$ 54,289
2022	51,118	3,171	54,289
2023	51,946	2,343	54,289
2024	52,786	1,503	54,289
2025	54,428	649	55,077
	<u>\$ 260,583</u>	<u>\$ 11,650</u>	<u>\$ 272,233</u>

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*.

City of Webb City

Notes to the Financial Statements

October 31, 2020

A summary of the changes in long-term liabilities – governmental activities for the year ended October 31, 2020, is as follows:

	<u>Balance October 31, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance October 31, 2020</u>	<u>Amounts Due Within One Year</u>
General Obligation Bonds					
2010A G.O. bonds payable	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ 30,000
2010B G.O. bonds payable	150,000	-	90,000	60,000	60,000
2012 G.O. bonds payable	3,425,000	-	295,000	3,130,000	305,000
Premium on bonds	194,335	-	21,395	172,940	-
	<u>4,769,335</u>	<u>-</u>	<u>406,395</u>	<u>4,362,940</u>	<u>395,000</u>
Capital Lease Obligations					
Direct Borrowing					
Building/Equipment lease payable	1,690,196	-	125,888	1,564,308	131,924
Fire Truck lease payable	309,299	-	48,716	260,583	50,305
	<u>1,999,495</u>	<u>-</u>	<u>174,604</u>	<u>1,824,891</u>	<u>182,229</u>
Other Long-term Obligations					
Compensated absences payable	171,245	7,960	-	179,205	-
	<u>171,245</u>	<u>7,960</u>	<u>-</u>	<u>179,205</u>	<u>-</u>
	<u>\$ 6,940,075</u>	<u>\$ 7,960</u>	<u>\$ 580,999</u>	<u>\$ 6,367,036</u>	<u>\$ 577,229</u>

10. Pledged Revenues

Primary Government

The City has pledged future sales tax revenues to repay the Series 2010 General Obligation (G.O.) 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 \$1,410,287. Interest subsidies to help mitigate interest expense are anticipated to be \$157,360 for the remainder of the bonds.

Center Creek Wastewater Treatment Board

The Board has pledged future sewer customer revenues to repay the 2003C and 2018 Sewerage System Revenue Bonds issued to improve and extend the sewer system. 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, interest and fees remaining to be paid on the bonds is \$4,305,656. Principal, interest, and fees paid for the current year and total customer net revenues were \$386,378 and \$519,318, respectively.

City of Webb City

Notes to the Financial Statements

October 31, 2020

11. Capital Assets

Primary Government

Capital asset activity for the year ended October 31, 2020, was as follows:

	Balance October 31, 2019	Additions	Deletions	Balance October 31, 2020
Governmental Activities				
Non-depreciable Capital Assets				
Land	\$ 2,189,564	\$ 171,800	\$ -	\$ 2,361,364
Construction in progress	222,539	218,551	-	441,090
Non-depreciable Capital Assets	2,412,103	\$ 390,351	\$ -	2,802,454
Depreciable Capital Assets				
Building and improvements	5,044,770	\$ 83,616	\$ -	5,128,386
Machinery and equipment	5,494,009	1,059,446	41,082	6,512,373
Infrastructure	33,652,886	547,427	42,890	34,157,423
Total Depreciable Capital Assets	44,191,665	\$ 1,690,489	\$ 83,972	45,798,182
Less Accumulated Depreciation	22,166,007	\$ 997,785	\$ 41,082	23,122,710
Depreciable Capital Assets, net	\$ 22,025,658		\$ 41,082	\$ 22,675,472

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

General	\$ 15,298
Police	73,836
Fire	153,152
Habitat	17,673
Emergency management	9,505
Economic development	1,871
Street	612,882
Park	47,355
Library	16,678
Storm/Park	48,407
Cemetery	1,128
	\$ 997,785

City of Webb City

Notes to the Financial Statements

October 31, 2020

	Balance October 31, 2019	Additions	Deletions	Balance October 31, 2020
Business-Type Activities				
Water				
Non-depreciable Capital Assets				
Land	\$ 68,553	\$ -	\$ -	\$ 68,553
Construction in progress	-	209,919	-	209,919
Non-depreciable Capital Assets	68,553	\$ 209,919	\$ -	278,472
Depreciable Capital Assets				
Buildings and improvements	140,356	\$ -	\$ -	140,356
Plant	4,592,803	-	-	4,592,803
Equipment	524,303	8,492	-	532,795
	5,257,462	\$ 8,492	\$ -	5,265,954
Less Accumulated Depreciation	3,284,771	\$ 136,315	\$ -	3,421,086
Depreciable Capital Assets, net	1,972,691	\$ -	\$ -	1,844,868
Sewer				
Non-depreciable Capital Assets				
Land	9,687	\$ -	\$ -	9,687
Construction in progress	90,148	199,995	90,148	199,995
Non-depreciable Capital Assets	99,835	199,995	90,148	209,682
Depreciable Capital Assets				
Buildings and improvements	1,614,667	90,148	-	1,704,815
Equipment	1,813,469	36,075	-	1,849,544
	3,428,136	\$ 126,223	\$ -	3,554,359
Less Accumulated Depreciation	1,160,711	\$ 214,680	\$ -	1,375,391
Depreciable Capital Assets, net	2,267,425	\$ -	\$ -	2,178,968
Total Capital Assets, net	\$ 4,408,504	\$ -	\$ -	\$ 4,511,990

City of Webb City

Notes to the Financial Statements

October 31, 2020

Center Creek Wastewater Treatment Board

	Balance October 31, 2019	Additions	Deletions	Balance October 31, 2020
Non-depreciable Capital Assets				
Land	\$ 2,350	\$ -	\$ -	\$ 2,350
Construction in progress	3,145,093	-	3,145,093	-
Total Non-depreciable Assets	<u>3,147,443</u>	<u>\$ -</u>	<u>\$ 3,145,093</u>	2,350
Depreciable Capital Assets				
Wastewater treatment facilities	8,036,794	\$ 3,654,744	\$ -	11,691,538
Equipment	273,879	6,500	-	280,379
Total Depreciable Assets	<u>8,310,673</u>	<u>\$ 3,661,244</u>	<u>\$ -</u>	11,971,917
Less Accumulated Depreciation	5,897,431	\$ 158,601	\$ -	6,056,032
Depreciable Capital Assets, net	<u>2,413,242</u>			<u>5,915,885</u>
Total Capital Assets, net	<u>\$ 5,560,685</u>			<u>\$ 5,918,235</u>

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, 2020

	<u>2020 Valuation</u>
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, 2020, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Inactive employees or beneficiaries currently receiving benefits	41	14	11	66
Inactive employees entitled to but not yet receiving benefits	11	12	5	28
Active employees	58	22	20	100
	<u>110</u>	<u>48</u>	<u>36</u>	<u>194</u>

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year. With an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 10.0% for General, 6.6% for Police, and 6.9% for Fire, of annual covered payroll.

Net Pension Asset (Liability). The employer's net pension asset (liability) was measured as of June 30, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 29, 2020.

Actuarial Assumptions. The total pension asset in the February 29, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increase	3.25% to 6.55% including wage inflation for the General and Police Divisions 3.25% to 7.15% including wage inflation for the Fire Division
Investment rate of return	7.25%, net of investment expenses

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

City of Webb City

Notes to the Financial Statements

October 31, 2020

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

The actuarial assumptions used in the February 29, 2020 valuation were based on the results of an actuarial experience study covering the period March 1, 2010 through February 28, 2015.

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

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

City of Webb City

Notes to the Financial Statements

October 31, 2020

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	\$ 6,626,983	\$ 6,929,264	\$ (302,281)
Changes for the year			
Service cost	225,053	-	225,053
Interest	478,447	-	478,447
Difference between expected and actual experiences	(104,759)	-	(104,759)
Contributions - employer	-	249,030	(249,030)
Net investment income	-	87,454	(87,454)
Benefits paid, including refunds	(281,472)	(281,472)	-
Administrative expenses	-	(14,387)	14,387
Other changes	-	(65,084)	65,084
Net Changes	317,269	(24,459)	341,728
Balances at end of year	6,944,252	6,904,805	39,447
Police Division			
Balances at beginning of year	3,468,717	3,865,620	(396,903)
Changes for the year			
Service cost	91,195	-	91,195
Interest	253,014	-	253,014
Difference between expected and actual experiences	(164,385)	-	(164,385)
Contributions - employer	-	71,398	(71,398)
Net investment income	-	50,277	(50,277)
Benefits paid, including refunds	(48,184)	(48,184)	-
Administrative expenses	-	(5,110)	5,110
Other changes	-	(3,012)	3,012
Net Changes	131,640	65,369	66,271
Balances at end of year	3,600,357	3,930,989	(330,632)

City of Webb City

Notes to the Financial Statements

October 31, 2020

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Fire Division			
Balances at beginning of year	4,920,829	5,680,547	(759,718)
Changes for the year			
Service cost	105,602	-	105,602
Interest	354,746	-	354,746
Difference between expected and actual experiences	(188,022)	-	(188,022)
Contributions - employer	-	65,792	(65,792)
Net investment income	-	72,961	(72,961)
Benefits paid, including refunds	(162,154)	(162,154)	-
Administrative expenses	-	(4,572)	4,572
Other changes	-	15,613	(15,613)
Net Changes	110,172	(12,360)	122,532
Balances at end of year	5,031,001	5,668,187	(637,186)
Total Plan Balances at end of year	\$ 15,575,610	\$ 16,503,981	\$ (928,371)

City of Webb City

Notes to the Financial Statements

October 31, 2020

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 7.25%, as well as what the employer's Net Pension Liability (Asset) would be using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
General Division			
Total Pension Liability	\$ 7,954,391	\$ 6,944,252	\$ 6,111,923
Fiduciary Net Position	6,904,805	6,904,805	6,904,805
Net Pension Liability (Asset)	<u>1,049,586</u>	<u>39,447</u>	<u>(792,882)</u>
Police Division			
Total Pension Liability	4,197,730	3,600,357	3,115,018
Fiduciary Net Position	3,930,989	3,930,989	3,930,989
Net Pension Liability (Asset)	<u>266,741</u>	<u>(330,632)</u>	<u>(815,971)</u>
Fire Division			
Total Pension Liability	5,725,534	5,031,001	4,457,488
Fiduciary Net Position	5,668,187	5,668,187	5,668,187
Net Pension Liability (Asset)	<u>57,347</u>	<u>(637,186)</u>	<u>(1,210,699)</u>
Total Net Pension Liability (Asset)	<u>\$ 1,373,674</u>	<u>\$ (928,371)</u>	<u>\$ (2,819,552)</u>

City of Webb City

Notes to the Financial Statements

October 31, 2020

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

For the year ended October 31, 2020, the employer recognized pension expense of \$338,899 in the general division, \$76,972 in the police division, and \$37,620 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	\$ 113,762	\$ (195,673)	\$ (81,911)
Differences in assumptions	34,375	-	34,375
Net difference between projected and actual earnings on investments	163,214	-	163,214
Contributions subsequent to the measurement date*	82,118	-	82,118
	<u>393,469</u>	<u>(195,673)</u>	<u>197,796</u>
Police Division			
Differences in experiences	68,518	(182,654)	(114,136)
Net difference between projected and actual earnings on investments	111,462	-	111,462
Contributions subsequent to the measurement date*	24,379	-	24,379
	<u>204,359</u>	<u>(182,654)</u>	<u>21,705</u>
Fire Division			
Differences in experiences	72,869	(319,928)	(247,059)
Differences in assumptions	28,479	-	28,479
Net difference between projected and actual earnings on investments	142,923	-	142,923
Contributions subsequent to the measurement date*	21,813	-	21,813
	<u>266,084</u>	<u>(319,928)</u>	<u>(53,844)</u>
Total	<u>\$ 863,912</u>	<u>\$ (698,255)</u>	<u>\$ 165,657</u>

*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, 2020

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
2021	\$ (24,104)	\$ (41,796)	\$ (73,154)	\$ (139,054)
2022	(5,871)	(6,119)	(29,299)	(41,289)
2023	83,534	38,634	27,492	149,660
2024	63,098	16,197	30,721	110,016
2025	(979)	(9,590)	(18,379)	(28,948)
Thereafter	-	-	(13,038)	(13,038)
Total	\$ 115,678	\$ (2,674)	\$ (75,657)	\$ 37,347

Payable to the Pension Plan

At October 31, 2020, the City reported \$28,361 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, 2019	Additions	Amortization	Balance October 31, 2020
Deferred loss on bond refunding	\$ 172,472	\$ -	\$ 18,988	\$ 153,484

City of Webb City

Notes to the Financial Statements

October 31, 2020

14. Interfund Transfers

Transfers between funds of the City for the year ended October 31, 2020, were as follows:

	<u>Transfers In (Out)</u>
General Fund	\$ 688,481
Street Fund	401,025
Park Fund	432,425
Storm/Park Fund	(864,850)
Capital Improvement Fund	(1,501,617)
Debt Service Fund	785,406
Water Fund	120,000
Sanitary Sewer Fund	(245,000)
Solid Waste Fund	(12,000)
Internal Service Fund	196,130
	<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, 2020

17. Internal Balances

Internal balances as of October 31, 2020, consisted of the following:

	<u>Due From (To)</u>
General Fund	\$ 76,020
Street Fund	(12,442)
Park Fund	(48,043)
Capital Improvement Fund	34,677
Habitat Fund	(66,443)
Debt Service Fund	1
Water Fund	15,361
Sanitary Sewer Fund	869
	<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, 2020, 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 \$1,000,000 annually.

The cash transactions of the health care plan are accounted for in the Self-Insurance Health Fund, an internal service fund. At October 31, 2020, 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 \$30,461. Changes in estimated benefit obligation during the past year are as follows:

Estimated Benefit Obligation, beginning of year	\$ 26,005
Claims incurred	29,229
Claims paid	(24,773)
Estimated Benefit Obligation, end of year	<u><u>\$ 30,461</u></u>

City of Webb City

Notes to the Financial Statements

October 31, 2020

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, 2020, the amount issued and outstanding was \$15,000,000. The outstanding balance is due on December 1, 2026. As of October 31, 2020, the third-party private entity is current on all payments due.

20. Related Party Transactions

During 2020, 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 2020, the City paid the Board \$763,011 for these services.

In addition, an agreement exists between the City and the Board for operation, maintenance, and management of the treatment plant provided by the City's resources. Per this agreement, the City received \$187,272 during 2020 from the Board.

21. Commitments

Primary Government

At October 31, 2020, the Board was committed to Anderson Engineering for engineering services related to the long-range sidewalk enhancements in the amount of \$45,187.

At October 31, 2020, the Board was committed to D&E Plumbing for the Route D Improvements project in the amount of \$55,480.

At October 31, 2020, the Board was committed to Olsson & Associates for the Hwy 171 Detention Feasibility project in the amount of \$30,970.

Required Supplementary Information

City of Webb City

Schedule of Changes in Net Pension Asset and Related Ratios

Year Ended October 31, 2020

Missouri Local Government Employees Retirement System (LAGERS)

	October 31, 2020	October 31, 2019	October 31, 2018	October 31, 2017	October 31, 2016	October 31, 2015
Total Pension Liability						
Service cost	\$ 421,850	\$ 398,348	\$ 390,948	\$ 373,157	\$ 360,127	\$ 354,572
Interest on total pension liability	1,086,207	996,213	971,127	911,744	836,751	793,673
Difference between expected and actual experience	(457,166)	372,456	(520,334)	(31,978)	(176,313)	(158,159)
Changes of assumptions					448,102	
Benefit payments, including refunds of employee contributions	(491,810)	(581,187)	(420,344)	(464,043)	(418,134)	(379,804)
Net Change in Total Pension Liability	559,081	1,185,830	421,397	788,880	1,050,533	610,282
Total Pension Liability, Beginning	15,016,529	13,830,699	13,409,302	12,620,422	11,569,889	10,959,607
Total Pension Liability, Ending	15,575,610	15,016,529	13,830,699	13,409,302	12,620,422	11,569,889
Plan Fiduciary Net Position						
Contributions - employer	386,220	379,510	363,440	364,025	368,344	345,370
Net investment income	210,692	1,045,120	1,756,478	1,564,494	(15,203)	243,786
Benefit payments, including refunds of employee contributions	(491,810)	(581,187)	(420,344)	(464,043)	(418,134)	(379,804)
Pension plan administrative expenses	(24,069)	(21,374)	(14,427)	(14,413)	(14,048)	(15,378)
Other	(52,483)	(118,886)	(347,466)	74,950	(136)	102,890
Net Change in Plan Fiduciary Net Position	28,550	703,183	1,337,681	1,525,013	(79,177)	296,864
Plan Fiduciary Net Position, Beginning	16,475,431	15,772,248	14,434,567	12,909,554	12,988,731	12,691,867
Plan Fiduciary Net Position, Ending	16,503,981	16,475,431	15,772,248	14,434,567	12,909,554	12,988,731
Employer Net Pension (Asset)	\$ (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	105.96%	109.72%	114.04%	107.65%	102.29%	112.26%
Covered employee payroll	\$ 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 employee payroll	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, 2020

Missouri Local Government Employees Retirement System (LAGERS)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 376,290	\$ 386,163	\$ 375,356	\$ 351,471	\$ 379,709	\$ 399,264	\$ 400,967	\$ 414,721	\$ 364,037	\$ 331,506
Contributions in relation to the actuarially determined contribution	376,290	386,163	375,356	351,471	376,854	355,758	329,724	296,168	240,779	204,382
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ 2,855	\$ 43,506	\$ 71,243	\$ 118,553	\$ 123,258	\$ 127,124
Covered-employee payroll	\$ 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	\$ 3,515,359
Contributions as a percentage of covered-employee payroll	8.54%	9.22%	9.26%	8.73%	9.70%	9.38%	8.91%	7.90%	6.82%	5.81%

See accompanying notes to the Schedule of Contributions.

City of Webb City

Notes to the Schedule of Contributions

Year Ended October 31, 2020

Valuation Date: February 29, 2020

Notes: The roll-forward of total pension liability from February 29, 2020 to June 30, 2020, reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method: Entry Age Normal and Modified Terminal Funding

Amortization Method: Level Percentage of Payroll, Closed

Remaining Amortization Period: Multiple bases from 11 to 15 years

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

Inflation: 3.25% wage inflation; 2.50% price inflation

Salary Increases: 3.25% to 6.55% including wage inflation for the General and Police Divisions

3.25% to 7.15% including wage inflation for the Fire Division

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

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

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

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

Other Information: None

City of Webb City

Budgetary Comparison Schedule – General Fund

Year Ended October 31, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Ad valorem taxes, penalties, and interest	\$ 432,322	\$ 406,295	\$ 406,295	\$ -
Surtax	50,000	61,719	61,719	-
Sales tax	2,182,293	2,497,637	2,497,637	-
Franchise taxes	820,000	799,654	799,654	-
Cigarette tax	46,000	47,217	47,217	-
Railroad and utility taxes	10,500	14,456	14,456	-
	3,541,115	3,826,978	3,826,978	-
Licenses and Permits				
Building permits	50,000	74,192	74,192	-
Business licenses	70,000	74,344	74,344	-
Zoning and planning fees	1,500	1,689	1,689	-
Animal licenses	3,500	4,966	4,966	-
	125,000	155,191	155,191	-
Intergovernmental Revenues				
Federal	95,433	127,561	127,561	-
	95,433	127,561	127,561	-
Charges for Services				
Cemetery	4,000	8,195	8,195	-
Inspections	20,000	20,825	20,825	-
Rental income	37,500	32,886	32,886	-
Ambulance receipts	2,400	2,600	2,600	-
Fines and forfeitures	275,856	257,326	257,326	-
Other	80,700	77,575	77,575	-
	420,456	399,407	399,407	-
Miscellaneous				
Interest	65,350	56,092	56,092	-
Other	13,400	42,718	42,718	-
	78,750	98,810	98,810	-
Total Revenues	4,260,754	4,607,947	4,607,947	-

See accompanying notes to the Budgetary Comparison Schedules.

City of Webb City

Budgetary Comparison Schedule – General Fund

Year Ended October 31, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Expenditures				
Current				
General government	854,355	837,530	837,530	-
Police	2,180,271	2,124,465	2,124,465	-
Fire	2,175,664	2,131,910	2,131,910	-
Court	168,456	153,842	153,842	-
Health and welfare	108,109	86,727	86,727	-
Economic development	110,667	76,424	76,424	-
Emergency management	99,123	120,404	120,404	-
Cemetery	7,200	3,419	3,419	-
Total Expenditures	5,703,845	5,534,721	5,534,721	-
<i>(Deficit) of Revenues Over Expenditures</i>	(1,443,091)	(926,774)	(926,774)	-
Other Financing Sources (Uses)				
Lease proceeds	385,250	-	-	-
Sale of assets	125,000	125,170	125,170	-
Operating transfer in	938,900	938,900	938,900	-
Operating transfer (out)	(98,000)	(250,419)	(250,419)	-
Total Other Financing Sources (Uses)	1,351,150	813,651	813,651	-
<i>(Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)</i>	(91,941)	(113,123)	(113,123)	-
Fund Balance, November 1	2,096,067	2,096,067	2,096,067	-
Fund Balance, October 31	\$ 2,004,126	\$ 1,982,944	\$ 1,982,944	\$ -

See accompanying notes to the Budgetary Comparison Schedules.

City of Webb City

Budgetary Comparison Schedule – Street Fund

Year Ended October 31, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Transportation sales tax	\$ 864,850	\$ 980,635	\$ 980,635	\$ -
Motor fuel tax	295,000	276,807	276,807	-
Motor vehicle tax	148,000	152,311	152,311	-
	1,307,850	1,409,753	1,409,753	-
Intergovernmental Revenues				
Federal grants	226,600	262,349	262,349	-
	226,600	262,349	262,349	-
Miscellaneous				
Other	-	148	148	-
Total Revenues	1,534,450	1,672,250	1,672,250	-
Expenditures				
Current				
Wages and benefits	946,075	894,547	894,547	-
Repairs and maintenance	92,500	142,079	142,079	-
Supplies	105,800	93,046	93,046	-
Utilities	25,000	18,375	18,375	-
Fuel	45,500	39,199	39,199	-
Insurance	38,000	45,049	45,049	-
Street lighting	122,000	122,140	122,140	-
Capital outlay	967,736	1,024,499	1,024,499	-
Miscellaneous	40,598	38,003	38,003	-
Total Expenditures	2,383,209	2,416,937	2,416,937	-
<i>(Deficit) of Revenues Over Expenditures</i>	(848,759)	(744,687)	(744,687)	-
Other Financing Sources (Uses)				
Operating transfers in	432,450	432,425	432,425	-
Operating transfers (out)	(31,400)	(31,400)	(31,400)	-
Total Other Financing Sources (Uses)	401,050	401,025	401,025	-
<i>(Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)</i>	(447,709)	(343,662)	(343,662)	-
Fund Balance, November 1	921,849	921,849	921,849	-
Fund Balance, October 31	\$ 474,140	\$ 578,187	\$ 578,187	\$ -

See accompanying notes to the Budgetary Comparison Schedules.

City of Webb City

Budgetary Comparison Schedule – Park Fund

Year Ended October 31, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Ad valorem taxes, penalties and interest	\$ 94,903	\$ 91,823	\$ 91,823	\$ -
Surtax	11,000	14,334	14,334	-
Railroad and utility taxes	2,400	3,280	3,280	-
	108,303	109,437	109,437	-
Charges for Services				
Rental income	10,000	12,505	12,505	-
Sports programs	88,000	75,455	75,455	-
Concessions	38,000	41,391	41,391	-
	136,000	129,351	129,351	-
Miscellaneous				
Interest	-	49	49	-
Donations	-	73,760	73,760	-
Other	3,500	7,480	7,480	-
	3,500	81,289	81,289	-
Total Revenues	247,803	320,077	320,077	-
Expenditures				
Current				
Park	713,770	730,676	730,676	-
Total Expenditures	713,770	730,676	730,676	-
<i>(Deficit) of Revenues Over Expenditures</i>	(465,967)	(410,599)	(410,599)	-
Other Financing Sources				
Operating transfers in	432,425	432,425	432,425	-
Total Other Financing Sources	432,425	432,425	432,425	-
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures</i>	(33,542)	21,826	21,826	-
Fund Balance, November 1	36,721	36,721	36,721	-
Fund Balance, October 31	\$ 3,179	\$ 58,547	\$ 58,547	\$ -

See accompanying notes to the Budgetary Comparison Schedules.

City of Webb City

Budgetary Comparison Schedule – Storm/Park Fund

Year Ended October 31, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Sales taxes	\$ 864,850	\$ 980,635	\$ 980,635	\$ -
Total Revenues	864,850	980,635	980,635	-
Other Financing (Uses)				
Operating transfers (out)	(864,850)	(864,850)	(864,850)	-
<i>Excess of Revenues Over Other Financing (Uses)</i>	-	115,785	115,785	-
Fund Balance, November 1	146,695	146,695	146,695	-
Fund Balance, October 31	\$ 146,695	\$ 262,480	\$ 262,480	\$ -

See accompanying notes to the Budgetary Comparison Schedules.

City of Webb City

Budgetary Comparison Schedule – Library Fund

Year Ended October 31, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Ad valorem taxes, penalties and interest	\$ 260,190	\$ 271,553	\$ 271,553	\$ -
Surtax	33,100	41,549	41,549	-
Railroad and utility taxes	7,000	9,732	9,732	-
	300,290	322,834	322,834	-
Intergovernmental Revenues				
Grants	4,200	6,905	6,905	-
Charges for Services				
Library fees	5,000	5,130	5,130	-
Miscellaneous				
Interest	10,000	9,934	9,934	-
Other	-	1,052	1,052	-
	10,000	10,986	10,986	-
Total Revenues	319,490	345,855	345,855	-
Expenditures				
Current				
Library	313,172	318,155	318,155	-
Investment expense	-	2,056	2,056	-
Total Expenditures	313,172	320,211	320,211	-
<i>Excess of Revenues Over Expenditures</i>	6,318	25,644	25,644	-
Fund Balance, November 1	658,058	658,058	658,058	-
Fund Balance, October 31	\$ 664,376	\$ 683,702	\$ 683,702	\$ -

See accompanying notes to the Budgetary Comparison Schedules.

City of Webb City

Budgetary Comparison Schedule – Community Development Fund

Year Ended October 31, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Current				
Community development	-	-	-	-
Total Expenditures	-	-	-	-
<i>Excess of Revenues Over Expenditures</i>	-	-	-	-
Fund Balance, November 1	14,821	14,821	14,821	-
Fund Balance, October 31	\$ 14,821	\$ 14,821	\$ 14,821	\$ -

See accompanying notes to the Budgetary Comparison Schedules.

City of Webb City

Budgetary Comparison Schedule – Capital Improvement Fund

Year Ended October 31, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Sales tax	\$ 864,850	\$ 980,635	\$ 980,635	\$ -
Total Revenues	864,850	980,635	980,635	-
Expenditures				
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
<i>Excess of Revenues Over Expenditures</i>	864,850	980,635	980,635	-
Other Financing (Uses)				
Operating transfers (out)	(1,488,406)	(1,501,617)	(1,501,617)	-
<i>(Deficit) of Revenues Over Expenditures and Other (Uses)</i>	(623,556)	(520,982)	(520,982)	-
Fund Balance, November 1	1,290,268	1,290,268	1,290,268	-
Fund Balance, October 31	\$ 666,712	\$ 769,286	\$ 769,286	\$ -

See accompanying notes to the Budgetary Comparison Schedules.

City of Webb City

Budgetary Comparison Schedule – Habitat Fund

Year Ended October 31, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental Revenues	\$ 148,004	\$ 232,540	\$ 232,540	\$ -
Miscellaneous				
Interest	500	775	775	-
Other	-	3,600	3,600	-
	500	4,375	4,375	-
Total Revenues	148,504	236,915	236,915	-
Expenditures				
Current				
Habitat rehabilitation	148,004	133,145	133,145	-
Total Expenditures	148,004	133,145	133,145	-
<i>Excess of Revenues Over Expenditures</i>	500	103,770	103,770	-
Fund Balance, November 1	2,727	2,727	2,727	-
Fund Balance, October 31	\$ 3,227	\$ 106,497	\$ 106,497	\$ -

See accompanying notes to the Budgetary Comparison Schedules.

City of Webb City

Notes to the Budgetary Comparison Schedules

Year Ended October 31, 2020

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.

Other Financial Information

City of Webb City

Combining Balance Sheet – Library Fund

October 31, 2020

	Library Fund	Webb City Library	Eliminations	Total Library Fund
Assets				
Cash and cash equivalents	\$ 7,791	\$ 213,611	\$ -	\$ 221,402
Investments	-	437,177	-	437,177
Taxes receivable	25,639	-	-	25,639
Total Assets	\$ 33,430	\$ 650,788	\$ -	\$ 684,218
 Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 516	\$ -	\$ -	\$ 516
Total Liabilities	516	-	-	516
 Fund Balances				
Assigned	32,914	650,788	-	683,702
Total Fund Balances	\$ 32,914	\$ 650,788	\$ -	\$ 683,702

City of Webb City

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

Year Ended October 31, 2020

	Library Fund	Webb City Library	Eliminations	Total Library Fund
Revenues				
Taxes				
Ad valorem taxes, penalties, and interest	\$ 271,553	\$ -	\$ -	\$ 271,553
Surtax	41,549	-	-	41,549
Railroad and utility taxes	9,732	-	-	9,732
	322,834	-	-	322,834
Intergovernmental Revenues				
Grants	-	330,546	(323,641)	6,905
Charges for Services				
Library fees	-	5,130	-	5,130
Miscellaneous				
Interest	2,165	7,769	-	9,934
Other	-	1,052	-	1,052
	2,165	8,821	-	10,986
Total Revenues	324,999	344,497	(323,641)	345,855
Expenditures				
Current				
Library	334,897	306,899	(323,641)	318,155
Investment expense	-	2,056	-	2,056
Total Expenditures	334,897	308,955	(323,641)	320,211
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(9,898)	35,542	-	25,644
Fund Balance, November 1	42,812	615,246	-	658,058
Fund Balance, October 31	\$ 32,914	\$ 650,788	\$ -	\$ 683,702