

City of Harrisonville, Missouri

Comprehensive Annual Financial Report

For the Year Ended

December 31, 2019

CITY OF HARRISONVILLE, MISSOURI
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P.O. Box 367, 300 East Pearl Street- Harrisonville, Missouri 64701

August 10, 2020

Honorable Mayor and Members of the Board of Aldermen:

The Finance Department is pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Harrisonville, Missouri (the City), for the fiscal year ended December 31, 2019. This report is required under RSMo. 105.145 and is submitted for your information and review.

The responsibility for accuracy, completeness, and fairness of the data presented, including all disclosures, rests with the City. Management believes the report as presented is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of annual operations of the City, both on a government-wide and a fund basis.

The City's Finance Department prepares the year-end trial balances and supporting schedules and assists in the preparation of the financial statements, which undergo an annual audit by an independent certified public accountant. The City's financial statements have been audited by the accounting firm of Cochran Head Vick & Co. P.C., and that audit resulted in an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2019, are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. That opinion, and the procedures and testing that led to it, is found in the "Independent Auditors' Report" at the beginning of the Financial Section of the CAFR.

Following the independent auditors' report and opinion is management's discussion and analysis (MD&A) of the financial statements. This analysis, along with the basic financial statements and notes, provides an overview of the City's financial position and operating results. The supplemental and statistical sections help provide a broader understanding of the City and, along with the introductory section, provide context to the report.

Profile of the City of Harrisonville

The town of Harrisonville was established in 1837 and was named in honor of Albert G. Harrison, one of the first two U.S. Congressional representatives elected from the state of Missouri. Harrisonville became incorporated in 1851. S.G. "Squire" Allen was appointed the first mayor of the town in 1857, and Col. H. W. Younger, father of the infamous Cole Younger, was elected mayor in 1859. There is a rich local history of the Civil War era in Harrisonville, and in the decades following the war, the town grew in importance as the county seat of Cass County and as a transportation hub for the region.

Today, Harrisonville is home to approximately 10,000 residents, with manufacturing and distribution facilities representing several major national firms. It still serves as a transportation center, with Interstate 49 and several state highways providing access to the Kansas City metropolitan area as well as the recreation areas of south-central Missouri.

The City of Harrisonville, Missouri, is a fourth-class city organized under Missouri statutes and is governed by a Mayor and eight-member Board of Aldermen, two from each of the four wards. The Mayor and Board appoint a City Administrator to serve as the chief administrative officer of the City, and to oversee the operations of all City departments. The City provides a full complement of general governmental services including police and fire protection, emergency medical services, parks and recreation, public works services, an airport, and general administrative services. The City also provides electrical distribution, water, and sanitary sewer services, all of which are accounted for in the financial statements as business-type activities.

Factors affecting financial conditions

Local economy - Overall retail sales have recovered to the levels enjoyed prior to the recession, and we see some local businesses investing in renewal. While housing remains tied to the stable population, economic development continues to focus on the creation and expansion of employment opportunities. Outside investors have continued to show interest in Harrisonville's location and workforce when considering potential business sites. Harrisonville's place as a regional trade center for basic goods and services has helped shelter the community from more severe economic downturns.

Long-term financial planning - The City prepares a ten-year Capital Improvement Plan (CIP) for constructing, maintaining, and replacing the City's physical infrastructure. These projects are reviewed annually and updated as conditions, prices, resources, and priorities change. These projections are included as a part of the five-year financial projection of each of the City's operating funds during the Board of Aldermen's annual budget process. By Board policy, the City maintains a reserve in each of the operating funds for budgetary and planning purposes.

Cash management and risk management - The primary concern of the City's cash management policy is the safety of principal. The City follows a conservative investment policy which is closely monitored by staff and reviewed annually. Investment yield remains low compared to historical averages, but the security of the investment principal is the City's overarching priority. Cash balances of the various funds are consolidated for maximum earnings flexibility. Following the close of the fiscal year, the City renewed all major insurance policies after a review and update of exposures and pricing. With both cost and risk on the increase, insurance coverage is an area which receives significant attention.

The preparation of this report would not have been possible without the year-round dedication and hard work of the staff of the Finance Department, with special thanks to the city's finance consultant, Ben Hart. The City's independent audit firm of Cochran Head Vick & Co. P.C. was instrumental in the preparation of this report and highly professional in their dealings with our staff. I would also like to thank Mayor Bowman, the Board of Aldermen, and City Administrator Brad Ratliff for their continued interest in and support of the maintenance of the financial health of our City.

Respectfully submitted,

Kim Hubbard

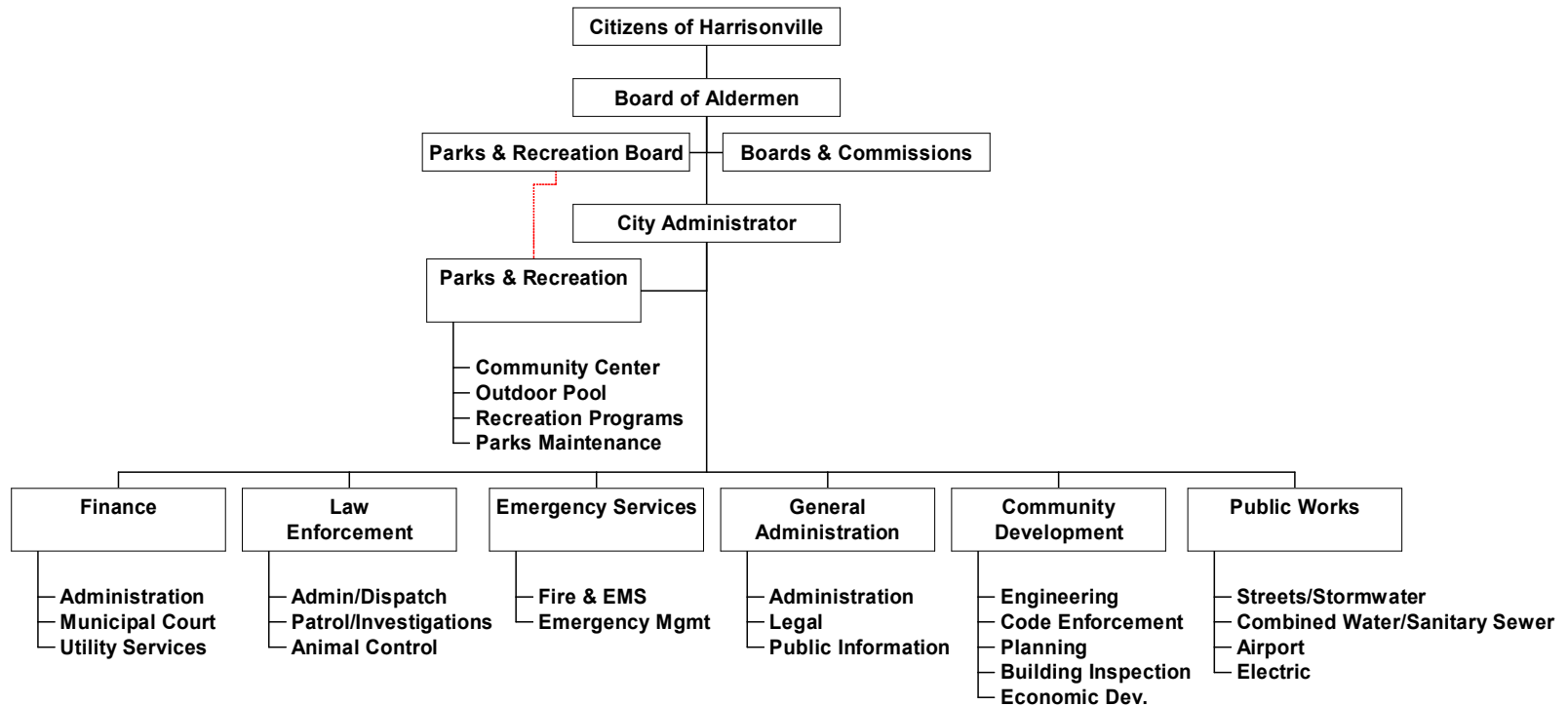
Kim Hubbard
Assistant Finance Director



City of

Harrisonville

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1836



CITY OF HARRISONVILLE, MISSOURI
PRINCIPAL OFFICIALS
DECEMBER 31, 2019

MAYOR AND BOARD OF ALDERMEN

Judy Bowman	Mayor
Brad Bockelman	Alderman Ward I
Dave Doerhoff	Alderman Ward I
Judy Reece	Alderman Ward II
Marcia Milner	Alderman Ward II
David Dickerson	Alderman Ward III
Clint Miller	Alderman Ward III
Gary Davidson	Alderman Ward IV
Matt Turner	Alderman Ward IV

ADMINISTRATOR AND DEPARTMENT HEADS

Michael Tholen	Interim City Administrator
Eric Patterson	Director of Public Works, Water/Sewer Superintendent and Electric
Rodney Jacobs	Street Superintendent
Chris Deal	Director of Parks and Recreation
Open	Director of Community Development
Randall K Jones	City Clerk
Open	Director of Finance
John Hofer	Chief of Police
Eric Myler	Fire Chief and Director of Emergency Management
Steve Mauer	City Attorney
Kevin Anderson	Municipal Judge
Joseph Cambiano	City Prosecuting Attorney

INDEPENDENT AUDITORS

Cochran Head Vick & Co. P.C.



1251 NW Briarcliff Pkwy
Suite 125
Kansas City, MO 64116
(816) 453-7014
Fax (816) 453-7016

Other Offices in
Missouri and Kansas

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Board of Aldermen
City of Harrisonville, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Harrisonville, Missouri (the City) as of and for the year ended December 31, 2019, 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.

Auditor's 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 the 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 auditor's 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 entity'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 entity'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, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2019, 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 information, schedule of changes in net pension liability (asset) and related ratios, schedule of employer contributions, and schedule of changes in net OPEB liability and related ratios as listed in the table of contents 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's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2020, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Cochran Head Vick & Co., P.C.

Kansas City, Missouri
August 10, 2020

CITY OF HARRISONVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Harrisonville's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to those financial statements.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows (Net position) at the close of the December 31, 2019 fiscal year by \$22,238,104 for the City's governmental activities and \$42,377,918 for the City's business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,845,870 a decrease of \$331,231 in comparison with the prior year. Approximately 72 percent of the fund balance, \$4,152,309 is unassigned and available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,339,212 or approximately 44 percent of the total General Fund expenditures for 2019.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 5. 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 the Statement of Activities reports information about the City as a whole and its activities in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities, and deferred inflows 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.

The Statement of Net Position and the Statement of Activities report the City's net position and changes in it. You can think of the City's net position—the difference between assets and deferred outflows less liabilities and deferred inflows—as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

CITY OF HARRISONVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is that the format is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative net financial costs of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants.

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, including general government, public safety, streets, community development, airport, emergency services, parks and recreation, and community center. Taxes, (sales, property, and franchise) charges for services, fines, and state and federal grants finance most of 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. These services include electric, water and sewer, refuse, and aquatic center.

Reporting the City's Most Significant Funds - Fund Financial Statements

The fund financial statements begin on page 12 and provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. The City establishes other funds to help it control and manage money for particular purposes. The City uses three types of funds to manage its resources: governmental, proprietary, and agency funds. A fund is a fiscal entity with a set of self-balancing accounts recording financial resources, together with all related liabilities and residual equities and balances, and the changes therein. These accounting entities are separated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions, or limitations.

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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliation following the fund financial statements.

Proprietary funds—When the City charges customers for the services it provides, 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. In fact, the City's enterprise funds, are the same as the business-type activities we report in the government-wide statements but provides more detail and additional information, such as cash flows.

CITY OF HARRISONVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiduciary Funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements since the resources of those funds are not available to support the City's operations. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Basic Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains certain *required supplemental information* that further explains and supports the information in the financial statements. This report also contains *other supplementary information* that provides certain combining and individual fund statements and schedules.

Government-Wide Financial Analysis

Our analysis below focuses on net position (Figure 1) and changes in net position (Figure 2) of the governmental and business-type activities.

Figure 1 - Statement of Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 8,833,701	\$ 9,165,019	\$ 18,112,577	\$ 16,772,944	\$ 26,946,278	\$ 25,937,963
Capital assets	21,875,193	22,707,378	41,144,633	42,495,915	63,019,826	65,203,293
Total assets	<u>30,708,894</u>	<u>31,872,397</u>	<u>59,257,210</u>	<u>59,268,859</u>	<u>89,966,104</u>	<u>91,141,256</u>
Deferred outflows of resources	993,351	958,409	160,926	452,485	1,154,277	1,410,894
Long-term debt	7,676,053	8,953,055	14,821,839	15,406,122	22,497,892	24,359,177
Other liabilities	357,778	341,332	1,800,468	2,207,787	2,158,246	2,549,119
Total liabilities	<u>8,033,831</u>	<u>9,294,387</u>	<u>16,622,307</u>	<u>17,613,909</u>	<u>24,656,138</u>	<u>26,908,296</u>
Deferred inflow of resources	1,430,310	1,434,083	417,911	485,845	1,848,221	1,919,928
Net position:						
Net investment in capital assets	19,592,986	19,696,449	26,494,501	27,265,490	46,087,487	46,961,939
Restricted	2,546,782	2,559,872	3,444,181	3,424,730	5,990,963	5,984,602
Unrestricted (deficit)	98,336	(153,985)	12,439,236	10,931,370	12,537,572	10,777,385
Total net position	<u>\$ 22,238,104</u>	<u>\$ 22,102,336</u>	<u>\$ 42,377,918</u>	<u>\$ 41,621,590</u>	<u>\$ 64,616,022</u>	<u>\$ 63,723,926</u>

Net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$64,616,022 at the close of fiscal year ended December 31, 2019. Of this total, \$5,990,963 is restricted; \$2,666,461 for pension benefits, \$34,217 for other programs, \$3,114,799 for debt service, and \$175,486 for parks and recreation.

CITY OF HARRISONVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

Figure 2 – Statement of Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 4,577,784	\$ 4,403,329	\$ 16,800,663	\$ 17,677,076	\$ 21,378,447	\$ 22,080,405
Operating grants and contributions	515,130	632,508	14,824	196,493	529,954	829,001
Capital grants and contributions	16,050	44,502	-	-	16,050	44,502
General revenues:						
Property taxes	1,164,401	1,133,550	-	-	1,164,401	1,133,550
Sales taxes	4,435,690	4,193,888	-	-	4,435,690	4,193,888
Franchise and other taxes	776,472	813,033	-	-	776,472	813,033
Tax increment financing revenues	87,618	82,096	-	-	87,618	82,096
Gain on sale of capital assets	5,923	32,977	-	-	5,923	32,977
Interest	202,604	158,282	423,453	187,254	626,057	345,536
Other	189,406	91,657	28,076	26,001	217,482	117,658
Total revenues	11,971,078	11,585,822	17,267,016	18,086,824	29,238,094	29,672,646
Expenses:						
General government	1,839,069	1,889,277	-	-	1,839,069	1,889,277
Public safety	3,080,641	2,888,428	-	-	3,080,641	2,888,428
Streets	1,860,140	1,134,081	-	-	1,860,140	1,134,081
Community development	379,232	391,307	-	-	379,232	391,307
Animal control	179,637	214,988	-	-	179,637	214,988
Airport	243,365	283,122	-	-	243,365	283,122
Emergency services	2,776,094	2,568,186	-	-	2,776,094	2,568,186
Parks and recreation	580,630	534,155	-	-	580,630	534,155
Community center	1,493,221	1,478,927	-	-	1,493,221	1,478,927
Interest on long-term debt	276,475	519,512	-	-	276,475	519,512
Electric	-	-	10,493,564	9,998,594	10,493,564	9,998,594
Water /Sewer	-	-	4,286,057	3,995,319	4,286,057	3,995,319
Refuse	-	-	583,900	587,774	583,900	587,774
Aquatic center	-	-	273,973	253,097	273,973	253,097
Total expenses	12,708,504	11,901,983	15,637,494	14,834,784	28,345,998	26,736,767
Transfers in (out)	(31,950)	-	31,950	-	-	-
Transfers - payment in lieu of taxes	905,144	974,013	(905,144)	(974,013)	-	-
Change in net position	135,768	657,852	756,328	2,278,027	892,096	2,935,879
Net position, beginning	22,102,336	21,444,484	41,621,590	39,343,563	63,723,926	60,788,047
Net position, ending	\$ 22,238,104	\$ 22,102,336	\$ 42,377,918	\$ 41,621,590	\$ 64,616,022	\$ 63,723,926

Total revenues decreased \$434,552 over 2019. In 2019, approximately 73.1% of total revenues are charges for services. The majority of the City's total revenue comes from the business-type activities of the Electric and Combined Water and Sewer utility funds. In the governmental activities area, taxes were the largest single source of income, led by the sales tax revenues which account for 37.1% of governmental revenues.

CITY OF HARRISONVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

Total program expenses for 2019 are \$28,345,998 with the majority, \$15,637,494, stemming from business-type activities. Governmental activities expenses increased \$806,521 while the business-type activities expenses increased \$802,710.

Public safety expenses, at \$3,080,641, totaled approximately 24.2% of the governmental activities, while the electric utility expenses compose 67.1% of the business-type activities expenses.

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As mentioned earlier in this analysis, at the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,845,870. Of this amount \$1,693,361 is *non-spendable, restricted, or committed* for various purposes and \$4,152,509 is unassigned.

The City's fund balance of the General Fund decreased \$328,918 during the current fiscal year. For external financial reporting, the City's Emergency Fund activities are combined with the General Fund's activities. The General Funds activities decreased fund balance by \$107,487 while the Emergency Fund's activities decreased fund balance by \$221,431. General Fund combining financial statements are presented on pages 58 and 59 of this report.

The Community Center Fund has an ending fund balance of \$57,530. Fund balance increased by \$6,870 because expenditures were kept at a minimum in an effort to offset the revenue not meeting projections.

The Town Center TIF Fund has an ending fund balance of \$36,940 of which \$36,623 is restricted. The Towne Center TIF Fund continues to impact the net position of the City. The anchor tenant opened in spring 2007. One additional pad site has been occupied, and a hotel has been opened on the south end. The two remaining pad sites are still open for development. The City budgeted and contributed City funds to help meet the debt service schedule in 2019 but will need additional development to continue to service the debt without impacting other City funds.

Proprietary Fund

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The net position of the electric fund at the end of the year totaled \$12,036,204, an increase of \$84,291 from 2018. The net position of the water/sewer fund amounted to \$29,876,054 at the end of 2019, an increase of \$735,380 from 2018.

CITY OF HARRISONVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund Budgetary Highlights

On a budgetary basis, the General Fund is the main operating fund of the City. The budgetary basis fund balance decreased \$202,945 from the prior year. The General Fund's expenditures were less than budgeted amounts by \$1,117,101. The primary reason for General Fund not meeting budgeted expenditures was due to reorganization of staff and vacant positions. The Community Development Director position was not filled due to reorganization of that division. Also, there were several police positions vacant during 2019.

Capital Asset and Debt Administration

At the end of December 31, 2019, the City had \$63,019,826 invested in capital assets including land, buildings and improvements, equipment, vehicles, infrastructure, and water and sewer lines net of accumulated depreciation. (See table below) This represents a net decrease of \$2,183,467 from last year. See Note 6 to basic financial statements for more information and detail on the City's capital assets

	Capital assets, net of accumulated depreciation					
	Governmental		Business-type		Total	
	Activities	Activities	Activities	Activities	2019	2018
	2019	2018	2019	2018	2019	2018
Land	\$ 838,674	\$ 838,674	\$ 1,588,031	\$ 1,588,031	\$ 2,426,705	\$ 2,426,705
Construction in progress	-	1,476,504	-	11,516,664	-	12,993,168
Buildings and improvements	16,399,485	15,787,233	24,257,270	14,725,967	40,656,755	30,513,200
Machinery and equipment	846,668	909,549	439,715	462,185	1,286,383	1,371,734
Vehicles	686,205	570,163	361,194	444,276	1,047,399	1,014,439
Infrastructure	3,104,161	3,125,255	14,498,423	13,758,792	17,602,584	16,884,047
Total	\$ 21,875,193	\$ 22,707,378	\$ 41,144,633	\$ 42,495,915	\$ 63,019,826	\$ 65,203,293

Significant governmental activities additions include purchase of a new ambulance and other vehicles of approximately \$298,000.

Significant business-type activities include completion of the improvements to the water treatment plant. These improvements were funded by the voter approved bonds utilizing the State Revolving Fund financing program through the Missouri Department of Natural Resources.

CITY OF HARRISONVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

As of December 31, 2019, the City had total long-term debt outstanding of \$22,497,892. Details of the existing debt obligations of the City are discussed in Note 7 to the financial statements. The City continues to have no general obligation debt.

	Outstanding Obligations					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Compensated absences	\$ 266,533	\$ 283,618	\$ 112,277	\$ 113,967	\$ 378,810	\$ 397,585
OPEB liability	162,780	174,388	59,430	61,730	222,210	236,118
Certificates of participation	2,425,000	3,185,000	-	-	2,425,000	3,185,000
Revenue bonds	-	-	14,511,700	15,049,054	14,511,700	15,049,054
Tax increment revenue bonds	4,720,000	5,180,000	-	-	4,720,000	5,180,000
Promissory notes	63,532	80,931	94,771	127,391	158,303	208,322
Premiums	38,208	49,118	44,894	56,448	83,102	105,566
Discounts	-	-	(1,233)	(2,468)	(1,233)	(2,468)
Total	<u>\$ 7,676,053</u>	<u>\$ 8,953,055</u>	<u>\$ 14,821,839</u>	<u>\$ 15,406,122</u>	<u>\$ 22,497,892</u>	<u>\$ 24,359,177</u>

Economic Outlook

The City of Harrisonville, Missouri, benefitted from a relatively stable economic situation in 2019, with overall employment remaining steady and a slight increase in sales tax collections.

Since the onset of the Coronavirus Pandemic the City of Harrisonville has been following State requirements and urging its citizens to use precautionary measures such as limiting gatherings to groups of 10 people and wearing face masks when unable to socially distance. Such State and local measures may have an adverse effect on sales taxes generated in the City and on the timing of receipt of sales taxes by the City. While the City is not able to predict and makes no representations as to the economic impact of the unprecedented Coronavirus pandemic on the City or its financial position, management has been taking steps to estimate revenue impacts and identify potential offsetting expenditure reductions.

The City entered into a contract with Burns and McDonnell to conduct a water/sewer rate study and staff anticipates the study to be completed in 2020. Approximately \$850,000 of infrastructure improvements were planned and completed in 2019 including sidewalks, storm water, and street overlay projects. Fiscal Year 2020 plans are to complete approximately \$500,000 of infrastructure improvements similar to 2019. A new ambulance was purchased, and a new fire truck ordered in 2019. The estimated delivery time for the fire truck is anticipated the end of September 2020. The financial software system update implementation is scheduled to begin in October 2020. Election of half of the Board of Aldermen took place June 2, 2020, the next board election is scheduled for April 2022. These elected officials serve four-year terms. The Board of Aldermen and City staff take a vigilant approach to monitoring the City's financial health, identifying, and acting on trends in order to forestall any major problems.

Financial Contact

These financial statements are designed to provide a general overview of the City's finances and to demonstrate the City's accountability. Any questions or request for additional information should be directed to the Assistant Finance Director, 300 E. Pearl Street, Harrisonville, Missouri 64701.

City of Harrisonville, Missouri
Statement of Net Position
December 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 3,726,473	\$ 12,082,972	\$ 15,809,445	\$ 92,251
Receivables:				
Taxes	773,654	-	773,654	35,247
Accounts and other	563,360	1,631,416	2,194,776	-
Due from other governments	67,245	-	67,245	34,435
Due from component unit	275,000	-	275,000	-
Loan receivable	430,444	-	430,444	-
Prepays, deposits and other assets	312,902	112,861	425,763	2,560
Inventory	122,473	581,880	704,353	-
Restricted assets:				
Cash and investments	370,657	2,771,960	3,142,617	-
Net pension asset	2,191,493	931,488	3,122,981	-
Capital assets:				
Not being depreciated	838,674	1,588,031	2,426,705	-
Being depreciated, net of depreciation	21,036,519	39,556,602	60,593,121	-
Total assets	<u>30,708,894</u>	<u>59,257,210</u>	<u>89,966,104</u>	<u>164,493</u>
Deferred Outflows of Resources				
Deferred charges on refunding	223,472	-	223,472	-
Deferred outflow - OPEB related activity	24,327	8,882	33,209	-
Deferred outflow - pension related activity	745,552	152,044	897,596	-
Total deferred outflows of resources	<u>993,351</u>	<u>160,926</u>	<u>1,154,277</u>	<u>-</u>
Liabilities				
Accounts payable	72,995	681,983	754,978	-
Accrued liabilities	229,731	111,914	341,645	-
Unearned revenues	17,971	-	17,971	-
Accrued interest	30,868	-	30,868	105,547
Due to primary government	-	-	-	275,000
Customer deposits	-	1,006,571	1,006,571	-
Court bonds	6,213	-	6,213	-
Long term debt:				
Due within one year	1,550,192	1,196,584	2,746,776	-
Due in more than one year	6,125,861	13,625,255	19,751,116	14,326,059
Total liabilities	<u>8,033,831</u>	<u>16,622,307</u>	<u>24,656,138</u>	<u>14,706,606</u>
Deferred Inflows of Resources				
Deferred inflow - property taxes	469,428	-	469,428	-
Deferred inflow - OPEB related activity	18,077	6,600	24,677	-
Deferred inflow - pension related activity	942,805	411,311	1,354,116	-
Total deferred inflows of resources	<u>1,430,310</u>	<u>417,911</u>	<u>1,848,221</u>	<u>-</u>
Net Position				
Net investment in capital assets	19,592,986	26,494,501	46,087,487	-
Restricted :				
Restricted for pension benefits	1,994,240	672,221	2,666,461	-
Other programs	34,217	-	34,217	-
Debt service	342,839	2,771,960	3,114,799	-
Parks and recreation	175,486	-	175,486	-
Unrestricted (deficit)	98,336	12,439,236	12,537,572	(14,542,113)
Total net position	<u>\$ 22,238,104</u>	<u>\$ 42,377,918</u>	<u>\$ 64,616,022</u>	<u>\$ (14,542,113)</u>

See accompanying notes to the basic financial statements

City of Harrisonville, Missouri
Statement of Activities
For the Year Ended December 31, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating	Capital	Primary Government			Component Unit
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities								
General government	\$ 1,839,069	\$ 1,854,682	\$ 88,305	\$ -	\$ 103,918	\$ -	\$ 103,918	\$ -
Public safety	3,080,641	215,624	-	-	(2,865,017)	-	(2,865,017)	-
Streets	1,860,140	-	408,885	-	(1,451,255)	-	(1,451,255)	-
Community development	379,232	-	-	-	(379,232)	-	(379,232)	-
Animal control	179,637	33,797	17,640	-	(128,200)	-	(128,200)	-
Airport	243,365	165,491	-	16,050	(61,824)	-	(61,824)	-
Emergency services	2,776,094	1,311,828	-	-	(1,464,266)	-	(1,464,266)	-
Parks and recreation	580,630	60,682	300	-	(519,648)	-	(519,648)	-
Community center	1,493,221	935,680	-	-	(557,541)	-	(557,541)	-
Interest on long-term debt	276,475	-	-	-	(276,475)	-	(276,475)	-
Total governmental activities	12,708,504	4,577,784	515,130	16,050	(7,599,540)	-	(7,599,540)	-
Business-type activities								
Electric	10,493,564	11,286,318	14,824	-	-	807,578	807,578	-
Water/Sewer	4,286,057	4,752,229	-	-	-	466,172	466,172	-
Refuse	583,900	609,760	-	-	-	25,860	25,860	-
Aquatic center	273,973	152,356	-	-	-	(121,617)	(121,617)	-
Total business-type activities	15,637,494	16,800,663	14,824	-	-	1,177,993	1,177,993	-
Total primary government	\$ 28,345,998	\$ 21,378,447	\$ 529,954	\$ 16,050	(7,599,540)	1,177,993	(6,421,547)	-
Component Unit								
Economic development	\$ 612,559	\$ -	\$ -	\$ -	-	-	-	(612,559)
Total component unit	\$ 612,559	\$ -	\$ -	\$ -	-	-	-	(612,559)
General revenues:								
Taxes:								
Property taxes					1,164,401	-	1,164,401	208,222
Sales taxes					4,435,690	-	4,435,690	336,672
Franchise taxes					450,147	-	450,147	-
Tax increment financing taxes					87,618	-	87,618	70,413
Other taxes					326,325	-	326,325	-
Unrestricted investment earnings					202,604	423,453	626,057	-
Gain on disposal of capital assets					5,923	-	5,923	-
Other					189,406	28,076	217,482	-
Transfers:								
Transfers in (out)					(31,950)	31,950	-	-
Payment in lieu of taxes					905,144	(905,144)	-	-
Total general revenues and transfers					7,735,308	(421,665)	7,313,643	615,307
Change in net position					135,768	756,328	892,096	2,748
Net position (deficit), beginning of year					22,102,336	41,621,590	63,723,926	(14,544,861)
Net position (deficit), end of year					\$ 22,238,104	\$ 42,377,918	\$ 64,616,022	\$ (14,542,113)

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See accompanying notes to the basic financial statements

Exhibit B

City of Harrisonville, Missouri
Balance Sheet - Governmental Funds
December 31, 2019

	General	Community	Towne	Nonmajor	Total
	Fund	Center	Center	Governmental	Governmental
	Fund	Fund	TIF Fund	Funds	Funds
Assets					
Cash and investments	\$ 3,668,293	\$ -	\$ -	\$ 58,180	\$ 3,726,473
Receivables:					
Taxes	558,516	175,486	37,007	2,645	773,654
Accounts and other	530,816	32,544	-	-	563,360
Due from other governments	32,707	-	34,538	-	67,245
Due from other funds	192,098	-	-	-	192,098
Due from component unit	275,000	-	-	-	275,000
Loan receivable	430,444	-	-	-	430,444
Prepays, deposits and other assets	269,693	27,354	1,280	14,575	312,902
Inventory	122,473	-	-	-	122,473
Restricted cash and investments	40,430	-	24,011	306,216	370,657
Total Assets	\$ 6,120,470	\$ 235,384	\$ 96,836	\$ 381,616	\$ 6,834,306
Liabilities					
Accounts payable	\$ 67,028	\$ 3,713	\$ -	\$ 2,254	\$ 72,995
Accrued liabilities	198,170	23,005	-	8,556	229,731
Unearned revenues	-	17,971	-	-	17,971
Court bonds payable	6,213	-	-	-	6,213
Due to other funds	-	133,165	58,933	-	192,098
Total Liabilities	271,411	177,854	58,933	10,810	519,008
Deferred inflows of resources					
Unavailable revenues	378,020	-	-	91,408	469,428
Fund balances:					
Nonspendable:					
Prepaid items and inventory	392,166	27,354	1,280	14,575	435,375
Advances to component unit and note receivable	705,444	-	-	-	705,444
Restricted:					
Other programs	34,217	-	-	-	34,217
Debt service	-	-	36,623	306,216	342,839
Parks and recreation	-	175,486	-	-	175,486
Unassigned (deficit)	4,339,212	(145,310)	-	(41,393)	4,152,509
Total fund balance	5,471,039	57,530	37,903	279,398	5,845,870
Total liabilities, deferred inflows of resources and fund balances	\$ 6,120,470	\$ 235,384	\$ 96,836	\$ 381,616	\$ 6,834,306

See accompanying notes to the basic financial statements

**City of Harrisonville, Missouri
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2019**

Fund balances of governmental funds	\$	5,845,870
Amounts reported for governmental activities in the statement of net position are different because:		
Net pension asset is not available to pay for current period expenditures and are therefore deferred in the governmental fund statements		2,191,493
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.		21,875,193
Deferred charges on refunding are not due and payable in the current period and therefore not reported in the governmental fund statements		223,472
Deferred outflows and inflows related to pension activity are not required to be reported in the governmental funds but are required to be reported in the Statement of Net Position		(197,253)
Liabilities for interest on long-term debt are recognized only when due in the governmental fund statements but are accrued in the government-wide statements.		(30,868)
Deferred outflows and inflows related to OPEB activity are not required to be reported in the governmental funds but are required to be reported in the Statement of Net Position		6,250
Long-term liabilities for items such as bonds, certificates of participation and capital leases are not current obligations and, therefore, not recorded in the governmental fund statements.		
Long-term liabilities		(7,664,445)
Net OPEB liabilities are not due and payable in the current period and therefore are not reported in the governmental fund statements.		(11,608)
Net position of governmental activities	<u>\$</u>	<u>22,238,104</u>

See accompanying notes to the basic financial statements

Exhibit D

City of Harrisonville, Missouri
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2019

	General Fund	Community Center Fund	Towne Center TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Property	\$ 805,941	\$ -	\$ 169,155	\$ 189,305	\$ 1,164,401
Sales	3,090,329	1,081,657	263,704	-	4,435,690
Franchise	450,147	-	-	-	450,147
Other	326,325	-	-	-	326,325
Licenses, fees and permits	142,494	-	-	-	142,494
Charges for services	3,211,110	935,680	-	60,682	4,207,472
Intergovernmental	424,935	-	87,618	-	512,553
Fines and forfeitures	211,234	-	-	-	211,234
Investment income	193,351	2,123	3,239	3,891	202,604
Other	197,869	9,851	-	16,210	223,930
Reimbursements	88,305	-	-	-	88,305
Total revenues	9,142,040	2,029,311	523,716	270,088	11,965,155
Expenditures:					
Current:					
General government	1,754,862	-	-	-	1,754,862
Public safety	2,984,290	-	-	-	2,984,290
Streets	890,508	-	-	-	890,508
Community development	346,106	-	10,765	-	356,871
Animal control	175,362	-	-	-	175,362
Airport	98,270	-	-	-	98,270
Emergency services	2,589,847	-	-	-	2,589,847
Parks and recreation	-	-	-	518,865	518,865
Community center	-	1,163,679	-	-	1,163,679
Capital outlay	1,070,851	76,748	-	23,371	1,170,970
Debt service:					
Principal	-	17,399	460,000	760,000	1,237,399
Interest and fiscal charges	-	1,532	151,988	81,060	234,580
Total expenditures	9,910,096	1,259,358	622,753	1,383,296	13,175,503
Excess of revenues over (under) expenditures	(768,056)	769,953	(99,037)	(1,113,208)	(1,210,348)
Other financing sources (uses):					
Transfers in	-	76,748	100,000	1,103,062	1,279,810
Transfers out	(471,929)	(839,831)	-	-	(1,311,760)
Payments in lieu of taxes (PILOTS)	905,144	-	-	-	905,144
Sale of capital assets	5,923	-	-	-	5,923
Total other financing sources (uses)	439,138	(763,083)	100,000	1,103,062	879,117
Net change in fund balances	(328,918)	6,870	963	(10,146)	(331,231)
Fund balances, beginning of year	5,799,957	50,660	36,940	289,544	6,177,101
Fund balances, end of year	\$ 5,471,039	\$ 57,530	\$ 37,903	\$ 279,398	\$ 5,845,870

See accompanying notes to the basic financial statements

**Exhibit D
(continued)**

**City of Harrisonville, Missouri
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2019**

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

Net change in fund balances - total governmental funds	\$ (331,231)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay costs in excess of capitalization threshold	559,987
Depreciation	(1,392,172)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Principal payments on long-term debt	1,237,399
Changes in unamortized bond issuance discount and premium	10,910
Changes in accrued interest expense	4,442
Changes in deferred amount on refunding	(57,247)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	17,085
Change in net pension liability/asset	206,686
Change in pension related deferred outflows	67,862
Change in pension related deferred inflows	(225,694)
Change in OPEB liability and related deferred inflows	37,741

Change in net position of governmental activities	\$ 135,768
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See accompanying notes to the basic financial statements

City of Harrisonville, Missouri
Statement of Net Position
Proprietary Funds
December 31, 2019

	Electric Fund	Water/Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Assets				
Current assets:				
Cash and investments	\$ 5,219,525	\$ 6,766,851	\$ 96,596	\$ 12,082,972
Accounts receivable, net	970,162	623,310	37,944	1,631,416
Prepaid expenses	35,890	74,997	1,974	112,861
Inventory	464,183	117,697	-	581,880
Total current assets	<u>6,689,760</u>	<u>7,582,855</u>	<u>136,514</u>	<u>14,409,129</u>
Noncurrent assets:				
Restricted cash and investments	784,529	1,987,431	-	2,771,960
Capital assets:				
Not being depreciated	99,716	1,488,315	-	1,588,031
Being depreciated, net of depreciation	6,185,690	33,040,162	330,750	39,556,602
Net pension asset	430,558	500,930	-	931,488
Total noncurrent assets	<u>7,500,493</u>	<u>37,016,838</u>	<u>330,750</u>	<u>44,848,081</u>
Total assets	<u>14,190,253</u>	<u>44,599,693</u>	<u>467,264</u>	<u>59,257,210</u>
Deferred Outflow of Resources				
Deferred outflow - OPEB related activity	3,993	4,645	244	8,882
Deferred outflow - pension related activity	70,279	81,765	-	152,044
	<u>74,272</u>	<u>86,410</u>	<u>244</u>	<u>160,926</u>
Liabilities				
Current liabilities:				
Accounts payable	642,680	39,303	-	681,983
Accrued liabilities	76,406	35,475	33	111,914
Customer deposits	1,006,571	-	-	1,006,571
Current portion of long-term debt	282,863	913,721	-	1,196,584
Total current liabilities:	<u>2,008,520</u>	<u>988,499</u>	<u>33</u>	<u>2,997,052</u>
Long-term liabilities:				
Long-term debt	26,715	13,596,906	1,634	13,625,255
Total long-term liabilities:	<u>26,715</u>	<u>13,596,906</u>	<u>1,634</u>	<u>13,625,255</u>
Total liabilities	<u>2,035,235</u>	<u>14,585,405</u>	<u>1,667</u>	<u>16,622,307</u>
Deferred Inflows of Resources				
Deferred inflow - OPEB related activity	2,967	3,452	181	6,600
Deferred inflow - pension related activity	190,119	221,192	-	411,311
Total deferred inflows of resources	<u>193,086</u>	<u>224,644</u>	<u>181</u>	<u>417,911</u>
Net position				
Net investment in capital assets	6,036,639	20,127,112	330,750	26,494,501
Restricted net position for:				
Restricted for pension benefits	310,718	361,503	-	672,221
Debt service	784,529	1,987,431	-	2,771,960
Unrestricted	4,904,318	7,400,008	134,910	12,439,236
Total net position	<u>\$ 12,036,204</u>	<u>\$ 29,876,054</u>	<u>\$ 465,660</u>	<u>\$ 42,377,918</u>

See accompanying notes to the basic financial statements

City of Harrisonville, Missouri
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Electric Fund	Water/Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Operating revenues:				
Charges for services	\$ 11,286,318	\$ 4,752,229	\$ 762,116	\$ 16,800,663
Total operating revenues	<u>11,286,318</u>	<u>4,752,229</u>	<u>762,116</u>	<u>16,800,663</u>
Operating expenses:				
Production	-	1,124,827	-	1,124,827
Distribution	7,856,916	734,103	-	8,591,019
Administration	2,276,125	1,033,692	771,207	4,081,024
Depreciation	339,600	1,116,978	86,666	1,543,244
Total operating expenses	<u>10,472,641</u>	<u>4,009,600</u>	<u>857,873</u>	<u>15,340,114</u>
Operating income (loss)	<u>813,677</u>	<u>742,629</u>	<u>(95,757)</u>	<u>1,460,549</u>
Nonoperating revenues (expenses):				
Interest income	160,708	262,281	464	423,453
Intergovernmental	14,824	-	-	14,824
Other income	21,149	6,927	-	28,076
Interest expense and fees	(20,923)	(276,457)	-	(297,380)
Total nonoperating revenues (expenses)	<u>175,758</u>	<u>(7,249)</u>	<u>464</u>	<u>168,973</u>
Income (loss) before transfers and payment in lieu of taxes	989,435	735,380	(95,293)	1,629,522
Transfers in	-	-	31,950	31,950
Payments in lieu of taxes (PILOTS)	<u>(905,144)</u>	<u>-</u>	<u>-</u>	<u>(905,144)</u>
Change in net position	84,291	735,380	(63,343)	756,328
Total net position, beginning of year	<u>11,951,913</u>	<u>29,140,674</u>	<u>529,003</u>	<u>41,621,590</u>
Total net position, end of year	<u>\$ 12,036,204</u>	<u>\$ 29,876,054</u>	<u>\$ 465,660</u>	<u>\$ 42,377,918</u>

See accompanying notes to the basic financial statements

City of Harrisonville, Missouri
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Electric Fund	Water/Sewer Fund	Nonmajor Enterprise Funds	Total
Cash flows from operating activities:				
Receipts from customers and others	\$ 11,594,773	\$ 4,699,884	\$ 766,456	\$ 17,061,113
Payments to suppliers	(9,222,040)	(2,194,712)	(690,285)	(12,107,037)
Payments to employees	(963,968)	(1,169,800)	(80,755)	(2,214,523)
Net cash provided by (used in) operating activities	<u>1,408,765</u>	<u>1,335,372</u>	<u>(4,584)</u>	<u>2,739,553</u>
Cash Flows Provided by (used in) Noncapital Financing Activities:				
Transfers in (out)	-	-	31,950	31,950
Pilots in lieu of taxes	(905,144)	-	-	(905,144)
Intergovernmental revenues	131,374	-	-	131,374
Net cash flows provided by (used in) noncapital financing activities	<u>(773,770)</u>	<u>-</u>	<u>31,950</u>	<u>(741,820)</u>
Cash flows from investing activities:				
Interest received	160,708	262,281	464	423,453
Change in investments	(779,964)	(703,746)	-	(1,483,710)
Net cash flows provided by (used in) investing activities	<u>(619,256)</u>	<u>(441,465)</u>	<u>464</u>	<u>(1,060,257)</u>
Cash flows from capital and related financing activities:				
Purchases of capital assets	(21,543)	(170,419)	-	(191,962)
Interest and fiscal charges	(19,688)	(288,011)	-	(307,699)
Proceeds from long-term debt	-	4,648,587	-	4,648,587
Principal payments on long-term debt	(208,259)	(4,967,404)	-	(5,175,663)
Net cash flows provided by (used in) capital and related financing activities	<u>(249,490)</u>	<u>(777,247)</u>	<u>-</u>	<u>(1,026,737)</u>
Net change in cash and equivalents	(233,751)	116,660	27,830	(89,261)
Cash and equivalents, beginning of year	1,533,512	1,692,111	68,766	3,294,389
Cash and equivalents, end of year	1,299,761	1,808,771	96,596	3,205,128
Investments and long-term certificates of deposit	4,704,293	6,945,511	-	11,649,804
Total cash and investments reported on the Statement of Net Position	<u>\$ 6,004,054</u>	<u>\$ 8,754,282</u>	<u>\$ 96,596</u>	<u>\$ 14,854,932</u>
Cash and investments reported on the Statement of Net Position				
Cash and investments	\$ 5,219,525	\$ 6,766,851	\$ 96,596	\$ 12,082,972
Restricted cash and investments	784,529	1,987,431	-	2,771,960
Total cash and investments	<u>\$ 6,004,054</u>	<u>\$ 8,754,282</u>	<u>\$ 96,596</u>	<u>\$ 14,854,932</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 813,677	\$ 742,629	\$ (95,757)	\$ 1,460,549
Adjustments to reconcile operating income(loss) to net cash provided by (used in) operations:				
Depreciation and amortization	339,600	1,116,978	86,666	1,543,244
Nonoperating income	21,149	6,927	-	28,076
Change in compensated absences	(21,092)	(8,579)	-	(29,671)
Changes in OPEB liability	(15,217)	(2,129)	129	(17,217)
Changes in net pension asset/liability	(88,087)	(108,791)	-	(196,878)
Changes in deferred outflows of resources	136,674	155,129	(244)	291,559
Changes in deferred inflows of resources	(36,155)	(31,788)	9	(67,934)
Changes in:				
Receivables	259,987	(59,272)	4,340	205,055
Prepaid expenses and deposits	19,421	(13,401)	653	6,673
Inventory	(79,449)	2,865	-	(76,584)
Accounts payable	(15,196)	(469,833)	(413)	(485,442)
Accrued liabilities	46,134	4,637	33	50,804
Customer deposits	27,319	-	-	27,319
Net cash provided by (used in) operating activities	<u>\$ 1,408,765</u>	<u>\$ 1,335,372</u>	<u>\$ (4,584)</u>	<u>\$ 2,739,553</u>

City of Harrisonville
Statement Assets and Liabilities - Fiduciary Funds
December 31, 2019

Exhibit H

	<u>Agency Funds</u>
ASSETS:	
Cash and investments	\$ 361,459
Taxes receivable	<u>205,269</u>
Total assets	<u><u>\$ 566,728</u></u>
LIABILITIES:	
Held for others	<u>\$ 566,728</u>
Total liabilities	<u><u>\$ 566,728</u></u>

See accompanying notes to the basic financial statements

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

(1) Summary of Significant Accounting Policies

The City of Harrisonville, Missouri (the City) was founded in 1837. The City is a fourth-class city in which citizens elect the Mayor at large and eight board of aldermen members by wards. The City provides a variety of general governmental services to residents including general administrative services, public safety, public works, parks and recreation, airport, and cemetery operations. Other services include electric, water, sewer, and sanitation operations.

The accounting and reporting policies of the City conform to generally accepted accounting principles (GAAP) in the United States of America applicable to local governments. The following represent the more significant accounting and reporting policies and practices of the City.

A. Financial Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The accompanying financial statements present the City (the primary government) and any component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). In determining the financial reporting entity, the City complies with GAAP, and includes all component units of which the City appointed a voting majority of the units' board and the City is either able to impose its will on the unit or a financial benefit or burden exists.

The City has developed criteria to determine whether outside agencies with activities which benefit the citizens of the City, including joint agreements, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the City exercises oversight responsibility, which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters, scope of public service, and special financing relationships. Component units are reported in the City's financial statements as follows:

Discretely Presented Component Unit

A discretely presented component unit is a separate legal entity that meets the component unit criteria. These criteria include the ability to impose its will on or significantly influence the organization or if a financial benefit or burden relationship exists.

The Market Place TIF District Fund (the District) accounts for the revenues and expenditures associated with the Market Place Redevelopment Project.

Blended Component Unit

In addition to the criteria noted above, a blended component unit's governing body is the same or substantially the same as the City's Board of Aldermen, or the component unit provides services entirely to the City. The component unit's funds are blended into those of the City by appropriate fund type to constitute the primary government presentation.

The Towne Center TIF Fund accounts for proceeds of the TIF notes issued to pay for the Towne Center Redevelopment Project along with the tax proceeds and uses generated by the District. The City has not adopted an annual budget for this fund.

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

B. Basis of Presentation

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

Government-wide financial statements

The statement of net position and the statement of activities display information about the City, the primary government, as a whole. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the City.

Fund financial statements

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

GOVERNMENTAL FUNDS

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (other than those in Proprietary Funds) are accounted for through Governmental Funds. The measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination.

The following are the City's major governmental funds:

General Fund – this 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. For financial reporting purposes, the City's Emergency Services Fund's activities are included in the General Fund.

Community Center Fund - this fund is responsible for the operations of the City's Community Center. The fund is financed by the park sales tax and charges for services.

Towne Center TIF Fund - this fund accounts for the proceeds of the TIF notes issued to pay for the Towne Center Redevelopment Project along with the tax increment financing revenues generated by the TIF District. The City has not adopted an annual budget for this fund.

PROPRIETARY FUNDS

Proprietary Funds are used to account for the City's ongoing activities which are similar to those found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position.

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

The following are the City's major proprietary funds:

Electric Fund – this fund accounts for the billing and collection of charges for electric service for most City residents. Revenues are used to pay for both operations and capital outlay to maintain this service.

Water and Sewer Fund – this fund accounts for the billing and collection of charges for water and sanitary sewer services to the residents of the City and a limited number of customers outside of City limits. All activities necessary to provide such services are accounted for in this fund.

Additionally, the City reports the following nonmajor funds:

Governmental Funds

Park Fund – this fund is primarily used for the maintenance of the City's parks. The fund is financed by property taxes, intergovernmental revenues, and charges for services.

Debt Service Fund – this fund is used to account for the accumulation of financial resources for, and the payment of, the principal and interest for the 2012 Certificates of Participation.

Proprietary Funds

Aquatic Center Fund – This fund accounts for the operations and maintenance of the Aquatic Center.

Refuse Fund – this fund accounts for the provision of refuse collection to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

Fiduciary Funds

This fund accounts for the City's fiduciary responsibility to account for the receipts and disbursements associated with the Highway 71/291 Partners in Progress TDD and the Hospital Interchange TDD.

C. Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or when all eligibility requirements have been satisfied and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, sales tax, and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. This is a similar approach to that used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental Fund Financial Statements

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, certain revenue sources are deemed both measurable and available. The City considers all revenues for investment earnings, special assessments, state levied locally shared taxes (including motor vehicle fees) and other intergovernmental revenues to be available if the revenues are collected within sixty days after year-end. Proceeds and payments of long-term debt are reported as other financing sources and uses.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which have not matured are recognized when due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Fund Financial Statements

The economic resources measurement focus and the accrual basis of accounting are utilized by the proprietary funds. Under this basis of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred. All assets and liabilities (whether current or noncurrent) associated with a proprietary fund's activities are included on its statement of net position and statement of activities. Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. All other revenues and expenses are considered nonoperating.

D. Cash and Investments

The City maintains a cash and investment pool in which a majority of the City's funds share. Each fund type's portion of this pool is displayed in the financial statements as cash and investments, and investments made in accordance with bond ordinances are reflected as restricted cash and investments. Permissible investments include obligations of the U.S. Government, State of Missouri, bonds, bills, or notes guaranteed by the U.S., state or city governments, certificates of deposit, repurchase agreements, banker's acceptances, and commercial paper. Investments are reported at fair value based on quoted market prices. Interest earned from the pool is allocated to the funds on the basis of average monthly cash and investment balances.

E. Accounts Receivable

Governmental activities accounts receivable consists of miscellaneous services provided to citizens. Business-type activities represent billed and unbilled charges for water, electric, sewer, and sanitation services. Accounts receivable are shown net of an allowance for uncollectible accounts.

F. Prepaid Items

Prepaid items reflect the payment of insurance premiums for coverage that benefits more than one fiscal period. The premium amounts are amortized using the consumption method over the policy periods in both the government-wide and fund financial statements.

G. Inventory

Inventory is stated at the lower of costs or market using the first-in, first-out (FIFO) method. Inventories primarily consist of materials and supplies. The costs of these inventories are recorded as an expense when consumed or sold.

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

H. 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 are charged to expenditures when purchased in the governmental fund statements and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are recorded at estimated fair value as of the date of the donation.

Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of greater than one year. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Fully depreciated capital assets are included in their respective accounts until their disposal.

Depreciable assets (which do not include land or construction-in-progress assets) are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	15 – 50 years
Machinery and equipment	5 – 40 years
Vehicles	5 – 20 years
Infrastructure – Streets	7 – 50 years
Transmission lines and mains	30 – 50 years

I. 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 accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation and retirement.

J. 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/expenditure) until then. The City has three items that qualify for reporting in this category. The first item results from actuarial assumption changes, the change in actual and projected experience in calculating the pension asset, and pension contributions made by the City subsequent to the pension valuation date. The contribution amount will be applied during the next fiscal year while the changes in actual versus projected amounts will be amortized over five to seven years. The second item results from assumption changes, and the difference in experience in calculating the OPEB obligation. The third item is the deferred charges on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunding or refunded debt.

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

In addition to liabilities, the 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 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 three items that qualify for reporting in this category. The first item relates to the change in actual and projected experience in calculating the pension liability and the difference between actual and projected earnings in calculating the net pension asset. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available over five to seven years. The second item relates to the change in assumptions related to calculating the OPEB liability. These amounts are deferred and recognized as an inflow of resources in future periods. The third item is the unavailable revenue reported for property taxes that were levied for use in the year subsequent to when it was collected. These amounts are deferred and will be recognized as an inflow of resources during the subsequent year.

For purposes of measuring the net pension asset or 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. Investments are reported at fair value.

K. Interfund Activity

Loans – amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e., due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds.

Services provided and used – sales and purchases of goods and services between funds for a price approximating their fair value. Interfund services provided and used are reported as revenues in funds providing the good or service and expenditures or expenses in the fund purchasing the good or service. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or statement of net position.

Payment in Lieu of Taxes (PILOTS) – paid from the City's electric fund to the general fund were \$905,144 for the year ended December 31, 2019.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

L. Fund Balances

In the fund financial statements, governmental funds report the following fund balance classifications:

Non-Spendable – This consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – This consists of amounts where constraints are placed on the use of those resources which are either externally imposed by creditors, grantors, contributors, laws, or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – This consists of amounts which can only be used for specific purposes determined by a formal action of passing an ordinance or resolution by the Board of Alderman, the City's highest level of decision-making authority. Any changes or removal of specific purpose requires the same action by the Board of Aldermen.

Assigned – This consists of amounts which are constrained by City management's intent to be used for a specific purpose but do not meet the criteria to be classified as committed. In accordance with the approved City policy only the Board of Aldermen has the authority to assign amounts for a specific purpose in this category.

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Unassigned – This consists of the residual fund balance that does not meet the requirements for the non-spendable, restricted, committed, or assigned classifications. A positive unassigned fund balance is only possible in the general fund.

The City has a fund balance policy that provides guidance for programs with multiple revenue sources. The policy is to use restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Deficit fund equity

At December 31, 2019, the Parks Fund and the Emergency Service Fund (which is reported with the City's General Fund) have deficit fund balances of \$26,818 and \$693,957, respectively. These deficits will be eliminated as resources are obtained from revenues and transfers in.

M. Net Position Classifications

In the government-wide statements, equity is shown as net position and classified into three components:

Net investment in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.

Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

N. Statement of Cash Flows

Proprietary Fund investments maintained in the City's pooled investments are readily convertible to known amounts of cash, and so near to their maturity that they present insignificant risk of changes in value because of changes in interest rates, and generally have a maturity of less than three months when purchased. Accordingly, for purposes of the statement of cash flows, these investments are considered cash equivalents.

O. Stewardship, Compliance and Accountability

The Missouri Revised Statutes (RSMo) require all political subdivisions of the State prepare an annual budget. Governmental funds required to have legally adopted budgets include the general fund. Annual budgets for all governmental funds are adopted using the modified accrual basis of accounting. Budgeted expenditures cannot exceed budgeted revenues and unencumbered positive fund balances as required by Section 67.010 RSMo.

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

RSMo section 302.341 requires the City to annually calculate the percentage of its general revenue that comes from traffic violations. Any such revenues that exceed 20% of total general revenues are required to be transferred to the Director of the Missouri Department of Revenue. In the current year, the City has reported fines and forfeitures, which includes traffic violations and other additional items, in the amount of \$186,562. This amount is approximately 2.04% of total general revenues of \$9,142,040 and, accordingly, the management of the City believes that they are in compliance with the requirements of the Statute.

P. Use of Estimates

The preparation of the basic 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 basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash and Investments

A summary of the carrying values of deposits, investments and petty cash at December 31, 2019 is as follows:

Deposits	\$	1,908,683
Certificates of deposit		12,654,001
Investments		4,021,255
Investments held in trust		818,533
Petty cash		<u>3,300</u>
Total cash and investments	\$	<u><u>19,405,772</u></u>

These carrying values are reflected in the financial statements as follows:

Government-wide:		
Cash and investments	\$	15,809,445
Restricted cash and investments		<u>3,142,617</u>
		<u>18,952,062</u>
Component unit:		
Cash and investments		<u>92,251</u>
Agency funds:		
Cash and investments		<u>361,459</u>
Total cash and investments	\$	<u><u>19,405,772</u></u>

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Investment Policy

The City deposits and invests all monies as allowed by state statute and in accordance with its investment policy. State statutes allow the City to deposit in open accounts and certificates of deposit, and to invest in direct obligations of the U.S. Government, U.S. Government agency obligations and repurchase agreements. Statutes also require that collateral pledged must have a fair value equal to 100% of the funds on deposit, less FDIC insured amounts. Pledged securities must be held by the City or a disinterested third party and must be of the kind prescribed by states statutes and approved by the State of Missouri.

The City maintains a cash and investment pool, which is available for use by most funds. Substantially, all excess cash is invested in repurchase agreements, certificates of deposits, and federal agency securities. Each fund's portion of this pool is displayed as cash and investments or in restricted cash and investments. Interest earned is allocated to the funds on the basis of average monthly cash and investment balances. Cash and investments are held separately by some of the City's funds. Additionally, certain restricted cash and investments are invested in accordance with bond ordinances by the trustee in money market mutual funds and U.S. Government agency obligations.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For deposits, the City follows state statutes which require pledged collateral with a fair value equal to 100% of the funds on deposit, less FDIC insured amounts. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize all deposits and repurchase agreements with securities held by the financial institution's agent and in the City's name but does not limit the holdings of any one counterparty.

At December 31, 2019, the pooled U.S. Government agency investments were held by the City's financial institution in the City's name. Restricted investments are held in the City's name by the bond trustee in accordance with the related bond indenture.

At December 31, 2019, the City's deposits were insured by Federal depository insurance and uninsured deposits were fully collateralized by securities held by the City's agent in the City's name.

The carrying amount and maturity segment for the City's investments at December 31, 2019 are as follows:

Investments	Total	Investment Maturity	
		1 year or less	1 to 5 years
Federal Farm Credit Bank	\$ 2,781,070	\$ 918,839	\$ 1,862,231
Federal Home Loan Bank	313,729	-	313,729
Federal National Mortgage Association	926,456	484,310	442,146
Totals	<u>\$ 4,021,255</u>	<u>\$ 1,403,149</u>	<u>\$ 2,618,106</u>
Investments held in trust			
Money market mutual funds	<u>\$ 818,533</u>	<u>\$ 818,533</u>	<u>\$ -</u>

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will be unable to fulfill its obligations. It is the City's policy to minimize credit risk by limiting its investments to Certificates of Deposit, bonds, or other obligations of the United States, and other debt securities given the highest available rating by a nationally recognized statistical rating organization. The only security listed above that is not either a U.S. Government obligation, or explicitly guaranteed by the U.S. Government is the Financial Square Treasury Money Market Fund which is rated Aaa-mf by Standard & Poor's as of yearend.

Interest Rate Risk

The City's investment policy limits investment maturities to five years as a means of managing its exposure to fair value losses arising from changes in interest rates. To minimize the risk of loss, the City matches investments to anticipated cash flows and diversifies the investment types to the extent practicable. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. The U.S. Government and agency obligations above have maturity dates ranging from January 21, 2020 to December 30, 2024.

Concentration of Credit Risk

The City's investment policy does not limit the amount that can be invested with any one issuer. Investments that represent more than 5% of the City's investments consist of U.S. Government agency securities and are included above.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted in active markets for identical assets; Level 2 inputs are significant other observable inputs such as third party pricing services for identical assets; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of December 31, 2019:

Investments	Level 1
Federal Farm Credit Banks	\$ 2,781,070
Federal Home Loan Bank	313,729
Federal National Mortgage Association	926,456
Totals	\$ 4,021,255
Investments held in trust	
Money market mutual funds	\$ 818,533

All of the City's investments are classified as Level 1 of the fair value hierarchy using prices quoted in active markets for those securities.

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
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(3) Tax Revenues and Taxes Receivable

The City's property taxes are levied and recorded each November 1 on the assessed value as of the prior January 1 for all property located in the City and are delinquent on January 1 (the lien date) following the levy date. Assessed values are established by the county assessor, subject to review by the County's Board of Equalization. The assessed value of local property at January 1, 2019, was \$135,221,334.

The tax levy per \$100 of assessed valuation of tangible property for the tax year ended December 31, 2019 was as follows:

General Fund	\$0.5430
Park Fund	<u>0.1228</u>
	<u>\$0.6658</u>

Taxes receivable consisted of the following at December 31, 2019:

	Property Taxes	Sales Taxes	Franchise Taxes	Total
Governmental funds:				
General fund	\$ 11,695	\$ 494,302	\$ 52,519	\$ 558,516
Community Center fund	-	175,486	-	175,486
Towne Center TIF fund	-	37,007	-	37,007
Nonmajor funds	2,645	-	-	2,645
Total taxes receivable	\$ 14,340	\$ 706,795	\$ 52,519	\$ 773,654

(4) Intergovernmental Revenues/Receivables

Intergovernmental revenue for the year ending December 31, 2019 consisted of the following:

	General Fund	Towne Center TIF Fund	Total Governmental Funds	Electric Fund
Grants - Federal, State and Local				
State:	\$ 16,051	\$ -	\$ 16,051	\$ 14,824
Motor vehicle fees and taxes	408,884	-	408,884	-
Local:				
Intergovernmental activity taxes	-	87,618	87,618	-
Total intergovernmental revenue	\$ 424,935	\$ 87,618	\$ 512,553	\$ 14,824

City of Harrisonville, Missouri
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Amounts due from other governments at December 31, 2019, were as follows:

	General Fund	Towne Center TIF Fund	Total Governmental Funds
Grants - State and Local			
State:	\$ -	\$ -	\$ -
Motor vehicle fees and taxes	32,707	-	32,707
Local:			
Intergovernmental activity taxes	-	34,538	34,538
Total due from other governments	\$ 32,707	\$ 34,538	\$ 67,245

(5) Interfund Activity

Transfers between funds for the year ended December 31, 2019 were as follows:

	Transfers Out:		
	Community		
	General Fund	Center Fund	Total
Transfers In:			
Community Center Fund	\$ 76,748	\$ -	\$ 76,748
Towne Center TIF Fund	100,000	-	100,000
Nonmajor Governmental Funds	263,231	839,831	1,103,062
Nonmajor Business-type	31,950	-	31,950
Total	\$ 471,929	\$ 839,831	\$ 1,311,760

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) to use unrestricted revenues collected in a fund used to finance various programs accounted for in other funds in accordance with budgetary authorizations. Any transfers within the governmental funds or within the proprietary funds have been eliminated in the government-wide statement of activities.

Interfund receivable and payable balances as of December 31, 2019 were as follows:

	Due to:
	General
Due from:	
Governmental activities:	
Community Center Fund	\$ 133,165
Towne Center TIF Fund	58,933
	\$ 192,098

Amounts due to the General Fund from the Community Center Fund and Towne Center TIF Fund represent advances for short-term cash flow needs.

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
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(6) Capital Assets

A summary of the changes in capital assets for the ended December 31, 2019 is as follows:

Governmental activities:	January 1, 2019	Additions	Retirements	December 31, 2019
Capital assets, not being depreciated				
Land	\$ 838,674	\$ -	\$ -	\$ 838,674
Construction in progress	1,476,504	-	1,476,504	-
Total capital assets, not being depreciated	<u>2,315,178</u>	-	<u>1,476,504</u>	<u>838,674</u>
Capital assets, being depreciated				
Building and improvements	25,678,357	1,371,046	-	27,049,403
Machinery and equipment	4,039,827	134,725	-	4,174,552
Vehicles	2,998,346	298,071	20,000	3,276,417
Infrastructure	5,645,644	232,649	-	5,878,293
Total capital assets being depreciated	<u>38,362,174</u>	<u>2,036,491</u>	<u>20,000</u>	<u>40,378,665</u>
Less accumulated depreciation for:				
Building and improvements	9,891,124	758,794	-	10,649,918
Machinery and equipment	3,130,278	197,606	-	3,327,884
Vehicles	2,428,183	182,029	20,000	2,590,212
Infrastructure	2,520,389	253,743	-	2,774,132
Total accumulated depreciation	<u>17,969,974</u>	<u>1,392,172</u>	<u>20,000</u>	<u>19,342,146</u>
Total capital assets being depreciated, net	<u>20,392,200</u>			<u>21,036,519</u>
Governmental activities capital assets, net	<u>\$ 22,707,378</u>			<u>\$ 21,875,193</u>

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
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Electric Fund	January 1, 2019	Additions	Retirements	December 31, 2019
Capital assets, not being depreciated				
Land	\$ 99,716	\$ -	\$ -	\$ 99,716
Construction in progress	386,188	-	386,188	-
Total capital assets, not being depreciated	<u>485,904</u>	-	<u>386,188</u>	<u>99,716</u>
Capital assets, being depreciated				
Building and improvements	4,536,177	-	-	4,536,177
Machinery and equipment	605,275	21,543	-	626,818
Vehicles	818,987	-	-	818,987
Infrastructure	8,093,542	386,188	-	8,479,730
Total capital assets being depreciated	<u>14,053,981</u>	<u>407,731</u>	-	<u>14,461,712</u>
Less accumulated depreciation for:				
Building and improvements	2,591,459	88,595	-	2,680,054
Machinery and equipment	410,488	18,755	-	429,243
Vehicles	486,167	59,764	-	545,931
Infrastructure	4,448,308	172,486	-	4,620,794
Total accumulated depreciation	<u>7,936,422</u>	<u>339,600</u>	-	<u>8,276,022</u>
Total capital assets being depreciated, net	<u>6,117,559</u>			<u>6,185,690</u>
Electric Fund capital assets, net	<u>\$ 6,603,463</u>			<u>\$ 6,285,406</u>
Water/Sewer	January 1, 2019	Additions	Retirements	December 31, 2019
Capital assets, not being depreciated				
Land	\$ 1,488,315	\$ -	\$ -	\$ 1,488,315
Construction in progress	11,130,476	18,919	11,149,395	-
Total capital assets, not being depreciated	<u>12,618,791</u>	<u>18,919</u>	<u>11,149,395</u>	<u>1,488,315</u>
Capital assets, being depreciated				
Building and improvements	22,547,285	10,381,243	-	32,928,528
Machinery and equipment	1,283,573	7,329	-	1,290,902
Vehicles	611,529	-	-	611,529
Infrastructure	17,471,014	912,323	-	18,383,337
Total capital assets being depreciated	<u>41,913,401</u>	<u>11,300,895</u>	-	<u>53,214,296</u>
Less accumulated depreciation for:				
Building and improvements	10,172,687	677,034	-	10,849,721
Machinery and equipment	1,026,940	30,232	-	1,057,172
Vehicles	500,073	23,318	-	523,391
Infrastructure	7,357,456	386,394	-	7,743,850
Total accumulated depreciation	<u>19,057,156</u>	<u>1,116,978</u>	-	<u>20,174,134</u>
Total capital assets being depreciated, net	<u>22,856,245</u>			<u>33,040,162</u>
Water/Sewer Fund capital assets, net	<u>\$ 35,475,036</u>			<u>\$ 34,528,477</u>

City of Harrisonville, Missouri
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Aquatic Center Fund	January 1, 2019	Additions	Retirements	December 31, 2019
Capital assets, being depreciated				
Building and improvements	\$ 2,022,950	\$ -	\$ -	\$ 2,022,950
Machinery and equipment	23,279	-	-	23,279
Total capital assets being depreciated	<u>2,046,229</u>	-	-	<u>2,046,229</u>
Less accumulated depreciation for:				
Building and improvements	1,616,299	84,311	-	1,700,610
Machinery and equipment	12,514	2,355	-	14,869
Total accumulated depreciation	<u>1,628,813</u>	86,666	-	<u>1,715,479</u>
Total capital assets being depreciated, net	<u>417,416</u>			<u>330,750</u>
Aquatic Center Fund capital assets, net	<u>\$ 417,416</u>			<u>\$ 330,750</u>

Depreciation expense was charged to functions and programs of the primary government as follows:

Governmental Activities:

General government	\$ 115,750
Public safety	142,941
Streets	343,729
Community development	25,683
Animal control	5,843
Airport	145,679
Emergency services	208,031
Parks and recreation	65,953
Community center	338,563
Total depreciation expense for Governmental activities	<u>\$ 1,392,172</u>

Business-type Activities:

Electric	\$ 339,600
Water and sewer	1,116,978
Aquatic center	86,666
Total depreciation expense for Business-type activities:	<u>\$ 1,543,244</u>

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

(7) Long-Term Debt

A summary of the changes in long-term debt is as follows:

	Beginning of Year	Adjustments/ Additions	Adjustments/ Retirements	End of Year	Due Within One Year
Governmental Activities:					
Tax increment refunding bonds	\$ 5,180,000	\$ -	\$ 460,000	\$ 4,720,000	\$ 470,000
Tax increment premiums	23,401	-	2,340	21,061	2,340
Promissory notes	80,931	-	17,399	63,532	17,749
Certificates of Participation	3,185,000	-	760,000	2,425,000	785,000
Premiums	25,717	-	8,570	17,147	8,570
Net OPEB liability **	174,388	-	11,608	162,780	-
Compensated absences **	283,618	-	17,085	266,533	266,533
Total governmental activities	<u>8,953,055</u>	<u>-</u>	<u>1,277,002</u>	<u>7,676,053</u>	<u>1,550,192</u>
Business-Type Activities:					
Electric Fund					
Revenue bonds:					
Series 2007	475,000	-	225,000	250,000	250,000
Discounts	(2,468)	-	(1,235)	(1,233)	(1,233)
	<u>472,532</u>	<u>-</u>	<u>223,765</u>	<u>248,767</u>	<u>248,767</u>
Net OPEB liability	52,834	-	26,119	26,715	-
Compensated absences	27,545	6,551	-	34,096	34,096
Electric fund total	<u>552,911</u>	<u>6,551</u>	<u>249,884</u>	<u>309,578</u>	<u>282,863</u>
Water/Sewer Fund					
Revenue bonds:					
Series 2002	1,295,000	-	245,000	1,050,000	255,000
Series 2003	1,320,000	-	195,000	1,125,000	205,000
Series 2005	690,000	-	90,000	600,000	95,000
Series 2010	2,562,900	-	200,200	2,362,700	204,400
Series 2017	8,706,154	837,846	420,000	9,124,000	42,700
Premiums	56,448	-	11,554	44,894	-
	<u>14,630,502</u>	<u>837,846</u>	<u>1,161,754</u>	<u>14,306,594</u>	<u>802,100</u>
Promissory note	127,391	-	32,620	94,771	33,440
Net OPEB liability	7,391	23,690	-	31,081	-
Compensated absences	86,422	-	8,241	78,181	78,181
Water/Sewer fund total	<u>14,851,706</u>	<u>861,536</u>	<u>1,202,615</u>	<u>14,510,627</u>	<u>913,721</u>
Aquatic Fund					
Net OPEB liability	1,505	129	-	1,634	-
Total business-type activities	<u>15,406,122</u>	<u>868,216</u>	<u>1,452,499</u>	<u>14,821,839</u>	<u>1,196,584</u>
Total primary government	<u>\$ 24,359,177</u>	<u>\$ 868,216</u>	<u>\$ 2,729,501</u>	<u>\$ 22,497,892</u>	<u>\$ 2,746,776</u>
** these liabilities are generally liquidated by the General, Park, Community Center, and Emerg. Management Funds					
Component Unit					
Note payable	\$ 9,000,000	\$ -	\$ -	\$ 9,000,000	\$ 9,000,000
Developer obligations	5,326,059	-	-	5,326,059	-
	<u>\$ 14,326,059</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,326,059</u>	<u>\$ 9,000,000</u>

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
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A. Governmental Activities Debt

Tax Increment Revenue Bonds

On April 16, 2018, the City issued Series 2018 City of Harrisonville, Missouri Annual Appropriation-Supported Tax Increment and Sale Tax Refunding Revenue Bonds (Harrisonville Town Center Project) in the amount of \$5,580,000 to refund the remaining \$6,245,000 of the outstanding Series 2007 Tax Increment Revenue Bonds. Net proceeds of the Series 2018 revenue bonds along with available Series 2007 revenue bond trust funds and additional City fund totaling \$954,237 were deposited in trust with an escrow agent to pay accrued interest and all of the outstanding balance of the 2007 bonds.

The 2018 bonds are special, limited obligations of the City payable solely from and secured as to payments of principal and interest by a pledge certain payments in lieu of taxes and economic activity taxes generated within the Towne Center TIF District, subject to annual appropriation. The bonds mature semi-annually on May 1 and November 1 beginning on November 1, 2018 and continuing through November 1, 2028 in amounts ranging from \$400,000 to \$590,000, including interest at 2.0% to 3.0%.

Promissory Notes Payable

In 2011, the City entered into a promissory note payable of \$171,931 with the Missouri Department of Natural Resources to provide partial funding for the purpose of constructing and installing energy savings equipment in the Community Center. The note requires semi-annual payments of principal including interest at 2% until maturity on April 1, 2023.

Certificates of Participation

\$7,830,000 Series 2012 Refunding Certificates of Participation. Proceeds were used refund the Series 2003 Certificates of Participation. Due in annual installments through December 1, 2022 including interest ranges from 2.00% to 3.00%.

B. Business-type Activities Debt

Revenue Bonds – Electric Fund

\$2,730,000 Series 2007 Electric System Refunding Revenue Bonds. Proceeds were used to refund outstanding Series 1999 Electric System Revenue Bonds. Due in annual installments through November 1, 2020 including interest from 4.0% to 4.5%.

Revenue Bonds – Water/Sewer Fund

\$4,370,000 Series 2002 Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program). \$3,660,000 of the proceeds were used to fund certain improvements to the City's combined waterworks and sewerage system and \$710,000 was issued to refund a prior issue of bonds of the City. Due in annual installments through July 1, 2023 including interest from 2.05% to 5.0%.

\$3,295,000 Series 2003 Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund). Proceeds were used to fund certain improvements to the City's sewer system. Due in annual installments through July 1, 2024 including interest from 2.0% to 5.25%.

\$1,710,000 Series 2005 Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund). Proceeds were used to fund certain improvements to the City's sewer system. Due in annual installments through July 1, 2025 including interest from 3.0% to 5.0%.

City of Harrisonville, Missouri
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\$3,288,541 Series 2010 Combined Waterworks and Sewerage System Revenue Bonds (Original amount not to exceed \$4,300,000). Proceeds were used to fund certain improvements to the City's sewer system. Due in annual installments through July 1, 2030 including interest at 30% of the Revenue Bond Index as published in The Bond Buyer.

(Not to exceed \$9,544,000) Series 2017 Combined Waterworks and Sewerage System Revenue Bonds. Proceeds were used to fund certain improvements to the City's water treatment plant. Due in semi-annual installments beginning January 1, 2019 through January 1, 2038 including interest from 1.15% and an administrative fee of .05%.

As of December 31, 2019, the sinking funds and the reserve funds were adequately funded, and the City was in compliance with its rate covenants for all bonds.

Promissory Note Payable

In 2011, the City entered into a promissory note payable of \$380,000 with the Missouri Department of Natural Resources to provide partial funding for the purpose of constructing and installing energy savings equipment in the City's water/sewer facilities. The note requires semi-annual payments of principal including interest at 2% until maturity on October 1, 2022. The future annual debt service requirements are as follows:

	Principal	Interest
2020	\$ 33,440	\$ 2,162
2021	34,282	1,320
2022	27,049	458
	<u>\$ 94,771</u>	<u>\$ 3,940</u>

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
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C. Future Debt Service Requirements

Governmental Activities						
	Tax Increment Financing Bonds		Promissory Notes		Series 2012 Certificates of Participation	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 470,000	\$ 138,188	\$ 17,749	\$ 1,182	\$ 785,000	\$ 62,731
2021	485,000	124,088	18,105	826	810,000	44,085
2022	500,000	109,538	18,469	462	830,000	22,825
2023	515,000	94,538	9,209	92	-	-
2024	500,000	79,088	-	-	-	-
2025-2028	2,250,000	166,200	-	-	-	-
	<u>\$ 4,720,000</u>	<u>\$ 711,640</u>	<u>\$ 63,532</u>	<u>\$ 2,562</u>	<u>\$ 2,425,000</u>	<u>\$ 129,641</u>
Business-type Activities						
	Series 2007 Electric System Refunding Bonds		Series 2002 Waterworks and Sewerage Bonds		Series 2003 Waterworks and Sewerage Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 250,000	\$ 11,250	\$ 255,000	\$ 52,500	\$ 205,000	\$ 50,082
2021	-	-	260,000	39,750	215,000	39,319
2022	-	-	265,000	26,750	225,000	28,185
2023	-	-	270,000	13,500	235,000	17,038
2024	-	-	-	-	245,000	5,757
Totals	<u>\$ 250,000</u>	<u>\$ 11,250</u>	<u>\$ 1,050,000</u>	<u>\$ 132,500</u>	<u>\$ 1,125,000</u>	<u>\$ 140,381</u>
	Series 2005 Waterworks and Sewerage Bonds		Series 2010 Waterworks and Sewerage Bonds		Series 2017 Waterworks and Sewerage Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 95,000	\$ 30,000	\$ 204,400	\$ 34,447	\$ 427,000	\$ 103,701
2021	95,000	25,250	208,500	31,385	434,000	98,774
2022	100,000	20,500	212,600	28,264	441,000	93,760
2023	100,000	15,500	217,000	25,080	448,000	88,671
2024	105,000	10,500	221,200	21,831	456,000	83,496
2025-2029	105,000	5,250	1,174,900	58,109	2,390,000	336,893
2030-2034	-	-	124,100	925	2,590,000	194,293
2035-2038	-	-	-	-	1,938,000	44,873
Totals	<u>\$ 600,000</u>	<u>\$ 107,000</u>	<u>\$ 2,362,700</u>	<u>\$ 200,041</u>	<u>\$ 9,124,000</u>	<u>\$ 1,044,461</u>

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
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D. Component Unit

Tax Increment Revenue Note

On December 18, 2009, the City issued \$9,000,000 in Tax Increment Revenue Notes for the purpose of providing funds to pay for certain reimbursable costs associated with the Cooperation, Financing, and Pledge Agreement (CFP Agreement) dated December 18, 2009, between the City; Harrisonville MP, LLC; The Harrisonville Market Place Transportation Development District A (TDD A); and The Harrisonville Market Place Transportation Development District B (TDD B).

The City has pledged the incremental payments in lieu of taxes and Economic Activity Taxes generated by the private development within the Market Place TIF District (the District). Additional revenues generated by the TDD A and TDD B districts are also pledged to the repayment of the Note. The Note does not constitute a general obligation of the City.

From the date of this Note, the applicable interest rate on the unpaid principal balance of this Note was 6% per annum. During 2011, the interest rate on this Note was adjusted to 4.75% and subsequently on April 1, 2014, it was adjusted again to 6.5%, and on April 1, 2017 to 6.0% with payments due annually. The restructured Note does not call for regular principal payments, and no balloon payment is disclosed on the Note. The City is required to submit collections of revenues for the District to a separate account, which is used to pay the required annual debt service payments.

Developer Obligations

Certain developers have incurred certain costs that are eligible for reimbursement under the Market Place TIF Plan. These obligations are special limited obligations of the City, payable only to the extent that tax increment financing revenues are available upon retirement of the tax increment revenue note discussed above. At December 31, 2019, the total obligations under these agreements was \$5,326,059.

(8) Employees Retirement System

A. Plan Description

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

City of Harrisonville, Missouri
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B. 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) 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 receive a reduced allowance.

	2019 Valuation
Benefit Multiplier:	1.75% for life, plus 0.25% to age 65
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.

C. Employees Covered by Benefit Terms

The following employees were covered by the benefit terms:

	General	Police	Fire	Total
Inactive members or beneficiaries currently receiving benefits	56	18	3	77
Inactive members entitled to but not yet receiving benefits	49	16	19	84
Active members	72	22	20	114
	177	56	42	275

D. Contributions

The City 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 City do not contribute to the pension plan. Employer contribution rates are 8.7% (General), 14.7% (Police) and 10.4% (Fire) of annual covered payroll.

E. Net Pension Asset

The City's net pension asset was measured as of June 30, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 28, 2019.

F. Actuarial Assumptions

The total pension liability in the February 28, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.5% price inflation
Salary Increase	3.25% to 6.55% including wage inflation (General and Police)
	3.25% to 7.15% including wage inflation (Fire)
Investment rate of return	7.25%, net of investment expenses

City of Harrisonville, Missouri
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December 31, 2019

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

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

The 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 estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash	10.00%	0.00%
Leverage	-35.00%	-51.00%

G. 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 Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

H. Changes in the Net Pension Asset

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at beginning of year	\$ 28,091,177	\$ 30,810,594	\$ (2,719,417)
Changes for the year:			
Service Cost	651,813	-	651,813
Interest	2,015,512	-	2,015,512
Difference between expected and actual experience	(380,787)	-	(380,787)
Contributions - employer	-	626,631	(626,631)
Net investment income	-	1,997,427	(1,997,427)
Benefit payments, including refunds	(1,244,212)	(1,244,212)	-
Administrative expense	-	(27,534)	27,534
Other changes (net transfer)	-	93,578	(93,578)
Net changes	1,042,326	1,445,890	(403,564)
Balances at end of year	<u>\$ 29,133,503</u>	<u>\$ 32,256,484</u>	<u>\$ (3,122,981)</u>

I. Sensitivity of the Net Pension Liability/ (Asset) to Changes in the Discount Rate

The following presents 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	Current Single Discount Rate Assumption	1% Increase
	6.25%	7.25%	8.25%
Total pension liability (TPL)	\$ 33,322,178	\$ 29,133,503	\$ 25,689,813
Plan fiduciary net position	32,256,484	32,256,484	32,256,457
Net pension liability/(asset)	<u>\$ 1,065,694</u>	<u>\$ (3,122,981)</u>	<u>\$ (6,566,644)</u>

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

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

For the year ended December 31, 2019, the City recognized LAGERS pension expense of \$626,290 (\$316,007 (General), \$220,925 (Police) and \$89,358 (Fire)). The City reported deferred outflows related to LAGERS pension from the following sources:

	General	Police	Fire	Total
Deferred Outflows of Resources:				
Difference in experience	\$ 247,456	\$ 99,169	\$ 47,684	\$ 394,309
Assumption changes	131,246	28,732	27,875	187,853
Contributions subsequent to the measurement date*	160,871	110,402	44,161	315,434
Total	<u>\$ 539,573</u>	<u>\$ 238,303</u>	<u>\$ 119,720</u>	<u>\$ 897,596</u>
Deferred Inflows of Resources:				
Difference in experience	\$ 458,264	\$ 29,962	\$ 95,580	\$ 583,806
Difference in projected and actual earnings on plan investments	566,205	122,583	81,522	770,310
Total	<u>\$ 1,024,469</u>	<u>\$ 152,545</u>	<u>\$ 177,102</u>	<u>\$ 1,354,116</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability/(Asset) for the year ending December 31, 2019.

Net amounts reported as deferred outflows and deferred inflows of resources, excluding contributions subsequent to the measurement date, related to LAGERS pension will be recognized in pension expense as follows:

Year ending December 31:	General	Police	Fire	Total
2020	\$ (35,617)	\$ 45,814	\$ (17,367)	\$ (7,170)
2021	(368,966)	(69,324)	(46,712)	(485,002)
2022	(242,255)	(19,146)	(26,600)	(288,001)
2023	1,071	18,012	(1,763)	17,320
2024	-	-	(3,858)	(3,858)
Thereafter	-	-	(5,243)	(5,243)
Total	<u>\$ (645,767)</u>	<u>\$ (24,644)</u>	<u>\$ (101,543)</u>	<u>\$ (771,954)</u>

K. Payable to the Pension Plan

At December 31, 2019, the City paid all outstanding contributions to the LAGERS pension plan.

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

L. Summary of financial reporting of the City's pension plan:

	General	Police	Fire	Total
Governmental activities:				
Net pension liability/(asset)	\$ (1,388,608)	\$ (201,789)	\$ (601,096)	\$ (2,191,493)
Business-type activities:				
Net pension liability/(asset)	(931,488)	-	-	(931,488)
Total net pension liability/(asset)	<u>\$ (2,320,096)</u>	<u>\$ (201,789)</u>	<u>\$ (601,096)</u>	<u>\$ (3,122,981)</u>
Governmental activities:				
Pension related deferred outflows	\$ 387,529	\$ 238,303	\$ 119,720	\$ 745,552
Pension related deferred inflows	(613,158)	(152,545)	(177,102)	(942,805)
Business-type activities:				
Pension related deferred outflows	152,044	-	-	152,044
Pension related deferred inflows	(411,311)	-	-	(411,311)
Total	<u>\$ (484,896)</u>	<u>\$ 85,758</u>	<u>\$ (57,382)</u>	<u>\$ (456,520)</u>

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property of the participants. Investments are managed by the plan's trustee under several investment options. The choice of the investment options is made by the participants.

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

(9) Post Employment Health Benefits

A. Plan Description

The City provides for a continuation of medical, prescription drug, hearing and vision insurance benefits to employees that retire from City employment. The City provides retiree healthcare benefits through Midwest Public Risk (MPR), which is a risk pool comprised of approximately 115 entity members. It has been determined that MPR functions as an agent multiple-employer plan. The plan does not issue separate financial statements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75 (GASB Statement 75).

B. Benefits Provided

The City requires the retirees to pay 135% of the premiums charged to active employees. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. (The retiree insurance is guaranteed issue; no medical questionnaire is required.) The difference between these amounts is the implicit rate subsidy, which is considered other post-employment benefits (OPEB) under GASB Statement 75.

Retirees and spouses have the same benefits as active employees. However, all retiree coverage terminates upon Medicare entitlement or payment is not received on a timely basis. When the retiree attains Medicare eligibility age, it may be a COBRA qualifying event for the spouse.

C. Employees Covered by Benefit Terms

As of the July 1, 2017 actuarial valuation, the following employees were covered by the benefit terms:

Inactive members or beneficiaries currently receiving benefit payments	3
Active employees	105
	108
	108

D. Total OPEB Liability

The City's total OPEB liability of \$222,210 was measured as of December 31, 2019 and was determined by an actuarial valuation as of July 1, 2017.

E. Actuarial Assumptions

The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Salary increase	2.5% per year
Discount rate	3% (December 31, 2019)
Healthcare cost trend rates	6.5% for 2019, decreasing by 0.5% per year through 2021 and then decreasing by 0.25% per year to an ultimate rate of 5.0% for 2025 and later years
Retirees' share of benefit-related costs	145% of plan premiums

The discount rate was based on the S&P Municipal Bond 20 year High Grade and the Fidelity GO AA-20 Years indexes.

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Mortality rates were based on the RP-2014 Mortality tables, as appropriate, with adjustments to reflect the Society of Actuaries RPH-2014 adjusted to 2006 total dataset headcount mortality table with MP-2018 full generational improvement,

The actuarial assumptions used in the July 1, 2017 valuation were based on an experience analysis of the plan's past experience, the actuary's experience with plans of similar size, plan design, retiree and spouse contribution level and assumptions used in the City's participation in the corresponding pension plan through LAGERS, as applicable.

F. Change in the Total OPEB Liability

	Total OPEB Liability
Balances, beginning of year	\$ 236,118
Changes for the year:	
Service cost	17,611
Interest	9,061
Changes in benefit terms	(61,556)
Differences between actual and expected experience	18,513
Changes in assumptions and other inputs	17,463
Employer contributions	(15,000)
Net changes	(13,908)
Balances, end of year	\$ 222,210

G. Sensitivity of the total OPEB Liability to Changes in the Discount Rate

The following presents the OPEB Liability of the City, calculated using the discount rate of 3.00%, as well as what the City's OPEB Liability would be using a discount rate that is 1 percentage point lower (2.00%) or one percentage point higher (4.00%) than the current rate.

	1% Decrease 2.00%	Discount Rate 3.00%	1% Increase 4.00%
Total OPEB liability	\$ 244,082	\$ 222,210	\$ 204,412

H. Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the OPEB Liability of the Library, calculated using the healthcare cost trend rate of 6.5%, as well as what the City's OPEB Liability would be using a discount rate that is 1 percentage point lower (5.5% decreasing to 4%) or one percentage point higher (7.5% decreasing to 6%) than the current rate.

	1% Decrease (5.5% decreasing to 4%)	Discount Rate (7.5% decreasing to 5%)	1% Increase (7.5% decreasing to 6%)
Total OPEB liability	\$ 190,295	\$ 222,210	\$ 260,906

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

I. OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the City recognized OPEB expense of \$(34,360). The City reported deferred inflows related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,089	\$ -
Changes in assumptions	16,120	24,677
Total	\$ 33,209	\$ 24,677

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending December 31:	Total
2020	\$ 524
2021	524
2022	524
2023	524
2024	524
Thereafter	5,912
Total	\$ 8,532

J. Financial Statement Reporting of the City's OPEB

The following table summarizes the City's OPEB reporting:

	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental activities:	\$ 162,780	\$ 24,327	\$ 18,077
Business-type activities:	59,430	8,882	6,600
Total	\$ 222,210	\$ 33,209	\$ 24,677

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

(10) Commitments and Contingencies

A. Risk Management

The City is exposed to various risks of loss 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.

The amount of settlements has not exceeded the City's insurance coverage in any of the past three fiscal years.

The City is a member of the MPR (Midwest Public Risk), a not-for-profit corporation consisting of governmental entities incorporated in 1984 to acquire insurance for its members. MPR operates as a purchasing pool and is not a joint venture activity of the City. The City has no control over budgeting, financing, management selection, or the governing body. MPR provides both conventional and self-insurance coverage for its members including medical, dental, property, casualty, general liability, and workers' compensation. The City participates in the workers' compensation insurance coverages.

MPR manages the cash and investment pool, funded by insurance premiums, on behalf of its members. MPR's investment pool consists of interest-bearing deposits, U.S. Treasury, and U.S. governmental agency obligations.

In the event that a deficit occurs with respect to any fiscal year of MPR for which the City was a participant at any time during such year, and in the event that MPR determines that an assessment is required in order to provide additional funds for the obligations of MPR for such year, and further, in the event that the City was covered by the types of benefits requiring the assessment during the time period in which the assessment arose, the City is obligated to pay its pro rata share of any such assessment, irrespective of whether or not the City is a member of MPR at the time of such assessment.

MPR's financial statements are presented in its Comprehensive Annual Financial Report.

B. Federal and State Grants

The City has received financial assistance from various federal, state, and local agencies in the form of grants and entitlements. These programs are subject to audit by agents of the granting authority. Management does not believe that liabilities for reimbursements, if any, will have a materially adverse effect upon the financial condition of the City.

C. Litigation

The City is involved in legal proceedings arising from the ordinary course of City activities. While these proceedings may have future financial effect, management believes that their ultimate outcome will not be material to the basic financial statements.

D. Promissory Note Receivable

On March 18, 2011, the City received a promissory note from Harrisonville Housing Associates, L.P. Clarkton, Missouri, in the amount of \$750,490 with zero percent interest. The note calls for repayment of principal annually in an amount equal to 50% of cash flow, if any, allowed by the Missouri Housing Development Commission and the United States Department of Agriculture, Rural Housing Service (Rural Development) "the Agency." Such payment is due thirty days after the date that the audit of the Harrisonville Housing Associates, L.P., is approved by the Agency. In any event, all remaining indebtedness is due and payable on March 18, 2062. The note is secured by a Deed of Trust.

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Since the ultimate collectability is uncertain, City management has established an allowance for uncollectible note receivable that is equal to the outstanding balance of the note receivable of \$744,270 at December 31, 2019. There were no payments received on the note receivable for the year ended December 31, 2019. Funding for the loan was made available with a CDBG grant which is available for re-use from collections of principal for other eligible CDBG activity.

E. Long-term Contract

On March 21, 2005, the City entered into the Amended and Restated Missouri Public Energy Pool #1 Agreement (the MoPEP Agreement) among the Missouri Joint Municipal Electric Utility Commission (MJMEUC) and various cities within the state of Missouri who have also signed the MoPEP Agreement. Each of the cities who have signed the MoPEP Agreement are collectively referred to as (MoPEP Members).

Under the MoPEP Agreement, each MoPEP Member, including the City, has agreed to purchase from MJMEUC all of the MoPEP Member's requirements for electric capacity, energy, transmission, and other necessary electric services from MJMEUC. MoPEP Members may also dedicate any member-owned electric capacity to MJMEUC for the benefit of MoPEP.

MJMEUC is required under the MoPEP Agreement to provide electric capacity, energy, transmission, and other necessary electric services needed by MoPEP Members to fulfill their full requirements to service the MoPEP Members' retail customers. To meet the power and energy requirements of the City and the other MoPEP Members, MJMEUC presently obtains power and energy through: (i) power purchased under long-term firm energy contracts, unit-contingent energy contracts and interruptible contracts; (ii) MJMEUC-owned generation; (iii) MoPEP Member capacity; and (iv) spot market purchases. Neither the City nor any other MoPEP Member has an ownership interest in any of MJMEUC's assets.

Each MoPEP Member (including the City) is liable under the MoPEP Agreement for its proportionate share of all costs associated with MJMEUC's performance under the MoPEP Agreement.

MoPEP operations are governed by a committee (Pool Committee) consisting of one representative from each MoPEP Member and is currently comprised of 35 members as of December 31, 2019.

The Pool Committee is charged with setting rates for all services provided by MJMEUC to MoPEP Members. These rates include recovery of all of MJMEUC's costs (the Direct Costs) incurred in connection with acquiring, providing, arranging, or financing the provision of full requirements service to MoPEP Members. Such rates are based upon an annual budget and include, but are not limited to, all payments MJMEUC is required to make under contracts and/or financial commitments and obligations entered into by MJMEUC necessary to provide full requirements service, without regard to whether any particular resource is available to or used by any particular MoPEP Member. Direct Costs also include amounts required to fund capital and/or operating reserves and debt service coverages MJMEUC is required to maintain pursuant to contract to serve MoPEP Members as established from time to time by the Pool Committee.

The MoPEP Agreement requires that rates charged to each MoPEP Member be established at least annually and adjusted to recognize variances between budgeted and actual costs at least every six months. Charges based on such rates are assessed and billed monthly. The City's payment obligations under the MoPEP Agreement are limited to the obligation to make payments from revenues of the City's electric utility system and available electric utility system revenues. All payments made by the City pursuant to the MoPEP Agreement are considered operation and maintenance expenses of the electric utility system. MoPEP Members are required under the MoPEP Agreement to at all times establish, maintain, and collect rates, fees, and charges for electric service sufficient to meet the MoPEP Member's obligations under the MoPEP Agreement.

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

In the event a MoPEP Member cancels the MoPEP Agreement, the member remains responsible for its allocated share of MJMEUC's Direct Costs associated with all resource obligations entered into by MJMEUC for MoPEP prior to the notice of cancellation. MJMEUC would utilize or sell the MoPEP Member's allocated share of output in exchange for providing the MoPEP Member a credit or offset equal to the fair market value of the output up to the amount of the MoPEP Member's payment obligation under the MoPEP Agreement. As a result, the MoPEP Member would have a financial obligation after cancellation in the event that the fair market value of the output is less than the MoPEP Member's allocated share of MJMEUC's Direct Costs with respect to the resource obligations at the time of cancellation. Since the amount of the cancelling MoPEP Member's obligation would depend on MJMEUC's Direct Costs after cancellation and the fair market value of the output at such times in the future, the amount of the obligation is not reasonably determinable. Currently, the City has no plans or intentions to cancel the MoPEP Agreement. MJMEUC's audited financial statements are available on its website at www.mpua.org

During the year ended December 31, 2019, the City's electricity purchased for resale under this agreement totaling \$7,856,916.

F. Encumbrances

Encumbrance accounting is used in the governmental funds by recording purchase orders, contracts, and other commitments for the expenditure of funds in order to assure effective budgetary control and accountability. The following encumbrances were outstanding at year end:

Fund	Outstanding Encumbrances
General Fund	\$ 124,953
Community Center Fund	1,500
Electric Fund	1,000
Water/Sewer Fund	103,169
Emergency Services Fund	55,365
Total	\$ 285,987

G. Commitments

On March 15, 2015, the City entered into a loan agreement with The Highways 71/291 Partners in Progress Transportation Development District (a fiduciary fund), to coordinate efforts for the design, construction, and operation of District projects. The agreement established a funding plan in which the City will provide funding advances to the District in the amount not to exceed \$1,500,000. Under the agreement, the District Highways 71/291 Partners in Progress Transportation Development District is scheduled to begin repaying the City with interest at 6%. As of December 31, 2019, the total amount outstanding due to the City under this loan agreement was \$430,444.

(11) Tax Abatement

Tax abatements may be granted under the Urban Redevelopment program described under Chapter 353 of the RSMo, the Industrial Development program described under Chapter 100 of RSMo, and the Enhanced Enterprise Zone program described under Sections 135.950 to 135.973 of RSMo. For each of these programs, property taxes are abated by reducing the assessed valuation of the associated properties. For the year ended December 31, 2019, management has determined that any tax abatements are not significant or material to the City's financial position.

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

(12) Subsequent Events

The City evaluated subsequent events through August 10, 2020, the date the financial statements were available to be issued. No subsequent events were identified that required disclosure in the financial statements.

On March 11, 2020, the World Health Organization declared the COVID-19 virus outbreak a world-wide pandemic. Due to the COVID-19 pandemic, businesses within the City and the entire State of Missouri were subject to a stay at home order. Management is closely monitoring the situation and the impact on its operations. The ultimate effect on the City's financial statements is not currently determinable.

Schedule 1

City of Harrisonville, Missouri
Required Supplementary Information
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual - General Fund
For the Year Ended December 31, 2019

	2019		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Taxes:			
Property	\$ 811,895	\$ 805,941	\$ (5,954)
Sales	2,341,400	2,549,518	208,118
Franchise	580,000	450,147	(129,853)
Other	623,000	326,325	(296,675)
Licenses, fess and permits	123,000	142,494	19,494
Charges for services	1,891,065	1,906,593	15,528
Intergovernmental	193,050	424,935	231,885
Fines and forfeitures	286,550	211,234	(75,316)
Investment income	99,320	192,290	92,970
Other	116,600	184,022	67,422
Reimbursements	-	88,305	88,305
Total revenues	<u>7,065,880</u>	<u>7,281,804</u>	<u>215,924</u>
Expenditures:			
Current:			
General government	2,080,105	1,818,202	261,903
Public safety	3,084,285	2,998,358	85,927
Streets	884,945	911,512	(26,567)
Community development	411,880	346,106	65,774
Animal control	264,430	175,362	89,068
Airport	220,490	98,270	122,220
Capital outlay	1,244,895	726,119	518,776
Total expenditures	<u>8,191,030</u>	<u>7,073,929</u>	<u>1,117,101</u>
Excess of revenues over (under) expenditures	<u>(1,125,150)</u>	<u>207,875</u>	<u>1,333,025</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(1,333,540)	(1,321,887)	11,653
Payments in lieu of taxes (PILOTS)	1,095,150	905,144	(190,006)
Sale of capital assets	-	5,923	5,923
Total other financing sources (uses)	<u>(238,390)</u>	<u>(410,820)</u>	<u>(172,430)</u>
Net change in fund balances	<u>\$ (1,363,540)</u>	<u>(202,945)</u>	<u>\$ 1,160,595</u>
Fund balances, beginning of year, budget basis		<u>6,242,988</u>	
Fund balance, end of year, budget basis		<u>6,040,043</u>	
Adjustments:			
Encumbrances		<u>124,953</u>	
Fund balance - end of year - GAAP basis		<u>\$ 6,164,996</u>	
Net change in fund balance - budget basis		\$ (202,945)	
Adjustments:			
Encumbrances - beginning of year		(29,495)	
Encumbrances		<u>124,953</u>	
Net change in fund balance - GAAP basis		<u>\$ (107,487)</u>	

City of Harrisonville, Missouri
Required Supplementary Information
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Community Center Fund
For the Year Ended December 31, 2019

	2019		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Taxes:			
Sales	\$ 1,021,975	\$ 1,081,657	\$ 59,682
Charges for services	1,027,835	935,680	(92,155)
Investment income	1,500	2,123	623
Other	32,650	9,851	(22,799)
Total revenues	<u>2,083,960</u>	<u>2,029,311</u>	<u>(54,649)</u>
Expenditures:			
Current:			
Community center	1,305,200	1,163,679	141,521
Capital outlay	-	76,748	(76,748)
Debt service:			
Principal	17,399	17,399	-
Interest and fiscal charges	1,531	1,532	(1)
Total expenditures	<u>1,324,130</u>	<u>1,259,358</u>	<u>64,772</u>
Excess of revenues over (under) expenditures	<u>759,830</u>	<u>769,953</u>	<u>10,123</u>
Other financing sources (uses):			
Transfers in	80,000	76,748	(3,252)
Transfers out	(839,830)	(839,831)	(1)
Total other financing sources (uses)	<u>(759,830)</u>	<u>(763,083)</u>	<u>(3,253)</u>
Net change in fund balances	<u>\$ -</u>	<u>6,870</u>	<u>\$ 6,870</u>
Fund balances, beginning of year		<u>50,660</u>	
Fund balances, end of year		<u>\$ 57,530</u>	

CITY OF HARRISONVILLE, MISSOURI
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1. BUDGETARY INFORMATION

An annual budget prepared under the modified accrual basis of accounting is adopted in December prior to the beginning of each fiscal year for all revenues and expenditures of all Governmental Funds of the City, except for the Towne Center TIF Fund. The primary basis of budgetary control is at the department level. Departments may not legally exceed their total appropriation without the Board of Aldermen approval. A review of the current year's budget is made by the departments in December of each year and interdepartmental transfers are made with Board of Aldermen approval. Any remaining unencumbered appropriations lapse at fiscal year-end unless re-appropriated by the Board of Aldermen. Any increase in appropriations during the fiscal year must be approved by the Board of Aldermen.

City of Harrisonville, Missouri
Required Supplementary Information
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Year Ended December 31, 2019

	Lagers				
	2019	2018	2017	2016	2015
Total Pension Liability					
Service costs	\$ 651,813	\$ 595,775	\$ 576,243	\$ 594,597	\$ 592,093
Interest on total pension liability	2,015,512	1,890,390	1,797,529	1,673,775	1,580,623
Difference between expected and actual experience of the total pension liability	(380,787)	422,754	11,392	(492,706)	(68,776)
Changes of assumptions	-	-	-	852,733	-
Benefit payments and refunds	(1,244,212)	(1,178,211)	(1,051,857)	(777,773)	(861,393)
Net change in total pension liability	1,042,326	1,730,708	1,333,307	1,850,626	1,242,547
Total pension liability - beginning of year	28,091,177	26,360,469	25,027,162	23,176,536	21,933,989
Total pension liability - end of year (a)	<u>\$ 29,133,503</u>	<u>\$ 28,091,177</u>	<u>\$ 26,360,469</u>	<u>\$ 25,027,162</u>	<u>\$ 23,176,536</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 626,631	\$ 600,629	\$ 549,378	\$ 586,924	\$ 685,868
Net investment income	1,997,427	3,412,078	3,029,700	(78,361)	499,642
Benefit payments and refunds	(1,244,212)	(1,178,211)	(1,051,857)	(777,773)	(861,393)
Administrative expenses	(27,534)	(19,123)	(18,037)	(16,911)	(17,429)
Other (net transfer)	93,578	151,573	(25,782)	(6,963)	296,476
Net change in plan fiduciary net position	1,445,890	2,966,946	2,483,402	(293,084)	603,164
Plan fiduciary net position - beginning of year	30,810,594	27,843,648	25,360,246	25,653,330	25,050,166
Plan fiduciary net position - end of year (b)	<u>\$ 32,256,484</u>	<u>\$ 30,810,594</u>	<u>\$ 27,843,648</u>	<u>\$ 25,360,246</u>	<u>\$ 25,653,330</u>
Net pension liability/(asset) (a) - (b)	<u>\$ (3,122,981)</u>	<u>\$ (2,719,417)</u>	<u>\$ (1,483,179)</u>	<u>\$ (333,084)</u>	<u>\$ (2,476,794)</u>
Plan net position as a percentage of the total pension liability	110.72%	109.68%	105.63%	101.33%	110.69%
Covered payroll	5,782,370	5,863,833	5,217,578	5,254,719	5,466,344
Net pension liability/(asset) as a percentage of covered payroll	-54.01%	-46.38%	-28.43%	-6.34%	-45.31%

GASB 68 requires presentation of ten years. As of December 31, 2019, only five years of information is available.

City of Harrisonville, Missouri
Required Supplementary Information
Schedule of Employer Contributions
For the Year Ended December 31, 2019

LAGERS (General, Police and Fire)

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Payroll	Contribution as Percentage
2010	\$ 727,308	\$ 595,284	\$ 132,024	\$ 5,186,404	11.48%
2011	757,093	673,908	83,185	5,373,244	12.54%
2012	775,215	691,373	83,842	5,236,634	13.20%
2013	738,479	721,582	16,897	5,327,580	13.54%
2014	737,736	737,736	-	5,581,355	13.22%
2015	622,293	622,293	-	5,469,323	11.38%
2016	572,884	560,847	12,037	5,420,430	10.35%
2017	563,293	556,600	6,693	5,566,093	10.00%
2018	610,839	610,839	-	5,855,455	10.43%
2019	646,167	638,989	7,178	5,868,177	10.89%

Valuation Date February 28, 2019

Notes: The roll-forward of total pension liability from February 28, 2019 to June 30, 2019 reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry Age Normal and Modified Terminal Funding
Amortization method	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.
Remaining amortization period	Multiple bases from 11 to 17 years
Asset valuation method	5-year smoothed market; 20% corridor
Inflation assumption	3.25% wage inflation; 2.5% price inflation
Salary increases	3.25% to 6.55% including wage inflation (General and Police) 3.25% to 7.15% including wage inflation (Fire)
Investment rate of return	7.25%, net of investment and administrative expenses
Retirement age	Experienced-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 male and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for male and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period based 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 Harrisonville
Required Supplementary Information
Schedule of Changes in Net OPEB Liability
and Related Ratios*

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service costs	\$ 17,611	\$ 24,653
Interest on total OPEB liability	9,061	10,442
Changes in benefit terms	(61,556)	(60,937)
Differences between actual and expected experience	18,513	-
Changes in assumptions	17,463	(29,163)
Employer contributions	(15,000)	(13,000)
Net change in total pension liability	(13,908)	(68,005)
Total OPEB liability - beginning of year	236,118	304,123
Total OPEB liability - end of year	<u>\$ 222,210</u>	<u>\$ 236,118</u>
Covered employee payroll**	\$ 5,059,655	\$ 5,059,655
payroll	4.39%	4.67%

* GASB 75 requires presentation of ten years. As of December 31, 2019, only two year are available.

** Covered employee payroll is measured as of the valuation date.

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75

City of Harrisonville, Missouri
Combining Balance Sheet - General Fund
December 31, 2019

	General Fund	Emergency Services Fund	Eliminations	Total
Assets				
Cash and investments	\$ 3,668,293	\$ -	\$ -	\$ 3,668,293
Receivables:				
Taxes	470,773	87,743	-	558,516
Accounts and other	5,060	525,756	-	530,816
Due from other governments	32,707	-	-	32,707
Due from other funds	1,535,125	-	(1,343,027)	192,098
Due from component unit	275,000	-	-	275,000
Loan receivable	430,444	-	-	430,444
Prepays, deposits and other assets	177,882	91,811	-	269,693
Inventory	95,745	26,728	-	122,473
Restricted cash and investments	40,430	-	-	40,430
Total Assets	\$ 6,731,459	\$ 732,038	\$ (1,343,027)	\$ 6,120,470
Liabilities				
Accounts payable	\$ 48,139	\$ 18,889	\$ -	\$ 67,028
Accrued liabilities	134,091	64,079	-	198,170
Court bonds payable	6,213	-	-	6,213
Due to other funds	-	1,343,027	(1,343,027)	-
Total Liabilities	188,443	1,425,995	(1,343,027)	271,411
Deferred inflows of resources				
Unavailable revenues	378,020	-	-	378,020
Fund balances:				
Nonspendable:				
Prepaid items and inventory	273,627	118,539	-	392,166
Advances to component unit and loan receivable	705,444	-	-	705,444
Restricted:				
Other programs	34,217	-	-	34,217
Unassigned	5,151,708	(812,496)	-	4,339,212
Total fund balance (deficit)	6,164,996	(693,957)	-	5,471,039
Total liabilities, deferred inflows of resources and fund balances	\$ 6,731,459	\$ 732,038	\$ (1,343,027)	\$ 6,120,470

City of Harrisonville, Missouri
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - General Fund
For the Year Ended December 31, 2019

	General Fund	Emergency Services Fund	Eliminations	Total
Revenues:				
Taxes:				
Property	\$ 805,941	\$ -	\$ -	\$ 805,941
Sales	2,549,518	540,811	-	3,090,329
Franchise	450,147	-	-	450,147
Other	326,325	-	-	326,325
Licenses, fess and permits	142,494	-	-	142,494
Charges for services	1,906,593	1,304,517	-	3,211,110
Intergovernmental	424,935	-	-	424,935
Fines and forfeitures	211,234	-	-	211,234
Investment income	192,290	1,061	-	193,351
Other	184,022	13,847	-	197,869
Reimbursements	88,305	-	-	88,305
Total revenues	<u>7,281,804</u>	<u>1,860,236</u>	<u>-</u>	<u>9,142,040</u>
Expenditures:				
Current:				
General government	1,754,862	-	-	1,754,862
Public safety	2,984,290	-	-	2,984,290
Streets	890,508	-	-	890,508
Community development	346,106	-	-	346,106
Animal control	175,362	-	-	175,362
Airport	98,270	-	-	98,270
Emergency services	-	2,589,847	-	2,589,847
Capital outlay	729,073	341,778	-	1,070,851
Total expenditures	<u>6,978,471</u>	<u>2,931,625</u>	<u>-</u>	<u>9,910,096</u>
Excess of revenues over (under) expenditures	303,333	(1,071,389)	-	(768,056)
Other financing sources (uses):				
Transfers in	-	849,958	(849,958)	-
Transfers out	(1,321,887)	-	849,958	(471,929)
Payments in lieu of taxes (PILOTS)	905,144	-	-	905,144
Sale of capital assets	5,923	-	-	5,923
Total other financing sources (uses)	<u>(410,820)</u>	<u>849,958</u>	<u>-</u>	<u>439,138</u>
Net change in fund balances	(107,487)	(221,431)	-	(328,918)
Fund balances (deficit), beginning of year	6,272,483	(472,526)	-	5,799,957
Fund balances (deficit), end of year	<u>\$ 6,164,996</u>	<u>\$ (693,957)</u>	<u>\$ -</u>	<u>\$ 5,471,039</u>

City of Harrisonville, Missouri
Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2019

	Park Fund	Debt Service Fund	Total
Assets			
Cash and investments	\$ 58,180	\$ -	\$ 58,180
Receivables:			
Taxes	2,645	-	2,645
Prepays, deposits and other assets	14,575	-	14,575
Restricted cash and investments	-	306,216	306,216
Total Assets	\$ 75,400	\$ 306,216	\$ 381,616
Liabilities			
Accounts payable	\$ 2,254	\$ -	\$ 2,254
Accrued liabilities	8,556	-	8,556
Total Liabilities	10,810	-	10,810
Deferred inflows of resources			
Unavailable revenues	91,408	-	91,408
Fund balances:			
Nonspendable:			
Prepaid items and inventory	14,575	-	14,575
Restricted:			
Debt service	-	306,216	306,216
Unassigned (deficit)	(41,393)	-	(41,393)
Total fund balance (deficit)	(26,818)	306,216	279,398
Total liabilities, deferred inflows of resources and fund balances	\$ 75,400	\$ 306,216	\$ 381,616

City of Harrisonville, Missouri
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Park Fund	Debt Service Fund	Total
Revenues:			
Taxes:			
Property	\$ 189,305	\$ -	\$ 189,305
Charges for services	60,682	-	60,682
Investment income	430	3,461	3,891
Other	16,210	-	16,210
Total revenues	<u>266,627</u>	<u>3,461</u>	<u>270,088</u>
Expenditures:			
Current:			
Parks and recreation	518,865	-	518,865
Capital outlay	23,371	-	23,371
Debt service:			
Principal	-	760,000	760,000
Interest and fiscal charges	-	81,060	81,060
Total expenditures	<u>542,236</u>	<u>841,060</u>	<u>1,383,296</u>
Excess of revenues over (under) expenditures	(275,609)	(837,599)	(1,113,208)
Other financing sources (uses):			
Transfers in	263,231	839,831	1,103,062
Total other financing sources (uses)	<u>263,231</u>	<u>839,831</u>	<u>1,103,062</u>
Net change in fund balances	(12,378)	2,232	(10,146)
Fund balances (deficit), beginning of year	<u>(14,440)</u>	<u>303,984</u>	<u>289,544</u>
Fund balances (deficit), end of year	<u>\$ (26,818)</u>	<u>\$ 306,216</u>	<u>\$ 279,398</u>

City of Harrisonville, Missouri
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2019

	Refuse Fund	Aquatic Center Fund	Total
Assets			
Current assets:			
Cash and investments	\$ 88,379	\$ 8,217	\$ 96,596
Accounts receivable, net	37,944	-	37,944
Prepaid expenses	-	1,974	1,974
Total current assets	<u>126,323</u>	<u>10,191</u>	<u>136,514</u>
Noncurrent assets:			
Capital assets:			
Being depreciated, net of depreciation	-	330,750	330,750
Total noncurrent assets	<u>-</u>	<u>330,750</u>	<u>330,750</u>
Deferred Outflow of Resources			
Deferred outflow - OPEB related activity	-	244	244
Liabilities			
Current liabilities:			
Accrued liabilities	\$ -	\$ 33	\$ 33
Total current liabilities:	<u>-</u>	<u>33</u>	<u>33</u>
Long-term liabilities:			
Long-term debt	-	1,634	1,634
Total long-term liabilities:	<u>-</u>	<u>1,634</u>	<u>1,634</u>
Total liabilities	<u>-</u>	<u>1,667</u>	<u>1,667</u>
Deferred Inflow of Resources			
Deferred inflow - OPEB related activity	-	181	181
Net position			
Net investment in capital assets	-	330,750	330,750
Unrestricted	126,323	8,587	134,910
Total net position	<u>\$ 126,323</u>	<u>\$ 339,337</u>	<u>\$ 465,660</u>

City of Harrisonville, Missouri
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2019

	Refuse Fund	Aquatic Center Fund	Total
Operating revenues:			
Charges for services	\$ 609,760	\$ 152,356	\$ 762,116
Total operating revenues	<u>609,760</u>	<u>152,356</u>	<u>762,116</u>
Operating expenses:			
Administration	583,900	187,307	771,207
Depreciation	-	86,666	86,666
Total operating expenses	<u>583,900</u>	<u>273,973</u>	<u>857,873</u>
Operating income (loss)	<u>25,860</u>	<u>(121,617)</u>	<u>(95,757)</u>
Nonoperating revenues (expenses):			
Interest income	344	120	464
Total nonoperating revenues (expenses)	<u>344</u>	<u>120</u>	<u>464</u>
Income (loss) before transfers and payment in lieu of taxes	26,204	(121,497)	(95,293)
Transfers in	<u>-</u>	<u>31,950</u>	<u>31,950</u>
Change in net position	26,204	(89,547)	(63,343)
Total net position, beginning of year	100,119	428,884	529,003
Total net position, end of year	<u>\$ 126,323</u>	<u>\$ 339,337</u>	<u>\$ 465,660</u>

City of Harrisonville, Missouri
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2019

	Refuse Fund	Aquatic Center Fund	Total
Cash flows from operating activities:			
Receipts from customers and others	\$ 614,100	\$ 152,356	\$ 766,456
Payments to suppliers	(583,900)	(106,385)	(690,285)
Payments to employees	-	(80,755)	(80,755)
Net cash provided by (used in) operating activities	<u>30,200</u>	<u>(34,784)</u>	<u>(4,584)</u>
Cash flows from investing activities:			
Interest received	344	120	464
Net cash flows provided by investing activities	<u>344</u>	<u>120</u>	<u>464</u>
Net change in cash and equivalents	30,544	(2,714)	27,830
Cash and equivalents, beginning of year	57,835	10,931	68,766
Cash and equivalents, end of year	<u>\$ 88,379</u>	<u>\$ 8,217</u>	<u>\$ 96,596</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 25,860	\$ (121,617)	(95,757)
Adjustments to reconcile operating income to net cash provided by (used in) operations:			
Depreciation and amortization	-	86,666	86,666
Changes in net OPEB liability	-	129	129
Changes in deferred outflows of resources	-	(244)	(244)
Changes in deferred inflows of resources	-	9	9
Changes in:			
Receivables	4,340	-	4,340
Prepaid expenses and deposits	-	653	653
Accounts payable	-	(413)	(413)
Accrued liabilities	-	33	33
Net cash provided by (used in) operating activities	<u>\$ 30,200</u>	<u>\$ (34,784)</u>	<u>\$ (4,584)</u>

City of Harrisonville, Missouri
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Park Fund
For the Year Ended December 31, 2019

	2019		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Taxes:			
Property	\$ 183,800	\$ 189,305	\$ 5,505
Charges for services	82,570	60,682	(21,888)
Investment income	200	430	230
Other	13,750	16,210	2,460
Total revenues	<u>280,320</u>	<u>266,627</u>	<u>(13,693)</u>
Expenditures:			
Current:			
Parks and recreation	520,180	518,865	1,315
Capital outlay	27,500	23,371	4,129
Total expenditures	<u>547,680</u>	<u>542,236</u>	<u>5,444</u>
Excess of revenues over (under) expenditures	<u>(267,360)</u>	<u>(275,609)</u>	<u>(8,249)</u>
Other financing sources (uses):			
Transfers in	267,360	263,231	(4,129)
Total other financing sources (uses)	<u>267,360</u>	<u>263,231</u>	<u>(4,129)</u>
Net change in fund balances	<u>\$ -</u>	<u>(12,378)</u>	<u>\$ (12,378)</u>
Fund balances (deficit), beginning of year		<u>(14,440)</u>	
Fund balance (deficit), end of year		<u>\$ (26,818)</u>	

City of Harrisonville, Missouri
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2019

	2019		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Investment income	\$ 1,910	\$ 3,461	\$ 1,551
Total revenues	<u>1,910</u>	<u>3,461</u>	<u>1,551</u>
Expenditures:			
Debt service:			
Principal	760,000	760,000	-
Interest and fiscal charges	81,740	81,060	680
Total expenditures	<u>841,740</u>	<u>841,060</u>	<u>680</u>
Excess of revenues over (under) expenditures	<u>(839,830)</u>	<u>(837,599)</u>	<u>2,231</u>
Other financing sources (uses):			
Transfers in	839,830	839,831	1
Total other financing sources (uses)	<u>839,830</u>	<u>839,831</u>	<u>1</u>
Net change in fund balances	<u>\$ -</u>	<u>2,232</u>	<u>\$ 2,232</u>
Fund balances, beginning of year		<u>303,984</u>	
Fund balances, end of year		<u>\$ 306,216</u>	

City of Harrisonville, Missouri
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Emergency Service Fund
For the Year Ended December 31, 2019

	2019		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Taxes:			
Sales	\$ 505,000	\$ 540,811	\$ 35,811
Charges for services	2,691,240	1,304,517	(1,386,723)
Investment income	-	1,061	1,061
Other	40,820	13,847	(26,973)
Total revenues	<u>3,237,060</u>	<u>1,860,236</u>	<u>(1,376,824)</u>
Expenditures:			
Current:			
Emergency services	3,690,240	2,589,847	1,100,393
Capital outlay	433,000	341,778	91,222
Total expenditures	<u>4,123,240</u>	<u>2,931,625</u>	<u>1,191,615</u>
Excess of revenues over (under) expenditures	<u>(886,180)</u>	<u>(1,071,389)</u>	<u>(185,209)</u>
Other financing sources (uses):			
Transfers in	886,180	849,958	(36,222)
Total other financing sources (uses)	<u>886,180</u>	<u>849,958</u>	<u>(36,222)</u>
Net change in fund balances	<u>\$ -</u>	<u>(221,431)</u>	<u>\$ (221,431)</u>
Fund balances (deficit), beginning of year		<u>(472,526)</u>	
Fund balance (deficit), end of year		<u>\$ (693,957)</u>	

Schedule 16

**City of Harrisonville, Missouri
Balance Sheet - Discretely Presented Component Unit
Market Place TIF District Fund
December 31, 2019**

Assets

Cash and cash equivalents	\$ 92,251
Receivables:	
Taxes	35,247
Due from other governments	34,435
Prepays, deposits and other assets	<u>2,560</u>
Total Assets	<u><u>\$ 164,493</u></u>

Liabilities and Fund Balances

Liabilities:	
Due to primary government	<u>\$ 275,000</u>
Total liabilities	<u>275,000</u>

Fund balances:	
Nonspendable - prepaid items	2,560
Unassigned (deficit)	<u>(113,067)</u>
Total fund balances	<u>(110,507)</u>

Total liabilities and fund balances	<u><u>\$ 164,493</u></u>
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Amounts reported in the government-wide statements are different because:

Reconciliation of Balance Sheet - Discretely Presented Component Unit to the Statement of Net Position

Fund balances	\$ (110,507)
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The issuance of long-term debt provides current financial resources, while the repayment of the principal of long-term debt consumes the current financial resources. Neither transaction has any effect on net position. The Commission's governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Long-term debt	(9,000,000)
Developer obligations	(5,326,059)
Accrued interest payable	<u>(105,547)</u>

Net position (deficit) of component unit	<u><u>\$ (14,542,113)</u></u>
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City of Harrisonville
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Discretely Presented Component Unit - Market Place TIF District Fund
For the Year Ended December 31, 2019

Revenues:

Taxes:	
Property	\$ 208,222
Sales	336,672
Total Revenues	<u>615,307</u>

Expenditures:

Current:	
Community development	7,559
Debt service:	
Interest	605,000
Total expenditures	<u>612,559</u>

Excess of revenues over (under) expenditures	<u>2,748</u>
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Net change in fund balances	2,748
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Fund balances (deficit), beginning of year	<u>(113,255)</u>
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Fund balances (deficit), end of year	<u><u>\$ (110,507)</u></u>
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City of Harrisonville
Statement of Changes in Assets and Liabilities - Agency Funds
December 31, 2019

	Balance December 31, 2018	Additions	Deductions	Balance December 31, 2019
<u>Highways 71/291 TDD</u>				
ASSETS:				
Cash and investments	\$ 385,423	\$ 1,135,029	\$ 1,165,474	\$ 354,978
Taxes receivable	179,873	1,155,934	1,130,538	205,269
Total assets	<u>\$ 565,296</u>	<u>\$ 2,290,963</u>	<u>\$ 2,296,012</u>	<u>\$ 560,247</u>
LIABILITIES:				
Held for others	\$ 565,296	\$ 2,290,963	\$ 2,296,012	\$ 560,247
Total liabilities	<u>\$ 565,296</u>	<u>\$ 2,290,963</u>	<u>\$ 2,296,012</u>	<u>\$ 560,247</u>
<u>Hospital Interchange TDD</u>				
ASSETS:				
Cash and investments	\$ 5,896	\$ 724	\$ 139	\$ 6,481
Taxes receivable	654	70	724	-
Total assets	<u>\$ 6,550</u>	<u>\$ 794</u>	<u>\$ 863</u>	<u>\$ 6,481</u>
LIABILITIES:				
Held for others	\$ 6,550	\$ 794	\$ 863	\$ 6,481
Total liabilities	<u>\$ 6,550</u>	<u>\$ 794</u>	<u>\$ 863</u>	<u>\$ 6,481</u>
<u>Total - All Agency Funds</u>				
ASSETS:				
Cash and investments	\$ 391,319	\$ 1,135,753	\$ 1,165,613	\$ 361,459
Taxes receivable	180,527	1,156,004	1,131,262	205,269
Total assets	<u>\$ 571,846</u>	<u>\$ 2,291,757</u>	<u>\$ 2,296,875</u>	<u>\$ 566,728</u>
LIABILITIES:				
Held for others	\$ 571,846	\$ 2,291,757	\$ 2,296,875	\$ 566,728
Total liabilities	<u>\$ 571,846</u>	<u>\$ 2,291,757</u>	<u>\$ 2,296,875</u>	<u>\$ 566,728</u>

CITY OF HARRISONVILLE, MISSOURI
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 12,728,792	13,911,126	14,660,071	16,629,597	17,372,336	17,620,666	18,094,342	19,097,020	19,696,449	19,592,986
Restricted	2,184,248	2,662,683	1,186,071	1,007,888	1,062,950	1,000,182	3,674,556	3,252,840	2,559,902	2,546,782
Unrestricted (deficit)	859,829	(818,266)	344,053	(1,427,705)	(1,829,279)	2,337,987	(405,005)	(680,762)	(153,985)	98,336
Total governmental activities net position	\$ 15,772,869	15,755,543	16,190,195	16,209,780	16,606,007	16,606,007	21,363,893	21,669,098	22,102,366	22,238,104
Business-type activities										
Net investment in capital assets	\$ 21,441,550	22,603,002	22,757,615	24,103,550	25,037,013	25,377,303	27,020,727	27,393,693	27,265,490	26,494,501
Restricted	2,054,861	2,557,484	2,194,593	2,170,113	1,957,857	1,745,814	3,196,059	3,106,087	3,424,730	3,444,181
Unrestricted	4,316,580	5,600,624	7,506,505	7,455,912	7,691,175	9,818,049	7,755,565	8,923,292	10,931,370	12,439,236
Total business-type activities net position	\$ 27,812,991	30,761,110	32,458,713	33,729,575	34,686,045	36,941,166	37,972,351	39,423,072	41,621,590	42,377,918
Primary government										
Net investment in capital assets	\$ 34,170,342	36,514,128	37,417,686	40,733,147	42,409,349	42,409,349	45,115,069	46,490,713	46,961,939	46,087,487
Restricted	4,239,109	5,220,167	3,380,664	3,178,001	3,020,807	3,020,807	6,870,615	6,358,927	5,984,632	5,990,963
Unrestricted	5,176,409	4,782,358	7,850,558	6,028,207	5,861,896	5,861,896	7,350,560	8,242,530	10,777,385	12,537,572
Total primary government net position	\$ 43,585,860	46,516,653	48,648,908	49,939,355	51,292,052	51,292,052	59,336,244	61,092,170	63,723,956	64,616,022

CITY OF HARRISONVILLE, MISSOURI
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

		Fiscal Year									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EXPENSES											
Governmental activities											
General Government	\$	1,787,553	1,974,816	1,795,064	1,905,925	2,002,426	1,583,748	1,722,897	1,947,920	1,889,277	1,839,069
Administration of Justice		2,643,954	2,663,787	2,688,722	2,662,905	2,902,002	2,645,741	2,877,989	2,944,912	2,888,428	3,080,641
Street		1,398,582	1,217,982	871,419	997,572	1,134,034	1,001,075	1,157,722	1,038,983	1,134,081	1,860,140
Economic Development		197,936	201,891	237,807	306,143	320,186	439,050	504,401	462,686	391,307	379,232
Animal Control		143,878	162,758	167,154	176,656	179,525	192,396	192,369	188,968	214,988	179,637
Airport		331,203	321,968	319,622	359,292	300,459	308,994	339,387	310,155	283,122	243,365
Ambulance		2,237,316	2,489,922	2,472,147	2,273,547	2,346,331	2,310,217	2,497,603	2,465,996	2,568,186	2,776,094
Park		530,106	529,697	590,728	578,777	611,935	550,704	606,756	578,632	534,155	580,630
Community Center		1,367,488	1,450,404	1,506,078	1,650,035	1,617,794	1,458,666	1,488,614	1,478,570	1,478,927	1,493,221
CDBG pass-through expenses		-	753,740	6,500	-	-	-	-	-	-	-
Interest on long-term debt		873,168	860,401	772,777	615,807	581,180	559,742	526,562	535,073	519,512	276,475
Total governmental activities expenses		<u>11,511,184</u>	<u>12,627,366</u>	<u>11,428,018</u>	<u>11,526,659</u>	<u>11,995,872</u>	<u>11,050,333</u>	<u>11,914,300</u>	<u>11,951,895</u>	<u>11,901,983</u>	<u>12,708,504</u>
Business-type activities											
Electric		11,029,794	10,637,961	11,247,956	11,427,822	11,861,775	10,969,788	10,344,770	10,310,545	9,998,594	10,493,564
Water and Sewer		4,214,590	3,652,972	3,703,248	3,693,731	4,102,397	3,953,599	4,079,377	4,140,949	3,995,319	4,286,057
Aquatic Center		229,978	289,610	276,719	260,514	255,901	247,561	262,529	288,454	253,097	583,900
Refuse		452,778	466,719	473,660	468,685	483,766	494,997	505,064	505,148	587,774	273,973
Total business-type activities expenses		<u>15,927,140</u>	<u>15,047,262</u>	<u>15,701,583</u>	<u>15,850,752</u>	<u>16,703,839</u>	<u>15,665,945</u>	<u>15,191,740</u>	<u>15,245,096</u>	<u>14,834,784</u>	<u>15,637,494</u>
Total primary government expenses	\$	<u>27,438,324</u>	<u>27,674,628</u>	<u>27,129,601</u>	<u>27,377,411</u>	<u>28,699,711</u>	<u>26,716,278</u>	<u>27,106,040</u>	<u>27,196,991</u>	<u>26,736,767</u>	<u>28,345,998</u>
PROGRAM REVENUES											
Governmental activities											
Charges for services											
General	\$	2,024,687	1,985,007	1,936,801	1,915,453	1,874,146	1,859,509	1,964,977	1,756,474	1,688,654	1,854,682
Administration of Justice		226,217	239,292	251,138	293,448	282,196	227,768	222,035	219,959	225,969	215,624
Ambulance		1,362,127	1,423,372	1,399,295	1,280,799	1,210,496	1,332,256	1,351,037	1,180,436	1,344,572	1,311,828
Community Center		870,262	850,019	926,252	953,512	949,769	880,798	852,482	843,257	876,717	935,680
Others		22,609	24,015	28,807	60,448	60,478	68,955	125,741	239,739	267,417	259,970
Operating grants and contributions		218,541	939,601	144,163	187,359	258,367	293,635	537,687	521,480	632,508	515,130
Capital grants and contributions		320,525	508,546	-	-	-	-	352,785	42,678	44,502	16,050
Total governmental activities program revenues		<u>5,044,968</u>	<u>5,969,852</u>	<u>4,686,456</u>	<u>4,691,019</u>	<u>4,635,452</u>	<u>4,662,921</u>	<u>5,406,744</u>	<u>4,804,023</u>	<u>5,080,339</u>	<u>5,108,964</u>
Business-type activities											
Charges for services											
Electric		11,529,975	11,200,157	11,688,342	12,020,203	12,272,400	11,451,836	11,328,726	11,540,159	12,096,928	11,286,318
Water and Sewer		4,588,165	4,458,249	4,581,605	4,313,059	4,351,387	4,747,235	4,864,960	4,885,863	4,816,534	4,752,229
Refuse		451,427	469,763	462,386	465,954	490,664	500,253	504,735	515,499	605,413	609,760
Aquatic Center		125,450	166,394	137,666	109,665	111,505	131,291	147,697	160,654	158,201	152,356
Operating grants and contributions		-	-	-	-	10,000	-	-	232,190	196,493	14,824
Capital grants and contributions		2,017,313	982,687	280,500	-	-	91,811	-	-	-	-
Total business-type activities program revenues		<u>18,712,330</u>	<u>17,277,250</u>	<u>17,150,499</u>	<u>16,908,881</u>	<u>17,235,956</u>	<u>16,922,426</u>	<u>16,846,118</u>	<u>17,334,365</u>	<u>17,873,569</u>	<u>16,815,487</u>
Total primary government program revenues	\$	<u>24,222,448</u>	<u>22,575,247</u>	<u>21,836,955</u>	<u>21,599,900</u>	<u>21,871,408</u>	<u>21,585,347</u>	<u>22,252,862</u>	<u>22,138,388</u>	<u>22,953,908</u>	<u>21,924,451</u>

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
NET (EXPENSE) REVENUE										
Governmental activities	\$ (6,657,514)	(6,741,562)	(6,741,562)	(6,835,640)	(7,360,420)	(6,387,412)	(6,507,556)	(7,147,872)	(6,821,644)	(7,599,540)
Business-type activities	3,205,334	2,187,208	1,448,916	1,058,129	532,117	1,256,481	1,654,378	2,089,269	3,038,785	1,177,993
Total primary government net expense	\$ (3,452,180)	(4,554,354)	(5,292,646)	(5,777,511)	(6,828,303)	(5,130,931)	(4,853,178)	(5,058,603)	(3,782,859)	(6,421,547)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities										
Taxes										
Property taxes	\$ 896,169	816,771	915,825	965,993	957,930	971,143	780,924	807,004	1,133,550	1,164,401
Sales taxes	3,978,397	4,186,070	4,239,538	4,231,748	4,532,729	4,530,932	4,215,750	4,151,829	4,193,888	4,435,690
Franchise taxes	1,762,577	1,622,045	1,572,099	1,590,453	1,601,918	1,904,019	545,349	534,629	491,198	450,147
Other taxes	211,217	152,046	157,339	352,997	338,935	345,644	437,378	414,216	403,931	413,943
Unrestricted investment earnings	37,719	33,593	29,815	36,838	40,726	41,110	56,623	124,751	158,282	202,604
Miscellaneous	351,344	320,148	294,193	169,275	307,504	271,252	237,768	495,273	124,634	195,329
Transfers		(490,485)	(32,595)	(33,265)	(23,095)		905,183	925,375	974,013	873,194
Total governmental activities	7,237,423	6,640,188	7,176,214	7,314,039	7,756,647	8,064,100	7,178,975	7,453,077	7,479,496	7,735,308
Business-type activities										
Unrestricted investment earnings	228,550	227,646	216,092	149,424	246,333	239,868	246,329	181,214	187,254	423,453
Miscellaneous				130,771	154,925	153,871	60,480	105,613	26,001	28,076
Transfers		490,485	32,595	33,265	23,095	(200,000)	(905,183)	(935,375)	(974,013)	(873,194)
Total business-type activities	228,550	718,131	248,687	313,460	424,353	193,739	(598,374)	(648,548)	(760,758)	(421,665)
Total primary government	\$ 7,465,973	7,358,319	7,424,901	7,627,499	8,181,000	8,257,839	6,580,601	6,804,529	6,718,738	7,313,643
CHANGE IN NET POSITION										
Governmental activities	\$ 579,909	(101,374)	434,652	478,399	396,227	1,676,688	671,419	305,205	657,852	135,768
Business-type activities	3,433,884	2,905,339	1,697,603	1,371,589	956,470	1,450,220	1,056,004	1,440,721	2,278,027	756,328
Total primary government	\$ 4,013,793	2,803,965	2,132,255	1,849,988	1,352,697	3,126,908	1,727,423	1,745,926	2,935,879	892,096

CITY OF HARRISONVILLE, MISSOURI
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GENERAL FUND										
Nonspendable	\$ -	137,711	148,835	170,485	184,885	211,284	222,988	1,087,340	1,331,404	1,097,610
Restricted	-	113,630	114,065	114,159	114,855	115,021	111,610	115,209	115,946	34,217
Unassigned	-	5,930,458	6,304,295	5,384,287	4,784,005	5,336,961	5,810,251	4,814,142	4,352,607	4,339,212
Reserved	101,466	-	-	-	-	-	-	-	-	-
Unreserved	<u>7,202,484</u>	-	-	-	-	-	-	-	-	-
Total General Fund	\$ <u>7,303,950</u>	<u>6,181,799</u>	<u>6,567,195</u>	<u>5,668,931</u>	<u>5,083,745</u>	<u>5,663,266</u>	<u>6,144,849</u>	<u>6,016,691</u>	<u>5,799,957</u>	<u>5,471,039</u>
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	\$ -	112,270	101,248	114,063	113,131	129,281	135,774	31,659	36,827	43,209
Restricted	-	2,549,053	1,073,822	851,553	944,488	1,313,363	1,280,789	1,189,792	498,540	518,325
Committed	-	-	-	-	-	-	-	60,532	-	-
Assigned	-	1,064,581	907,262	772,069	659,243	243,727	308,293	-	-	-
Unassigned (deficit)	-	(183,323)	(318,367)	(470,882)	(410,099)	-	(70,973)	(70,154)	(158,223)	(186,703)
Reserved	1,107,459	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	<u>2,523,616</u>	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ <u>3,631,075</u>	<u>3,542,581</u>	<u>1,763,965</u>	<u>1,266,803</u>	<u>1,306,763</u>	<u>1,686,371</u>	<u>1,653,883</u>	<u>1,211,829</u>	<u>377,144</u>	<u>374,831</u>

CITY OF HARRISONVILLE, MISSOURI
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS - MODIFIED ACCRUAL
 LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUES										
Taxes										
Property	\$ 923,255	891,842	915,825	965,993	957,930	971,143	967,740	807,004	1,133,550	1,164,401
Sales	3,978,397	4,186,070	4,239,538	4,231,748	4,532,729	4,530,932	4,695,188	4,151,829	4,193,888	4,435,690
Franchise	1,762,577	1,622,045	1,572,099	1,590,453	1,601,918	1,904,019	1,450,532	534,629	491,198	450,147
Other	211,217	152,046	157,339	352,997	338,935	345,644	347,882	316,737	321,835	326,325
Licenses, fees, and permits	193,055	162,417	161,692	129,094	124,911	148,648	189,068	156,648	145,427	142,494
Fines and forfeitures	226,217	239,292	251,138	293,448	282,196	227,768	222,035	212,799	216,846	211,234
Charges for services	4,086,630	4,119,996	4,129,463	4,081,118	3,969,978	3,992,870	4,062,842	3,853,708	4,022,356	4,207,472
Grants/Intergovernmental	539,066	1,362,928	239,382	187,359	258,367	293,635	485,312	576,643	651,475	512,553
Investment earnings	37,719	33,593	29,815	36,838	40,726	41,110	56,623	124,751	158,282	202,604
Miscellaneous	351,583	336,855	294,193	169,275	307,504	271,252	241,132	155,757	217,988	312,235
Total revenues	<u>12,309,716</u>	<u>13,107,084</u>	<u>11,980,484</u>	<u>12,038,323</u>	<u>12,415,194</u>	<u>12,727,021</u>	<u>12,718,354</u>	<u>10,890,505</u>	<u>11,552,845</u>	<u>11,965,155</u>
EXPENDITURES										
General Government	1,686,829	1,875,373	1,667,057	1,787,238	1,857,424	1,578,196	1,593,951	1,770,539	1,822,525	1,754,862
Administration of Justice	2,529,476	2,554,360	2,581,042	2,571,510	2,824,957	2,545,685	2,568,837	2,729,997	2,876,073	2,984,290
Street	1,139,023	962,085	635,787	770,736	900,050	759,010	837,799	811,558	826,215	890,508
Economic Development	164,220	176,936	210,273	275,794	296,174	431,365	455,440	412,561	369,190	356,871
Animal Control	137,122	156,002	160,398	171,273	177,458	194,045	178,943	175,523	209,266	175,362
Airport	219,903	180,079	171,867	210,681	162,129	177,497	196,537	179,513	203,025	98,270
Ambulance	2,087,034	2,324,734	2,389,722	2,163,113	2,229,575	2,224,086	2,307,984	2,201,925	2,391,496	2,589,847
Park	462,220	462,593	488,375	463,459	505,454	463,685	474,849	493,664	472,138	518,865
Community Center	1,066,878	1,151,513	1,197,703	1,322,084	1,284,251	1,122,009	1,123,877	1,104,224	1,143,305	1,163,679
Towne Center Project	18,726	10,187	12,766	13,046	8,126	7,654	7,075			
CDBG pass-through expenses		753,740	6,500							
Capital outlay	1,938,203	1,837,010	1,020,483	2,152,920	1,163,730	733,847	950,944	992,525	996,397	1,170,970
Debt service										
Principal	825,000	733,926	815,940	942,088	1,006,082	1,030,336	1,105,726	1,133,777	7,409,843	1,237,399
Interest and fiscal fees	833,404	820,637	699,696	556,542	521,915	500,477	467,297	425,877	497,522	234,580
Total expenditures	<u>13,108,038</u>	<u>13,999,175</u>	<u>12,057,609</u>	<u>13,400,484</u>	<u>12,937,325</u>	<u>11,767,892</u>	<u>12,269,259</u>	<u>12,431,683</u>	<u>19,216,995</u>	<u>13,175,503</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES										
	<u>(798,322)</u>	<u>(892,091)</u>	<u>(77,125)</u>	<u>(1,362,161)</u>	<u>(522,131)</u>	<u>959,129</u>	<u>449,095</u>	<u>(1,541,178)</u>	<u>(7,664,150)</u>	<u>(1,210,348)</u>
OTHER FINANCING SOURCES (USES)										
Other sources								441,220	58,718	5,923
Proceeds of long-term debt		171,931							5,580,000	
Payments to escrow agent			(1,283,500)							
Transfers in & PILOTS	3,779,288	2,680,436	2,578,093	2,228,146	3,018,833	2,851,276	2,034,398	2,586,847	2,413,759	2,184,954
Transfers out	(3,779,288)	(3,170,921)	(2,610,688)	(2,261,411)	(3,041,928)	(2,851,276)	(2,034,398)	(1,661,472)	(1,439,746)	(1,311,760)
Total other financing sources (uses)		<u>(318,554)</u>	<u>(1,316,095)</u>	<u>(33,265)</u>	<u>(23,095)</u>			<u>1,366,595</u>	<u>6,612,731</u>	<u>879,117</u>
NET CHANGES IN FUND BALANCES										
	\$ <u>(892,091)</u>	<u>(395,679)</u>	<u>(1,393,220)</u>	<u>(1,395,426)</u>	<u>(545,226)</u>	<u>959,129</u>	<u>449,095</u>	<u>(174,583)</u>	<u>(1,051,419)</u>	<u>(331,231)</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES										
	12.8%	13.7%	13.7%	13.3%	13.0%	13.9%	13.9%	13.6%	43.4%	12.3%

CITY OF HARRISONVILLE, MISSOURI
 ASSESSED VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Fiscal Year Ended December 31,	Real Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate
2010	\$ 93,250,444	\$ 25,538,774	\$ 118,789,218	\$ 0.66
2011	94,022,248	25,241,452	119,263,700	0.67
2012	94,424,728	23,546,390	117,971,118	0.68
2013	95,845,535	22,091,806	117,937,341	0.69
2014	94,552,735	22,682,321	117,235,056	0.69
2015	94,992,339	25,948,277	120,940,616	0.69
2016	96,409,365	25,097,110	121,506,475	0.69
2017	96,807,843	23,807,868	120,615,711	0.69
2018	106,573,191	23,764,255	130,337,446	0.67
2019	118,040,319	29,079,287	147,119,606	0.64

Note: A statewide real property reassessment program was implemented January 1, 1985, to create a more equitable sharing of the property tax burden by owners of real property.

Assessed value was determined by applying one of three percentages to the "Market Value." Those percentages are 32 for commercial, 19 for residential, and 12 for agriculture.

Tax rates are per \$100 of assessed value.

CITY OF HARRISONVILLE, MISSOURI
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS

Fiscal Year Ended December 31:	City Direct Rates				Overlapping Rates			Total Direct and Overlapping
	General Fund	Ambulance Fund	Park Fund	Total Direct	State	Other	Total Overlapping Rates	
2010	0.5422	0.0000	0.1227	0.6649	0.03	6.19	6.22	6.88
2011	0.5422	0.0000	0.1227	0.6649	0.03	6.20	6.23	6.89
2012	0.5501	0.0000	0.1245	0.6746	0.03	6.20	6.23	6.90
2013	0.5585	0.0000	0.1264	0.6849	0.03	6.18	6.23	6.91
2014	0.5658	0.0000	0.1280	0.6938	0.03	6.18	6.21	6.90
2015	0.5672	0.0000	0.1283	0.6955	0.03	6.18	6.21	6.91
2016	0.5672	0.0000	0.1283	0.6955	0.03	6.18	6.21	6.91
2017	0.5672	0.0000	0.1283	0.6955	0.03	6.18	6.21	6.91
2018	0.5430	0.0000	0.1228	0.6658	0.03	6.18	6.21	6.88
2019	0.5240	0.0000	0.1185	0.6425	0.03	5.60	5.63	6.27

Source: Missouri Department of Revenue

Note: The City's direct property tax rate may be increased only by a majority vote of the City's residents.

CITY OF HARRISONVILLE, MISSOURI
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND TEN YEARS AGO

Taxpayer	2019			2009		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Church & Dwight	\$ 6,959,075	1	4.73	\$ 8,269,790	1	6.96
Wal-Mart	4,796,390	2	3.26	3,627,990	2	3.05
HFMD Properties LLC	2,522,350	3	1.71			
Harrisonville MP II LLC	2,422,730	4	1.65			
Love's Travel Stops & Country Store	1,947,190	5	1.32			
Advanced Drainage Systems	1,905,557	6	1.30			
Mill-Walk Mall	1,753,760	7	1.19	1,373,200	4	1.16
Sutherlands Lumber Co.	1,628,040	8	1.11	1,384,690	3	1.17
Universal Forest Products	1,444,630	9	0.98	1,028,280	6	0.87
Harrisonville Crossings Properties	1,053,250	10	0.01	986,850	7	0.83
AHG, Inc.				839,990	8	0.71
Crown Properties LLC				624,790	10	0.53
Thunderbird Investors-YARCO				646,950	9	0.54
APTUIT (Kansas City) LLC				1,076,610	5	0.91
TOTAL	\$ <u>26,432,972</u>		<u>17.26</u>	\$ <u>17,510,790</u>		<u>16.73</u>

TOTAL CITY ASSESSED VALUE 147,119,606

Data provided by the Cass County Assessor

CITY OF HARRISONVILLE, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Tax Collections as Percent of Current Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes as Percent of Current Levy</u>
2010	\$ 792,984	\$ 721,512	90.99%	\$ 71,472	\$ 792,984	100.00%		0.00%
2011	795,833	746,929	93.85%	47,436	794,365	99.82%	1,468	-0.18%
2012	807,753	732,284	90.66%	74,038	806,322	99.82%	1,431	-0.18%
2013	813,377	728,785	89.60%	83,468	812,253	99.86%	1,124	-0.14%
2014	841,142	792,712	94.24%	46,785	839,497	99.80%	1,645	-0.20%
2015	845,078	826,840	97.84%	9,138	835,978	98.92%	9,100	-1.08%
2016	838,882	774,804	92.36%		774,804	92.36%	64,078	-7.64%
2017	856,393	813,075	94.94%	36,498	849,573	99.20%	6,820	-0.80%
2018	892,396	830,520	93.07%	61,877	892,396	100.00%	14,771	0.00%
2019	917,339	857,577	93.49%	52,480	910,057	99.21%	14,340	-0.79%

Source: Collector's Annual Settlement Documentation

CITY OF HARRISONVILLE, MISSOURI
 DIRECT AND OVERLAPPING
 SALES TAX RATES
 LAST NINE FISCAL YEARS

<u>Fiscal Year</u>	<u>City Rate</u>	<u>Cass County</u>	<u>State</u>	<u>Total</u>
2011	1.875	1.250	4.225	7.350
2012	1.875	1.750	4.225	7.850
2013	1.875	1.750	4.225	7.850
2014	1.875	1.750	4.225	7.850
2015	1.875	1.750	4.225	7.850
2016	1.875	1.750	4.225	7.850
2017	1.875	2.000	4.225	8.100
2018	1.875	2.000	4.225	8.100
2019	1.875	1.625	4.225	7.725

Source: Missouri Department of Revenue

2019 Source: Cass County Missouri

CITY OF HARRISONVILLE, MISSOURI
 TAXABLE RETAIL SALES
 LAST TEN CALENDAR YEARS
 (in thousands of dollars)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
TOTAL RETAIL SALES	\$ <u>192,046</u>	<u>201,671</u>	<u>204,736</u>	<u>203,559</u>	<u>213,512</u>	<u>217,311</u>	<u>223,335</u>	<u>225,610</u>	<u>228,237</u>	<u>235,835</u>

Note: This report does not breakout taxable sales by retail category as some detail information is considered confidential by state law.

Source: Missouri Department of Revenue

CITY OF HARRISONVILLE MISSOURI
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended December 31,	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Certificates of Participation	TIF Revenue Bonds	Promissory Notes	Capital Lease Payable	Revenue Bonds	Promissory Notes			
2010	\$ 9,010,000	8,250,000		335,002	9,059,375		26,654,377	13%	2,563
2011	8,530,000	8,030,000	171,931	301,076	11,718,541	380,000	29,131,548	13%	2,908
2012	7,295,000	7,785,000	171,931	265,136	11,556,672	380,000	27,453,739	12%	2,737
2013	6,665,000	7,520,000	162,916	227,063	10,711,700	278,869	25,565,548	11%	2,546
2014	6,015,000	7,220,000	147,165	186,732	9,885,400	250,060	23,704,357	10%	2,361
2015	5,350,000	6,920,000	152,066	144,006	9,045,400	220,526	21,831,998	9%	2,175
2016	4,650,000	6,585,000	126,602	98,744	8,181,700	190,250	19,832,296	9%	1,963
2017	3,930,000	6,245,000	100,774	50,795	11,401,066	159,974	21,887,609	6%	1,555
2018	3,185,000	5,180,000	80,931	-	15,103,034	127,391	23,676,356	9%	2,328
2019	2,425,000	4,720,000	63,532	-	14,555,361	94,771	21,858,664	10%	2,169

CITY OF HARRISONVILLE, MISSOURI
 COMPUTATION OF LEGAL DEBT MARGIN
 DECEMBER 31, 2019
 (UNAUDITED)

	General Obligation Bonds		Total
	Ordinary (1)	Additional (2)	
Assessed valuation	\$ 147,119,606		147,119,606
Constitutional debt limit	14,711,961	14,711,961	29,423,922
Less general obligation bonds payable	14,711,961	14,711,961	29,423,922
Cash and securities available for retirement	\$ 14,711,961	14,711,961	29,423,922

- (1) Article VI, Sections 26(b) and (c) of the State Constitution permits the City, by vote of two-thirds of the voting electorate, to incur an indebtedness for City purposes not to exceed 10% of the taxable tangible property therein as shown by the last completed assessment.
- (2) Article VI, Sections 26(d) and (e) of the State Constitution provides that the City may become indebted not exceeding the aggregate and additional 10% for the purpose of acquiring rights-of-way, constructing, extending and improving streets and avenues and/or sanitary or storm systems, and purchasing or construction waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuation.

CITY OF HARRISONVILLE, MISSOURI
 COMPUTATION OF DIRECT AND ESTIMATED OVERLAPPING DEBT
 DECEMBER 31, 2019

Taxing Jurisdiction	Gross Debt Less Sinking Fund (1)	Approximate Percentage Applicable to Harrisonville (1)	Approximate Amount Applicable to Harrisonville (1)
School Districts, Cass R-IX	\$ 15,498,035	65%	10,073,723
Direct debt obligations of the City of Harrisonville (general obligation bonds), net of debt service funds	_____	100%	_____
Total direct and estimated overlapping debt	\$ <u>15,498,035</u>		<u>10,073,723</u>

(1) On the basis of assessed valuation.

NOTE: Other government entities whose boundaries overlap the City have outstanding bonds payable from ad valorem taxes. This schedule of direct and estimated overlapping ad valorem debt was compiled from information furnished by the jurisdictions responsible for debt. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no representation regarding the reliability of such information is made.

Furthermore, certain entities listed in the statement may have issued additional bonds and such entities may have programs requiring the issuance of substantial additional bonds, the amounts of which cannot be determined at this time.

Lease purchase agreements are not included in this schedule but have been included in the past. This change accounts for the significant difference among this year and previous years' schedules.

CITY OF HARRISONVILLE, MISSOURI
 DEMOGRAPHIC STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	(1) Population	Personal Income	(2) Per Capita Personal Income	(3) School Enrollment	(2) Unemployment Rate
2010	10,400	\$ 201,040,000	\$ 19,331	2,580	10.00%
2011	10,019	218,915,150	21,850	2,580	7.90%
2012	10,030	230,630,000	23,063	2,585	6.40%
2013	10,040	235,000,000	23,400	2,590	6.40%
2014	10,040	240,000,000	23,750	2,500	6.40%
2015	10,040	232,000,000	23,103	2,459	5.70%
2016	10,104	232,000,000	21,717	2,425	5.70%
2017	10,103	232,000,000	21,335	2,600	4.60%
2018	10,169	251,082,779	24,691	2,375	3.10%
2019	10,078	221,020,618	21,931	2,311	3.50%

Data Sources:

- 1 Bureau of Census and City estimates
- 2 KCADC and City estimates
- 3 School District

CITY OF HARRISONVILLE, MISSOURI
 PRINCIPAL EMPLOYERS
 THIS FISCAL YEAR AND EIGHT YEARS AGO

Employer	2019		2011	
	Employees	Rank	Employees	Rank
Wal-Mart Distribution Center	680	1	775	1
Cass Medical Center	385	2	397	2
Cass R-IX Schools	306	3	386	4
Wal-Mart	298	4	412	2
Cass County Government	251	5	285	5
Church & Dwight Co., Inc.	230	6	214	6
Casco Area Workshop	194	7	200	8
City of Harrisonville	119	8	231	7
Crown Care Center	105	9	101	9
Family Center	281	10	98	10
Total Employment	2,849		3,099	

CITY OF HARRISONVILLE, MISSOURI
SCHEDULE OF PROPERTY VALUE, CONSTRUCTION PERMITS ISSUED
AND TOTAL DOLLARS ON DEPOSIT AT YEAR END
WITH LOCAL BANKS AND SAVINGS AND LOANS
LAST TEN YEARS

Year	Construction Permits and Value (1) and (2)				Total Year End Deposits at Local Banks (Thousands)	Total Property Value (3)
	Residential Number	Value	Commercial Number	Value		
December 2010	276	\$ 1,283,561	95	\$ 18,650,228	\$ 317,327	\$ 119,263,700
December 2011	318	1,403,626	98	3,392,188	329,770	117,971,118
December 2012	240	2,103,410	76	3,685,500	341,344	117,937,341
December 2013	176	1,331,781	73	5,293,503	379,785	117,235,056
December 2014	176	1,973,875	66	2,416,903	326,918	120,940,616
December 2015	180	2,202,655	59	8,042,346	348,202	121,506,475
December 2016	241	6,672,912	83	10,622,390	340,592	120,615,711
December 2017	775	7,344,761	110	7,465,028	347,380	130,337,446
December 2018	227	4,262,714	113	6,469,647	348,575	135,221,334
December 2019	187	3,605,901	99	4,672,937	359,057	145,846,397

(1) Permit totals include additions to existing structures.

(2) Information obtained from Codes Administration Department.

(3) Assessed valuation.

CITY OF HARRISONVILLE, MISSOURI
 CAPITAL ASSET STATISTICS
 BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Patrol units	23	20	20	20	21	21	21	20	24	24
Police stations	1	1	1	1	1	1	1	1	1	1
Fire										
Fire stations	1	1	1	1	1	1	1	1	1	1
Fire hydrants	678	678	678	678	678	678	678	792	792	792
Streets										
Miles	69	69	69	69	69	69	69	64	66	66
Street lights	900	900	900	900	900	900	900	2,000	2,000	2,000
Miles of storm sewers	9	9	9	9	9	9	9	17	17	17
Parks										
Parks	6	6	6	6	6	6	6	6	6	6
Acreage	250	250	250	250	250	250	250	450	451	451
Golf courses	2	2	2	2	2	2	2	1	1	1
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	4	4	4	4	4	4	4	4	4	4
Community centers	7	7	7	7	7	7	7	2	2	2
Sewer										
Sanitary sewer (miles)	54	54	54	54	54	54	54	63	64	64
Plant capacity (mgd)	2	2	2	2	2	2	2	2	2	2
Treatment plants	1	1	1	1	1	1	1	1	1	1
Service connections	4,071	4,037	4,062	4,061	4,073	4,083	4,106	3,629	4,103	4,103
Maximum daily capacity of treatment plant in gallons	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Water										
Miles of water mains	56	56	56	56	56	56	56	63	63	63
Service connections	3,966	3,923	3,937	3,950	3,944	3,955	4,188	4,105	4,178	4,178
Daily average consumption in gallons	950,000	950,000	950,000	950,000	950,000	950,000	950,000	880,000	880,000	880,000

Source: City Department Heads

CITY OF HARRISONVILLE, MISSOURI
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
 BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Management	5	4	4	3	3	3	3	3	3	4
Finance	6	7	6	7	6	6	7	8	8	10
Codes*	4	4	2	2	-	-	-	-	-	-
Community Development/Codes	2	2	3	3	4	5	5	4	4	3
Police										
Officers	23	25	23	23	24	23	20	23	23	25
Civilians	6	6	6	5	6	6	8	6	6	7
Animal control	2	2	1	2	2	2	2	2	3	3
Court	1	1	1	1	1	1	2	2	2	2
Fire/EMS										
Firefighters*	1	1	1	-	-	1	1	-	-	-
Director/Paramedics/Firefighters	17	15	19	21	19	18	17	20	20	20
Clerk	1	1	1	1	1	1	1	1	1	1
Public Works										
Engineering	1	1	1	1	1	1	-	-	0	0
Streets	7	7	8	8	8	8	8	9	8	8
Electric	8	8	7	8	10	11	8	8	9	9
Water	13	12	12	12	12	12	12	10	13	13
Wastewater	4	4	4	4	4	4	4	4	4	4
Airport	1	1	1	1	1	1	1	1	1	0
Community Center/Parks										
	<u>11</u>	<u>10</u>	<u>8</u>	<u>10</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>10</u>	<u>10</u>	<u>10</u>
Total	<u>113</u>	<u>111</u>	<u>108</u>	<u>112</u>	<u>113</u>	<u>114</u>	<u>110</u>	<u>111</u>	<u>115</u>	<u>119</u>

For 2014 the Codes Department is combined with Community Development

For 2014 the Fire Fighter category is combined with Paramedics