

CITY OF NEW HAVEN, MISSOURI

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

**CITY OF NEW HAVEN, MISSOURI
CONTENTS**

	Page
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	12
Statement of Activities	13
Balance Sheet - Governmental Funds	14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	15
Statement of Revenues, Expenditures, and Change in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Net Position - Proprietary Funds	18
Statement of Revenues, Expenses and Change in Net Position - Proprietary Funds	20
Statement of Cash Flows - Proprietary Funds	21
Notes to Basic Financial Statements	23
REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual:	
General Fund	43
Parks and Recreation - Special Revenue Fund	45
Notes to Schedules of Revenues, Expenditures, and Change in Fund Balances - Budget and Actual	46
Schedule of Changes in Net Pension Liability and Related Ratios - Multiyear:	
General Division	47
Police Division	48
OTHER SUPPLEMENTAL INFORMATION	
Combining Balance Sheet - Nonmajor Governmental Funds	49
Combining Statement of Revenues, Expenditures, and Change in Fund Balances - Nonmajor Governmental Funds	50
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual:	
Transportation Sales Tax - Special Revenue Fund	51
Motor Fuel - Special Revenue Fund	52
Debt Service Fund	53
Capital Improvement Sales Tax - Capital Projects Fund	54
Capital Improvement Project Reserve - Capital Projects Fund	55
COMPLIANCE	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	56



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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen City of New Haven, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Haven, Missouri (the City), as of and for the year ended June 30, 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 financial audits contained in *Governmental 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about 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 City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Government 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 supplemental 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 financial statements as a whole. The combining nonmajor fund financial statements and the individual nonmajor and capital projects fund's budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The individual nonmajor and capital project fund's budgetary comparison schedules 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 Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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.

Tochtrop & Associates

Tochtrop & Associates, P.C.

December 12, 2019

**CITY OF NEW HAVEN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

This section of the City of New Haven, Missouri's (the City) financial report presents an easily readable analysis of the City's financial statements based on currently known facts, decisions, and conditions. We encourage readers to consider the information presented here in conjunction with the City's financial statements which follow this section.

FINANCIAL HIGHLIGHTS

On a government-wide basis, the City's total assets and deferred outflows exceeded its liabilities and deferred inflows by \$13,695,673, an increase of \$848,767 in comparison with the prior year. Of this amount, \$2,309,169 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

The City's governmental funds reported combined ending fund balances of \$2,017,114, an increase of \$43,105 in comparison with the prior year. Of this amount \$714,819 is unassigned and is available for spending at the City's discretion and is 57.79% of total General Fund expenditures.

The City's enterprise funds reported combined ending net position of \$3,718,282, an increase of \$83,721 in comparison with the prior year. Of this amount \$934,366 is unrestricted and is available for spending at the City's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include two kinds of statements that present different views of the City, which are government-wide and fund financial statements. This report also contains notes to financial statements as well as required supplemental information and other supplemental information.

Government-wide Financial Statements

The first set of financial statements are the government-wide statements which report information about the City as a whole using accounting methods similar to those used by private-sector companies. The two government-wide statements, Statement of Net Position and Statement of Activities, report the City's net position and how it has changed. In the government-wide statements, a distinction is made between governmental-type activities and business-type activities. Governmental-type activities are those normally associated with the operation of a government such as public works and public safety. Business-type activities are those activities of the government that are designed to be self-supporting such as the City's water, sewer, and natural gas services.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The Statement of Net Position also provides information on unrestricted and restricted net assets and net assets invested in capital assets, net of related debt.

**CITY OF NEW HAVEN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

The Statement of Activities represents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of timing of the related cash flows.

The governmental activities of the City include general government, public safety, public works, sanitation, parks and recreation, and judicial. The business-type activities of the City include water, sewer, and natural gas operations.

Fund Financial Statements

The second set of statements are fund financial statements which provide information about groupings of related accounts which are used to maintain control over resources for specific activities or objectives. The City uses fund accounting to demonstrate compliance with finance-related legal requirements. The fund financial statements provide more detailed information about the City's most significant funds - not the City as a whole. The funds of the City can be divided into two categories: governmental funds and proprietary funds. It should be noted that the City does not have any fiduciary funds.

Governmental Funds - Governmental funds tell how general government services were financed in the short-term as well as what financial resources remain available for future spending to finance City programs.

The City maintains several individual governmental funds according to their fund type (General, Special Revenue, Capital Projects, and Debt Service Funds). Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Parks and Recreation Fund, Capital Improvements Sales Tax Fund, and Capital Improvements Project Reserve Fund, which are considered to be major funds. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements.

The City adopts an annual appropriated budget for its governmental funds. Budgetary comparison schedules have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget.

Proprietary Funds - Proprietary funds offer short-term and long-term financial information about services for which the City charges customers. The City maintains three proprietary funds, which are Enterprise Funds. Enterprise Funds are used to report information similar to business-type activities in the government-wide financial statements. The City uses Enterprise Funds to account for its water, sewer, and natural gas operations.

Notes to the Basic Financial Statements - The third component of the City's basic financial statements are notes to financial statements, which provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplemental Information - In addition to the basic financial statements and notes to financial statements, this report includes required supplemental information. The MD&A and the General Fund and major Special Revenue Fund's budgetary schedules represent financial information required by the Governmental Accounting Standards Board.

**CITY OF NEW HAVEN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Other Supplemental Information - The combining and individual fund statements, provide fund level detail for all nonmajor governmental funds. Budgetary information for the nonmajor governmental funds, Capital Improvement Sales Tax Fund, and Capital Improvements Project Reserve Fund are presented in this section.

GOVERNMENT-WIDE FINANCIAL ANALYSIS OF THE CITY

The City presents its financial statements pursuant to Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Therefore a comparative analysis of government-wide data will be included in this report.

Statement of Net Position

The condensed Statement of Net Position is as follows:

	Governmental Activities	Business-Type Activities	Totals	
			2019	2018
ASSETS				
Current and other assets	\$ 2,451,298	2,396,319	4,847,617	3,394,165
Capital assets, net	<u>8,297,404</u>	<u>4,341,159</u>	<u>12,638,563</u>	<u>11,994,214</u>
Total Assets	<u>10,748,702</u>	<u>6,737,478</u>	<u>17,486,180</u>	<u>15,388,379</u>
DEFERRED OUTFLOWS				
Related to pension benefits	<u>52,866</u>	<u>21,372</u>	<u>74,238</u>	<u>66,872</u>
LIABILITIES				
Long-term liabilities	472,972	2,843,964	3,316,936	2,304,649
Other liabilities	<u>339,600</u>	<u>190,564</u>	<u>530,164</u>	<u>288,008</u>
Total Liabilities	<u>812,572</u>	<u>3,034,528</u>	<u>3,847,100</u>	<u>2,592,657</u>
DEFERRED INFLOWS				
Related to pension benefits	<u>11,605</u>	<u>6,040</u>	<u>17,645</u>	<u>15,688</u>
NET POSITION				
Invested in capital assets, net of related debt	7,970,865	1,619,117	9,589,982	9,952,554
Restricted	631,723	1,164,798	1,796,521	778,917
Unrestricted	<u>1,374,803</u>	<u>934,367</u>	<u>2,309,170</u>	<u>2,115,435</u>
Total Net Position	<u>\$ 9,977,391</u>	<u>3,718,282</u>	<u>13,695,673</u>	<u>12,846,906</u>

The largest portion of the City's net position, \$9,589,982 (70.02%), reflects its investment in capital assets (e.g., land, construction in progress, buildings and improvements, infrastructure, machinery and equipment, and vehicles); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used

**CITY OF NEW HAVEN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

to liquidate these liabilities. Included in the City's net position is \$1,796,521 (13.12%) which represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by grantors, contributors, regulations of other governments, or restrictions imposed by law through constitutional provisions or legislation. The remaining balance of net position, \$2,309,170 (16.86%), is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

Statement of Activities

The condensed Statement of Activities is as follows:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>2019</u>	<u>2018</u>	<u>Change</u>
REVENUES					
Program revenues:					
Charges for services	\$ 313,432	1,795,853	2,109,285	1,905,849	10.67%
Grants and contributions:					
Operating	38,454	--	38,454	35,812	7.38
Capital	1,094,454	--	1,094,454	912,435	19.95
General revenues:					
Taxes	1,059,590	--	1,059,590	1,120,202	(5.41)
Gain (loss) on sale of capital assets	(86,477)	--	(86,477)	214,056	(140.40)
Miscellaneous	9,869	2,390	12,259	6,517	88.11
Investment income	2,138	5,327	7,465	4,088	82.61
Total Revenues	<u>2,431,460</u>	<u>1,803,570</u>	<u>4,235,030</u>	<u>4,198,959</u>	.86
EXPENSES					
Public safety	539,521	--	539,521	439,378	22.79%
Public works	537,607	--	537,607	504,553	6.55
General government	267,468	--	267,468	256,414	4.31
Sanitation	202,336	--	202,336	201,026	.65
Parks and recreation	165,450	--	165,450	169,641	(2.47)
Judicial	30,355	--	30,355	49,057	(38.12)
Interest & fiscal charges	11,668	--	11,668	12,491	(6.59)
Natural gas	--	858,629	858,629	800,147	7.31
Sewer	--	482,138	482,138	376,334	28.11
Water	--	291,091	291,091	249,457	16.69
Total Expenses	<u>1,754,405</u>	<u>1,631,858</u>	<u>3,386,263</u>	<u>3,058,498</u>	10.72
TRANSFERS	<u>87,991</u>	<u>(87,991)</u>	<u>--</u>	<u>--</u>	<u>--</u>
CHANGES IN NET POSITION	765,046	83,721	848,767	1,140,461	(25.58)
NET POSITION, JULY 1	<u>9,212,345</u>	<u>3,634,561</u>	<u>12,846,906</u>	<u>11,706,445</u>	9.74
NET POSITION, JUNE 30	<u>\$9,977,391</u>	<u>3,718,282</u>	<u>13,695,673</u>	<u>12,846,906</u>	6.61

**CITY OF NEW HAVEN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

FINANCIAL ANALYSIS OF CITY FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on inflows and balances of available spendable resources. Such information is useful in assessing the City's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

General Fund -- At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$709,504. Unassigned fund balance decreased \$40,949 (5.46%) from the prior year. Total fund balance amounted to \$850,190. Of this amount, \$63,298 is restricted for the police department (donation for tactical supplies and Prop P sales tax), \$57,991 is committed for capital improvements, and \$19,397 is committed for debt service.

Parks and Recreation Fund -- At the end of the current fiscal year, total fund balance, which is restricted for parks and recreation operations, amounted to \$171,431. Restricted fund balance increased \$32,257 (23.18%).

Capital Improvements Sales Tax Fund -- At the end of the current fiscal year, total fund balance, which is restricted for capital improvements, amounted to \$271,830. Restricted fund balance decreased 592 (.22%).

Capital Improvements Project Reserve Fund -- At the end of the current fiscal year, total fund balance, which is committed for capital improvements, amounted to \$598,499. Restricted fund balance increased \$45,360 (8.20%).

Proprietary Funds. The City's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail.

Water Fund -- At the end of the current fiscal year, the unrestricted net position of the Water Fund was \$126,954. Unrestricted net position increased \$8,448 (7.13%). Total net position amounted to \$756,565.

Sewer Fund -- At the end of the current fiscal year, the unrestricted net position of the Sewer Fund was \$87,705. Unrestricted net position increased \$13,698 (18.51%). Total net position amounted to \$1,692,937. Of this amount, \$1,164,798 is restricted for capital improvements.

Natural Gas Fund -- At the end of the current fiscal year, the unrestricted net position of the Natural Gas Fund was \$719,708. Unrestricted net position increased \$145,379 (25.31%). Total net position amounted to \$1,268,780.

**CITY OF NEW HAVEN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

CAPITAL ASSETS

At June 30, 2019, the City had \$12,638,564 invested in capital assets, net of accumulated depreciation. Capital assets include land, construction in progress, buildings and improvements, infrastructure, machinery and equipment, and vehicles. Capital assets, net of accumulated depreciation increased \$644,349 from June 30, 2018. Current year depreciation expense amounted to \$558,812.

The City's capital asset additions are as follows:

Governmental Activities:

Maupin Street	\$ 872,875
Industrial Drive	162,965
2018 Ford Explorer	55,086
Downtown improvements	26,332
Highway 100 sidewalks	10,370
Police canine	10,000
Snowplow	6,047
Land	5,570
Motorola radio	5,011
Parks ADA multi-use trail	2,458
Highway 100 bridge project	<u>1,169</u>
	<u>1,157,883</u>

Business-Type Activities:

Sewer inspection equipment	78,557
Lift Station #4 land and construction	56,071
Maupin Street	16,042
Lift Station #2 pump	10,671
Lagoon screen	5,978
Sewer improvements (CIPP)	<u>1,716</u>
	<u>169,036</u>

Total Additions \$1,326,919

The City's capital asset sale proceeds are as follows:

Governmental Activities:

104 Miller Street	<u>\$37,280</u>
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Additional information on the City's capital assets can be found in Notes A and C to the basic financial statements.

LONG-TERM DEBT

At June 30, 2019, the City had \$3,075,942 in long-term debt. Long term debt increased \$1,008,956 from June 30, 2018. During the fiscal year 2019, the City issued \$1,136,000 in Certificates of Participation and retired \$124,579 in Certificates of Participation and \$4,500 in notes payable. Compensated absences activity had a net increase of \$2,035.

Additional information on the City's long-term debt can be found in Notes A and E to the basic financial statements.

**CITY OF NEW HAVEN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

BUDGET VARIANCES

General Fund - Revenues exceeded budgeted estimates by \$73,769 (6.23%) and budgeted expenditures exceeded actual amounts by \$41,681 (3.26%). Other financing sources exceeded budgeted estimates by \$26,596 (46.42%). Other financing uses equaled budgeted estimates. The City amended the original budget by increasing both revenues and expenditures which resulted in an increase in change in fund balance of \$41,506.

Parks and Recreation Fund - Budgeted revenues exceeded actual amounts by \$775 (0.44%) and budgeted expenditures exceeded actual amounts by \$36,685 (20.55%). The City amended the budget by increasing both revenues and expenditures which resulted in a decrease in change in fund balance of \$9,930.

Capital Improvement Sales Tax Fund - Budgeted revenues exceeded actual amounts by \$259,857 (22.56%) and budgeted expenditures exceeded actual amounts by \$423,246 (28.03%). Other financing sources equaled budgeted amounts. The City amended the original budget by increasing both revenues and expenditures which resulted in a decrease in change in fund balance of \$26,072.

Capital Improvement Project Reserve Fund - Revenues exceeded budgeted estimates by \$1,057 (14.48%). Expenditures equaled budgeted amounts. Other financing sources exceeded budgeted estimates by \$37,270 (100.00%). The City amended the original budget by increasing expenditures which resulted in a decrease in change in fund balance of \$277.

Transportation Sales Tax Fund - Revenues exceeded budgeted estimates by \$11,302 (9.83%) and budgeted expenditures exceeded actual amounts by \$4,957 (6.39%). Other financing uses equaled budgeted amounts. The City amended the original budget by increasing expenditures which resulted in a decrease in change in fund balance of \$1,959.

Motor Fuel Fund - Revenues exceeded budgeted estimates by \$2,041 (3.78%) and budgeted expenditures exceeded actual amounts by \$1,236 (3.17%). Other financing uses equaled budgeted amounts. The City did not amend the original budget.

Debt Service Fund - Revenues exceeded budgeted estimates by \$37 (100.00%) and budgeted expenditures exceeded actual amounts by \$50,128 (71.50%). Budgeted other financing sources exceeded actual amounts by \$50,128 (71.5%). The City did not amend the original budget.

**CITY OF NEW HAVEN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The City's finances are generally sound. In 2020, it will be the goal to continue to encourage responsible spending to further build reserves already in place.
- General Fund revenues for fiscal year 2020 are projected to be \$1.3 million. This represents an increase of \$76,000 over the prior year budget. The budgeted increase is due to increased sales tax revenue from Prop P. The City budgets conservatively and will amend the budget if needed.
- General Fund expenditures for the fiscal year 2020 are projected to total \$1.3 million which represents an increase of \$67,000 from the prior year budget. Most of the budgeted increase is to cover increased personnel projections for the police department (Prop P).
- Grant funding continues to play a major role in funding the City's street projects. Currently the City has six federally funded projects that are either in design or construction:
 - o Downtown Improvements Phases 1 and 2
(preliminary planning and approval stage)
 - o Highway 100 West Sidewalk Extension and Pedestrian Bridge Projects
(construction expected to begin spring 2020)
 - o Recreational Trails Program Phase 2
(approval pending with construction expected to begin January 2020)
 - o Maupin Street Phase 2
(completed in October 2019)
- A wastewater rate study was completed in October 2020. A similar rate study will be completed for the water and natural gas systems along with approving a 20-year repair and maintenance schedule.
- In April 2019, the City issued debt to help fund infrastructure construction: Lift Station No. 4 improvements and a Force Main project. An increase in user charges, approved in 2018, will assist with construction costs and debt payments. Lift Station No. 4 is expected to be completed December 2019 and the Force Main project February 2020.

FINANCIAL CONTACT

This financial report is designed to provide a general overview of the City's finances for those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Clerk, 101 Front Street, P.O. Box 236, New Haven, MO 63068.

CITY OF NEW HAVEN, MISSOURI
STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,938,774	1,062,457	3,001,231
Receivables:			
Taxes	171,055	-	171,055
Grants	170,708	-	170,708
Accounts, net	21,963	121,333	143,296
Special assessments	10,680	8,643	19,323
Court fines	10,181	-	10,181
Other	1,616	1,436	3,052
Inventory	-	17,465	17,465
Prepaid expenses	63,023	20,187	83,210
Restricted assets:			
Cash and cash equivalents	63,298	1,164,798	1,228,096
Capital assets:			
Land and construction in progress	1,490,912	157,474	1,648,386
Other, net of accumulated depreciation	6,806,492	4,183,685	10,990,177
Total Assets	\$ 10,748,702	6,737,478	17,486,180
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension benefits	\$ 52,866	21,372	74,238
LIABILITIES			
Accounts payable	\$ 279,037	142,776	421,813
Payroll liabilities	21,813	7,356	29,169
Pension payable	4,311	2,634	6,945
Interest payable	-	19,898	19,898
Deposits:			
Customers	29,039	17,900	46,939
Community Improvement District	5,000	-	5,000
Court bonds	400	-	400
Noncurrent liabilities:			
Due within one year	32,519	140,453	172,972
Due in more than one year	312,457	2,590,513	2,902,970
Net pension liability:			
Due in more than one year	127,996	112,998	240,994
Total Liabilities	\$ 812,572	3,034,528	3,847,100
DEFERRED INFLOWS OF RESOURCES			
Related to pension benefits	\$ 11,605	6,040	17,645
NET POSITION			
Net investment in capital assets	\$ 7,970,865	1,619,117	9,589,982
Restricted for:			
Capital improvements	271,830	1,164,798	1,436,628
Parks and recreation	171,431	-	171,431
Transportation projects	88,543	-	88,543
Police department	63,298	-	63,298
Street maintenance	32,273	-	32,273
Debt service	4,348	-	4,348
Unrestricted	1,374,803	934,367	2,309,170
Total Net Position	\$ 9,977,391	3,718,282	13,695,673

The notes to the financial statements are an integral part of this statement.

CITY OF NEW HAVEN, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Change in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental Activities							
Public safety	\$ 539,521	-	9,435	17,000	(513,086)	-	(513,086)
Public works	537,607	1,452	27,459	1,070,394	561,698	-	561,698
General government	267,468	52,287	-	5,570	(209,611)	-	(209,611)
Sanitation	202,336	202,916	-	-	580	-	580
Parks and recreation	165,450	21,650	1,560	1,490	(140,750)	-	(140,750)
Judicial	30,355	35,127	-	-	4,772	-	4,772
Interest and fiscal charges	11,668	-	-	-	(11,668)	-	(11,668)
Total Governmental Activities	<u>1,754,405</u>	<u>313,432</u>	<u>38,454</u>	<u>1,094,454</u>	<u>(308,065)</u>	<u>-</u>	<u>(308,065)</u>
Business-type Activities							
Natural gas	858,629	1,047,118	-	-	-	188,489	188,489
Sewer	482,138	467,204	-	-	-	(14,934)	(14,934)
Water	291,091	281,531	-	-	-	(9,560)	(9,560)
Total Business-type Activities	<u>1,631,858</u>	<u>1,795,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>163,995</u>	<u>163,995</u>
Total Primary Government	<u>\$ 3,386,263</u>	<u>2,109,285</u>	<u>38,454</u>	<u>1,094,454</u>	<u>(308,065)</u>	<u>163,995</u>	<u>(144,070)</u>
General Revenues:							
Taxes:							
Sales and local use taxes					\$ 402,913	-	402,913
Property taxes					395,426	-	395,426
Utility gross receipts tax					256,936	-	256,936
Miscellaneous taxes					4,315	-	4,315
Miscellaneous					9,869	2,390	12,259
Investment income					2,138	5,327	7,465
Loss on sale/retirement of capital assets					(86,477)	-	(86,477)
Transfers					<u>87,991</u>	<u>(87,991)</u>	<u>-</u>
Total General Revenues and Transfers					<u>1,073,111</u>	<u>(80,274)</u>	<u>992,837</u>
Change in Net Position					765,046	83,721	848,767
Net Position, July 1					<u>9,212,345</u>	<u>3,634,561</u>	<u>12,846,906</u>
Net Position, June 30					<u>\$ 9,977,391</u>	<u>3,718,282</u>	<u>13,695,673</u>

The notes to the financial statements are an integral part of this statement.

CITY OF NEW HAVEN, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>General</u>	<u>Parks and Recreation</u>	<u>Capital Improvement Sales Tax</u>	<u>Capital Improvement Project Reserve</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 748,255	170,835	315,509	599,699	104,476	1,938,774
Receivable:						
Taxes	112,135	12,319	18,462	-	28,139	171,055
Grants	-	47	170,661	-	-	170,708
Accounts, net	21,963	-	-	-	-	21,963
Special assessments	10,440	-	-	-	240	10,680
Court	10,181	-	-	-	-	10,181
Other	1,616	-	-	-	-	1,616
Restricted assets:						
Cash and cash equivalents	<u>63,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,298</u>
Total Assets	<u>\$ 967,888</u>	<u>183,201</u>	<u>504,632</u>	<u>599,699</u>	<u>132,855</u>	<u>2,388,275</u>
LIABILITIES						
Accounts payable	\$ 36,419	3,451	232,802	-	6,365	279,037
Payroll liabilities	15,683	5,162	-	-	968	21,813
Pension payable	3,757	336	-	-	218	4,311
Deposits:						
Customers	27,739	100	-	1,200	-	29,039
Community Improvement District	5,000	-	-	-	-	5,000
Court bonds	<u>400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400</u>
Total Liabilities	<u>88,998</u>	<u>9,049</u>	<u>232,802</u>	<u>1,200</u>	<u>7,551</u>	<u>339,600</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues:						
Delinquent property taxes	9,033	2,721	-	-	-	11,754
Special assessments	10,440	-	-	-	140	10,580
Court fines	<u>9,227</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,227</u>
Total Deferred Inflows of Resources	<u>28,700</u>	<u>2,721</u>	<u>-</u>	<u>-</u>	<u>140</u>	<u>31,561</u>
FUND BALANCES						
Restricted for:						
Capital improvements	-	-	271,830	-	-	271,830
Parks and recreation	-	171,431	-	-	-	171,431
Transportation projects	-	-	-	-	88,543	88,543
Police department	63,298	-	-	-	-	63,298
Street maintenance	-	-	-	-	32,273	32,273
Debt service	-	-	-	-	4,348	4,348
Committed for:						
Capital improvements	57,991	-	-	598,499	-	656,490
Debt service	19,397	-	-	-	-	19,397
Unassigned	<u>709,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>709,504</u>
Total Fund Balances	<u>850,190</u>	<u>171,431</u>	<u>271,830</u>	<u>598,499</u>	<u>125,164</u>	<u>2,017,114</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 967,888</u>	<u>183,201</u>	<u>504,632</u>	<u>599,699</u>	<u>132,855</u>	<u>2,388,275</u>

The notes to the financial statements are an integral part of this statement.

CITY OF NEW HAVEN, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total Fund Balances - Governmental Funds \$ 2,017,114

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

Prepaid assets used in governmental activities are not financial resources if they expire after 30 days and, therefore, are not reported in the governmental funds. 63,023

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds financial statements:

Cost of capital assets	\$ 10,773,584	
Less: accumulated depreciation	<u>(2,476,180)</u>	8,297,404

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds:

Delinquent property taxes	11,754	
Special assessments	10,580	
Court fines	<u>9,227</u>	31,561

Certain amounts related to the net pension liability are deferred and amortized over time. They are not reported in the governmental funds, but are included in the government-wide statements.

Deferred outflows	52,866	
Deferred inflows	<u>(11,605)</u>	41,261

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, therefore, are not reported as liabilities within the governmental funds financial statements. All liabilities, both current and long-term, are reported on the government-wide statement of net position. Bond issuance costs are reported in the governmental funds financial statements when debt is issued, whereas this amount is deferred and amortized over the life of the debt as an adjustment to interest expense on the government-wide financial statements. Balances at year-end consist of:

Accrued compensated absences	(18,437)	
Certificates of participation	(326,539)	
Net pension liability	<u>(127,996)</u>	<u>(472,972)</u>

Net Position of Governmental Activities \$ 9,977,391

CITY OF NEW HAVEN, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>General</u>	<u>Parks and Recreation</u>	<u>Capital Improvement Sales Tax</u>	<u>Capital Improvement Project Reserve</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
REVENUES						
Taxes	\$ 943,015	143,654	125,935	-	181,946	1,394,550
Grants	3,501	3,050	762,513	-	-	769,064
Charges for services	202,916	21,650	-	-	-	224,566
Donations	28,504	-	-	-	-	28,504
Rent	20,163	-	-	7,800	-	27,963
Fines and court costs	32,166	-	-	-	-	32,166
Licenses, fees, & permits	24,324	-	-	-	-	24,324
Miscellaneous	997	5,372	3,500	-	-	9,869
Investment income	818	353	273	557	137	2,138
Special assessments	626	-	-	-	317	943
Total Revenues	<u>1,257,030</u>	<u>174,079</u>	<u>892,221</u>	<u>8,357</u>	<u>182,400</u>	<u>2,514,087</u>
EXPENDITURES						
Current:						
Police department	505,393	-	-	-	-	505,393
Public works	134,805	-	13,202	277	110,368	258,652
Administration	256,923	-	-	-	-	256,923
Trash service	202,336	-	-	-	-	202,336
Parks and recreation	-	139,364	-	-	-	139,364
Municipal court	30,429	-	-	-	-	30,429
Emergency management agency	10,226	-	-	-	-	10,226
Industrial buildings	1,993	-	-	-	-	1,993
Capital outlay	81,714	2,458	1,073,711	-	-	1,157,883
Debt service:						
Principal retirement	6,395	-	-	-	14,991	21,386
Interest & fiscal charges	6,677	-	-	-	4,991	11,668
Total Expenditures	<u>1,236,891</u>	<u>141,822</u>	<u>1,086,913</u>	<u>277</u>	<u>130,350</u>	<u>2,596,253</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>20,139</u>	<u>32,257</u>	<u>(194,692)</u>	<u>8,080</u>	<u>52,050</u>	<u>(82,166)</u>
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	-	-	-	37,280	-	37,280
Transfers in	83,891	-	194,100	-	19,982	297,973
Transfers out	(129,982)	-	-	-	(80,000)	(209,982)
Total Other Financing Sources (Uses)	<u>(46,091)</u>	<u>-</u>	<u>194,100</u>	<u>37,280</u>	<u>(60,018)</u>	<u>125,271</u>
CHANGE IN FUND BALANCES	(25,952)	32,257	(592)	45,360	(7,968)	43,105
FUND BALANCES, JULY 1	<u>876,142</u>	<u>139,174</u>	<u>272,422</u>	<u>553,139</u>	<u>133,132</u>	<u>1,974,009</u>
FUND BALANCES, JUNE 30	<u>\$ 850,190</u>	<u>171,431</u>	<u>271,830</u>	<u>598,499</u>	<u>125,164</u>	<u>2,017,114</u>

The notes to the financial statements are an integral part of this statement.

CITY OF NEW HAVEN, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Net Change in Fund Balances - Governmental Funds \$ 43,105

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

The governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets meeting the capitalization threshold is allocated over their estimated useful lives and recorded as depreciation expense. This is the amount by which capital outlays over the capitalization threshold (\$1,157,883) exceeded depreciation (\$334,386) in the current period. 823,497

The net effect of various transactions involving capital assets (i.e. sales, trade-ins, donations, and allocations). (123,757)

Revenues in the statement of activities that do not provide current financial resources is not reported as revenues in the governmental funds financial statements. 3,850

The issuance of long-term debt (e.g., bonds, notes payable) provides current financial resources to governmental funds financial statements and thus contribute to the net change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements but reduces the liability in the statement of net position. The amounts below are the affects of these differences:

Repayments:
Certificates of Participation 21,386

Under the modified cash basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. The amounts below are the affects of these differences:

Prepaid expenses 1,463
Accrued compensated absences (1,402)
Pension expense (3,096)

Change in Net Position of Governmental Activities \$ 765,046

CITY OF NEW HAVEN, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Natural Gas</u>	<u>Total</u>
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 153,895	173,477	735,085	1,062,457
Receivable:				
Accounts, net	27,563	50,127	43,643	121,333
Special assessments	-	-	8,643	8,643
Other	-	-	1,436	1,436
Inventory	4,766	-	12,699	17,465
Prepaid expenses	<u>6,633</u>	<u>6,633</u>	<u>6,921</u>	<u>20,187</u>
Total Current Assets	<u>192,857</u>	<u>230,237</u>	<u>808,427</u>	<u>1,231,521</u>
Noncurrent Assets				
Restricted assets:				
Cash and cash equivalents	-	1,164,798	-	1,164,798
Capital assets:				
Land and construction in progress	82,887	74,587	-	157,474
Other, net of accumulated depreciation	<u>913,435</u>	<u>2,552,558</u>	<u>717,692</u>	<u>4,183,685</u>
Total Noncurrent Assets	<u>996,322</u>	<u>3,791,943</u>	<u>717,692</u>	<u>5,505,957</u>
Total Assets	<u>\$ 1,189,179</u>	<u>4,022,180</u>	<u>1,526,119</u>	<u>6,737,478</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension benefits	<u>\$ 6,900</u>	<u>6,854</u>	<u>7,618</u>	<u>21,372</u>
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 14,423	89,320	39,033	142,776
Payroll liabilities	2,270	2,543	2,543	7,356
Pension payable	852	845	937	2,634
Interest payable	2,164	15,570	2,164	19,898
Customer deposits	11,730	-	6,170	17,900
Compensated absences	2,932	2,932	3,060	8,924
Current maturities:				
Certificates of Participation	<u>15,974</u>	<u>108,911</u>	<u>6,644</u>	<u>131,529</u>
Total Current Liabilities	<u>50,345</u>	<u>220,121</u>	<u>60,551</u>	<u>331,017</u>
Noncurrent Liabilities				
Note payable	-	61,100	-	61,100
Certificates of Participation	350,737	2,016,700	161,976	2,529,413
Net pension liability	<u>36,482</u>	<u>36,239</u>	<u>40,277</u>	<u>112,998</u>
Total Noncurrent Liabilities	<u>387,219</u>	<u>2,114,039</u>	<u>202,253</u>	<u>2,703,511</u>
Total Liabilities	<u>\$ 437,564</u>	<u>2,334,160</u>	<u>262,804</u>	<u>3,034,528</u>

The notes to the financial statements are an integral part of this statement.

CITY OF NEW HAVEN, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019
(CONTINUED)

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Natural Gas</u>	<u>Total</u>
DEFERRED INFLOWS OF RESOURCES				
Related to pension benefits	\$ 1,950	1,937	2,153	6,040
NET POSITION				
Net investment in capital assets	\$ 629,611	440,434	549,072	1,619,117
Restricted for:				
Capital improvements	-	1,164,798	-	1,164,798
Unrestricted	<u>126,954</u>	<u>87,705</u>	<u>719,708</u>	<u>934,367</u>
Total Net Position	<u>\$ 756,565</u>	<u>1,692,937</u>	<u>1,268,780</u>	<u>3,718,282</u>

The notes to the financial statements are an integral part of this statement.

CITY OF NEW HAVEN, MISSOURI
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Natural Gas</u>	<u>Total</u>
OPERATING REVENUES				
Charges for services	\$ 281,531	467,204	1,047,118	1,795,853
OPERATING EXPENSES				
Personnel services	136,610	136,311	140,132	413,053
Operating expenses	67,792	82,345	46,021	196,158
Contracted services	11,684	62,288	616,308	690,280
Depreciation	61,127	117,885	45,414	224,426
Other charges	1,023	1,171	4,159	6,353
Total Operating Expenses	<u>278,236</u>	<u>400,000</u>	<u>852,034</u>	<u>1,530,270</u>
Operating Income	<u>3,295</u>	<u>67,204</u>	<u>195,084</u>	<u>265,583</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	143	4,560	624	5,327
Miscellaneous income	1,179	73	1,138	2,390
Interest & fiscal charges	(12,855)	(46,138)	(6,595)	(65,588)
Debt issuance costs	-	(36,000)	-	(36,000)
Total Nonoperating Revenues (Expenses)	<u>(11,533)</u>	<u>(77,505)</u>	<u>(4,833)</u>	<u>(93,871)</u>
INCOME (LOSS) BEFORE TRANSFERS	(8,238)	(10,301)	190,251	171,712
TRANSFERS OUT	<u>(3,200)</u>	<u>(900)</u>	<u>(83,891)</u>	<u>(87,991)</u>
CHANGE IN NET POSITION	(11,438)	(11,201)	106,360	83,721
NET POSITION, JULY 1	<u>768,003</u>	<u>1,704,138</u>	<u>1,162,420</u>	<u>3,634,561</u>
NET POSITION, JUNE 30	<u>\$ 756,565</u>	<u>1,692,937</u>	<u>1,268,780</u>	<u>3,718,282</u>

The notes to the financial statements are an integral part of this statement.

CITY OF NEW HAVEN, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Funds			
	<u>Water</u>	<u>Sewer</u>	<u>Natural Gas</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 281,509	453,188	1,049,643	1,784,340
Payments to suppliers	(83,785)	(133,378)	(678,309)	(895,472)
Payments to employees	(134,823)	(134,031)	(147,667)	(416,521)
Net cash provided by operating activities	<u>62,901</u>	<u>185,779</u>	<u>223,667</u>	<u>472,347</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to (from) other funds	(12,000)	(12,000)	24,000	-
Transfers out	(3,200)	(900)	(83,891)	(87,991)
Miscellaneous income	1,179	73	1,138	2,390
Net cash used in noncapital financing activities	<u>(14,021)</u>	<u>(12,827)</u>	<u>(58,753)</u>	<u>(85,601)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets:				
Purchased	(16,042)	(152,994)	-	(169,036)
Certificates of Participation:				
Issued	-	1,136,000	-	1,136,000
Principal paid	(25,199)	(71,599)	(6,395)	(103,193)
Debt issuance costs	-	(36,000)	-	(36,000)
Note payable:				
Principal paid	-	(4,500)	-	(4,500)
Interest and fiscal charges	(12,937)	(36,461)	(6,677)	(56,075)
Net cash provided by (used in) capital and related financing activities	<u>(54,178)</u>	<u>834,446</u>	<u>(13,072)</u>	<u>767,196</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in restricted assets	-	(999,894)	-	(999,894)
Investment income	143	4,560	624	5,327
Net cash provided by (used in) investing activities	<u>143</u>	<u>(995,334)</u>	<u>624</u>	<u>(994,567)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(5,155)	12,064	152,466	159,375
CASH AND CASH EQUIVALENTS, JULY 1	<u>159,050</u>	<u>161,413</u>	<u>582,619</u>	<u>903,082</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 153,895</u>	<u>173,477</u>	<u>735,085</u>	<u>1,062,457</u>

The notes to the financial statements are an integral part of this statement.

CITY OF NEW HAVEN, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Natural Gas</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 3,295	67,204	195,084	265,583
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	61,127	117,885	45,414	224,426
(Increase) decrease in:				
Receivable:				
Accounts, net	378	(14,016)	(554)	(14,192)
Special assessments	-	-	4,050	4,050
Other	-	-	(446)	(446)
Inventory	1,250	-	(6,084)	(4,834)
Prepaid expenses	(678)	(678)	2,011	655
Deferred pension outflows	845	783	2,783	4,411
Increase (decrease) in:				
Accounts payable	(3,858)	13,104	(7,748)	1,498
Payroll liabilities	439	717	(369)	787
Pension payable	147	139	-	286
Customer deposits	(400)	-	(525)	(925)
Compensated absences	563	563	(493)	633
Net pension liability	(309)	(37)	(9,128)	(9,474)
Deferred pension inflows	102	115	(328)	(111)
Total Adjustments	59,606	118,575	28,583	206,764
Net cash provided by operating activities	<u>\$ 62,901</u>	<u>185,779</u>	<u>223,667</u>	<u>472,347</u>

The notes to the financial statements are an integral part of this statement.

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the City of New Haven, Missouri (the City) in the preparation of the accompanying basic financial statements are summarized below:

1. Reporting Entity

The City of New Haven, Missouri (the City) was incorporated in 1856 and established a mayor/board of aldermen/city administrator form of government. The City's operations include public works, public safety, general administrative services, parks and recreation services, solid waste collection, and judicial services. Enterprise operations owned by the City include water, sewer treatment, and natural gas.

Generally accepted accounting principles require the basic financial statements present the City (primary government) and its component units. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's governing body or because the component unit will provide a financial benefit or impose a financial burden on the City. Based on these criteria, the City has determined that its financial reporting entity consists of the City and no other reporting units.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Following the government-wide financial statements are separate financial statements for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All other governmental funds are reported in one column labeled "Nonmajor Governmental Funds". The total fund balances for all governmental funds is reconciled to total net position for governmental activities as shown on the statement of net position.

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Government-wide and Fund Financial Statements (Continued)

The net change in fund balances for all governmental funds is reconciled to the total change in net position as shown on the statement of activities in the government-wide financial statements.

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay the liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due (i.e., matured).

Property taxes, franchise taxes, licenses, fines, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is susceptible to accrual as revenue of the current period. All other revenue items are measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund - The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Parks and Recreation Fund - The Parks and Recreation Fund, a Special Revenue Fund, is used to account for revenue received from property taxes, sales tax, and charges for services. All parks and recreation activity are tracked in this fund.

Capital Improvement Sales Tax Fund - The Capital Improvement Sales Tax Fund, a Capital Projects Fund, is used to account for financial resources that are specifically earmarked for capital improvements.

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The City reports the following major funds (continued):

Capital Improvement Project Reserve Fund - The Capital Improvement Project Reserve Fund, a Capital Projects Fund, is used to account for financial resources that are specifically earmarked for improvements to and/or construction of City buildings and facilities, and for major street reconstruction or improvement projects.

The other governmental funds of the City are considered nonmajor. The City reports the following nonmajor funds:

Transportation Sales Tax Fund - The Transportation Sales Tax Fund, a Special Revenue Fund, is used to account for revenues received from sales tax that are specifically earmarked for transportation projects.

Motor Fuel Fund - The Motor Fuel Fund, a Special Revenue Fund, is used to account for revenue received from gasoline sales tax that is specifically earmarked for the construction, reconstruction, maintenance, repair, policing, signing, lighting, and cleaning of roads and streets.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for and the payment of general long-term debt principal and interest on the Certificates of Participation.

The City reports the following major proprietary funds:

Water Fund - The Water Fund accounts for the billing and collection of charges for water service for the City's residents. Revenues are used to pay for both operating expenses and capital expenditures to maintain these services.

Sewer Fund - The Sewer Fund is used to account for the billing and collection of charges for the provision of sanitary sewer services to the residents of the City. Revenues are used to pay for both operating expenses and capital expenditures to maintain these services.

Natural Gas Fund - The Natural Gas Fund is used to account for the billing and collection of charges for natural gas service for the City's residents. All activities necessary to provide such services are accounted for in this fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's Enterprise Funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Amounts reported as program revenues include 1) charges to customers or applications for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments, identifiable with a function. Taxes, investment income, and other miscellaneous revenue not properly included among program revenues are reported instead as general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for the Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

4. Cash and Cash Equivalents

State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements.

Cash and cash equivalents include cash on hand, demand deposits, and money market funds. For purposes of the statement of cash flows, the Enterprise Funds consider all highly liquid instruments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents are stated at cost, which approximates fair value.

5. Receivables and Payables

Property taxes are billed and collected by Franklin County, Missouri and attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. Property tax receivables include unpaid property taxes at year-end along with penalties and interest assessed on these unpaid taxes. No significant uncollectible receivables have been estimated, therefore, no allowance for doubtful accounts has been recorded.

Special assessment revenues and receivables are recognized at the time property owners are assessed for the property improvement. Special assessment receivables include unpaid assessments along with interest on unpaid balances and are offset by deferred revenue for those property owners who have extended payment plans. The City's portion of such improvements is expended as incurred.

No significant uncollectible receivables have been estimated in the government-wide funds, therefore, no allowance for doubtful accounts has been recorded.

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Inventory and Prepaid Items

Inventory is recorded at cost on the first-in, first-out basis. In the governmental fund types, the purchase method for inventory is used. This means that inventory is recorded as an expenditure when acquired regardless of when it is used. In the proprietary fund types, the consumption method is used. This means that acquisition of materials and supplies is recorded initially in inventory accounts and charged as an expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements for proprietary funds on the consumption method. Prepaid items are recorded as expenditures when consumed rather than purchased.

7. Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, infrastructure (e.g., streets, sidewalks, roads, bridges, and similar items), machinery and equipment, and vehicles are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds, net of accumulated depreciation. Capital assets are defined by the City as assets with an estimated useful life in excess of two years with an initial, individual cost of \$5,000 or more. Infrastructure assets are defined as assets with a cost of at least \$25,000. The City has elected not to retroactively report infrastructure constructed prior to July 1, 2003.

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation, including depreciation recognized on assets acquired through government grants and other aid, is computed on the straight-line method over estimated useful lives of the various classes of assets.

The estimated useful lives of depreciable capital assets are as follows:

<u>Capital Assets</u>	<u>Years</u>
Buildings and improvements	10-30
Infrastructure	30
Machinery and equipment	5-10
Vehicles	5-10

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Restricted Assets - Cash and Cash Equivalents

Restricted cash in the General Fund represents unspent proceeds from a donation restricted for police tactical supplies and Prop P sales tax required to be used for future police personnel costs.

Restricted cash in the Sewer Fund represents unspent proceeds from Certificates of Participation issued in 2014 and 2019 as an operating reserve for repair and maintenance and project construction payments.

9. Compensated Absences

Upon termination, vacation only will be paid to the employee and is generally required to be used within one year. Compensated absences are recorded in the government-wide financial statements and fund financial statements for proprietary funds. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

10. Pension

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, 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. LAGERS' investments are reported at fair value.

Information regarding the City's total pension liability is obtained from LAGERS through a report prepared for the City by LAGERS' consulting actuary, GRS Retirement Consulting, in compliance with GASB Statement No. 68, *Accounting and Financial Reporting for Pension*.

11. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental-activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Deferred Outflows/Inflows of Resources and Unearned Revenue

Deferred Outflows

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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 one item that qualifies for reporting in this category in the government-wide statement of net position. A deferred outflow related to the pension.

Deferred Inflows

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element 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 then. The City has one item that qualifies for reporting in this category in the government-wide statement of net position. A deferred inflow related to the pension.

Unearned Revenue

In addition to assets, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The item, unavailable revenues, arises only under a modified accrual basis of accounting. The City has three items that qualify for reporting in this category: delinquent property taxes, special assessments, and court fines.

13. Fund Balance Policies

The fund balance amounts are reported in the following applicable categories listed from the most restrictive to the least restrictive:

Nonspendable - The portion of fund balance that is not in a spendable form or is required to be maintained intact.

Restricted - The portion of fund balance that is subject to external restrictions and constrained to specific purposes by agreement, through constitutional provisions, or by enabling legislation.

Committed - The portion of fund balance with constraints or limitations by formal action (resolution or ordinance) of the Board of Aldermen, the highest level of decision-making authority.

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. Fund Balance Policies (Continued)

Assigned - The portion of fund balance that the City intends to use for a specific purpose as determined by the City Administrator based on Board of Aldermen direction. Intent can be expressed by the Board of Aldermen in the form of a motion.

Unassigned - Amounts that are available for any purpose; these positive amounts are reported only in the General Fund.

When both restricted and unrestricted resources are available, the City will spend the restricted amounts and then the least restricted - committed, assigned, and then unassigned.

The City's fund balance policy was enacted in an effort to ensure financial security through the maintenance of a healthy reserve fund that guides the creation, maintenance, and use of resources for financial stabilization purposes. The City's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. The City also seeks to maintain the highest possible credit ratings which are dependent, in part, on the City's maintenance of a healthy fund balance. The unrestricted fund balance of the General Fund has been accumulating to meet this purpose to provide stability and flexibility in order to respond to unexpected adversity and/or opportunities. The target is to maintain an unrestricted fund balance of not less than 20% of annual operating expenditures in order to provide adequate funding to cover approximately 2 months of operating expenditures, provide the liquidity necessary to accommodate the City's uneven cash flow, which is inherent in its periodic tax collection schedule, and provide the liquidity to respond to contingent liabilities.

14. Property Taxes

The assessed value at January 1, 2018 upon which the 2018 levy was based for real estate, personal property, and railroads and utilities was \$41,684,057. The City's tax rate was levied at \$0.70 per \$100 of assessed valuation for general revenue purposes and at \$0.18 per \$100 of assessed valuation for City park maintenance and improvement purposes.

Property tax revenue is recognized to the extent it is collected within 60 days after year-end in the fund financial statements. Property taxes not collected within 60 days of year-end are deferred in fund financial statements but are recognized as revenue in government-wide financial statements.

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. Grant Revenue

Resources received by the City from other governments are accounted for within applicable funds based on the purpose and requirements of each grant. Revenues are recognized on an accounting basis consistent with the fund's measurement objective.

Revenues related to expenditure-driven grants are recognized to the extent expenditures are incurred. Any excess or deficiency of grant revenues received compared to expenditures incurred is recorded as deferred revenue or amounts receivable from the grantor.

16. Use of Estimates

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

NOTE B - CASH AND CASH EQUIVALENTS

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City's deposits may not be returned, or the City will not be able to recover collateral securities in the possession of an outside party. The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation (FDIC).

As of June 30, 2019, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE C - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 350,703	5,570	--	356,273
Construction in progress	<u>1,442,837</u>	<u>913,204</u>	<u>(1,221,402)</u>	<u>1,134,639</u>
Total capital assets not being depreciated	<u>1,793,540</u>	<u>918,774</u>	<u>(1,221,402)</u>	<u>1,490,912</u>
Capital assets being depreciated:				
Buildings and improvements	1,026,938	--	(56,434)	970,504
Infrastructure	6,380,074	1,384,367	(204,598)	7,559,843
Machinery and equipment	517,993	21,058	(71,545)	467,506
Vehicles	<u>229,733</u>	<u>55,086</u>	<u>--</u>	<u>284,819</u>
Total capital assets being depreciated	<u>8,154,738</u>	<u>1,460,511</u>	<u>(332,577)</u>	<u>9,282,672</u>
Less accumulated depreciation for:				
Buildings and improvements	(417,930)	(26,556)	56,434	(388,052)
Infrastructure	(1,364,523)	(253,940)	80,841	(1,537,622)
Machinery and equipment	(397,559)	(22,644)	71,545	(348,658)
Vehicles	<u>(170,602)</u>	<u>(31,246)</u>	<u>--</u>	<u>(201,848)</u>
Total accumulated depreciation	<u>(2,350,614)</u>	<u>(334,386)</u>	<u>208,820</u>	<u>(2,476,180)</u>
Total capital assets being depreciated, net	<u>5,804,124</u>	<u>1,126,125</u>	<u>(123,757)</u>	<u>6,806,492</u>
Total capital assets, net	<u>\$7,597,664</u>	<u>2,044,899</u>	<u>(1,345,159)</u>	<u>8,297,404</u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
Public works	\$280,186
Public safety	27,062
Parks and recreation	18,815
General government	<u>8,323</u>
Total depreciation expense - Governmental activities	<u>\$334,386</u>

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE C - CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 16,800	8,016	--	24,816
Construction in progress	<u>139,860</u>	<u>65,813</u>	<u>(73,015)</u>	<u>132,658</u>
Total capital assets not being depreciated	<u>156,660</u>	<u>73,829</u>	<u>(73,015)</u>	<u>157,474</u>
Capital assets being depreciated:				
Buildings and improvements	2,902,342	--	--	2,902,342
Infrastructure	3,706,564	73,015	--	3,779,579
Machinery and equipment	420,919	95,206	--	516,125
Vehicles	<u>150,385</u>	<u>--</u>	<u>--</u>	<u>150,385</u>
Total capital assets being depreciated	<u>7,180,210</u>	<u>168,221</u>	<u>--</u>	<u>7,348,431</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,300,900)	(64,262)	--	(1,365,162)
Infrastructure	(1,220,982)	(126,916)	--	(1,347,898)
Machinery and equipment	(278,604)	(27,296)	--	(305,900)
Vehicles	<u>(139,834)</u>	<u>(5,952)</u>	<u>--</u>	<u>(145,786)</u>
Total accumulated depreciation	<u>(2,940,320)</u>	<u>(224,426)</u>	<u>--</u>	<u>(3,164,746)</u>
Total capital assets being depreciated, net	<u>4,239,890</u>	<u>(56,205)</u>	<u>--</u>	<u>4,183,685</u>
Total capital assets, net	<u>\$4,396,550</u>	<u>17,624</u>	<u>(73,015)</u>	<u>4,341,159</u>

Depreciation expense was charged to functions/programs of the City as follows:

Business-type activities:	
Sewer department	\$117,885
Water department	61,127
Natural gas department	<u>45,414</u>
Total depreciation expense - Business-type activities	<u>\$224,426</u>

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE D - TRANSFERS

Interfund transfers are as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Total</u>
General Fund	Natural Gas Fund	\$ 83,891
Capital Improvements Sales Tax Fund	General Fund	110,000
Capital Improvements Sales Tax Fund	Nonmajor Governmental Funds	80,000
Capital Improvements Sales Tax Fund	Water Fund	3,200
Capital Improvements Sales Tax Fund	Sewer Fund	900
Nonmajor Governmental Funds	General Fund	<u>19,982</u>
		<u>\$297,973</u>

Purpose of interfund transfers:

To the General Fund: administrative support.

To the Capital Improvements Sales Tax Fund: street projects.

To the Nonmajor Governmental Fund - Debt Service Fund: debt service payment.

NOTE E - LONG-TERM DEBT

The changes in long-term debt for the year ended June 30, 2019 are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Certificates of participation	\$ 347,925	--	(21,386)	326,539	14,082
Compensated absences	<u>17,035</u>	<u>18,437</u>	<u>(17,035)</u>	<u>18,437</u>	<u>18,437</u>
Total Governmental Activities	<u>\$ 364,960</u>	<u>18,437</u>	<u>(38,421)</u>	<u>344,976</u>	<u>32,519</u>
Business-type activities:					
Certificates of participation	\$1,628,135	1,136,000	(103,193)	2,660,942	131,529
Note payable	65,600	--	(4,500)	61,100	--
Compensated absences	<u>8,291</u>	<u>8,924</u>	<u>(8,291)</u>	<u>8,924</u>	<u>8,924</u>
Total Business-type Activities	<u>\$1,702,026</u>	<u>1,144,924</u>	<u>(115,984)</u>	<u>2,730,966</u>	<u>140,453</u>

Compensated absences are liquidated by the related fund.

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE E - LONG-TERM DEBT (CONTINUED)

Certificates of Participation for the year ended June 30, 2019 are as follows:

Governmental activities:

\$181,000 Certificates of Participation, Series 2017,
due in bi-annual installments through March 1, 2037,
interest payable at 3.85% \$ 168,620

\$229,000 Certificates of Participation, under the terms
of the refinancing agreement Series 2015, due in bi-annual
installments through July 1, 2028, interest payable at 2.95% 157,919

\$ 326,539

Business-type Activities:

\$1,136,000 Certificates of Participation, Series 2019,
due in bi-annual installments through May 1, 2036,
interest payable at 4.23% \$1,136,000

\$800,000 Certificates of Participation, Series 2014,
due in annual installments through November 1, 2029,
interest payable at 3.27% 622,900

\$543,000 Certificates of Participation, Series 2017,
due in bi-annual installments through March 1, 2037,
interest payable at 3.85% 505,860

\$575,000 Certificates of Participation, under the terms
of the refinancing agreement Series 2015, due in bi-annual
installments through July 1, 2028, interest payable at 2.95% 396,182

\$2,660,942

The annual requirements to amortize the Certificates of Participation are as follows:

Years Ending	<u>Governmental Activities</u>		<u>Business-type Activities</u>		
	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 14,082	8,758	131,529	94,319	
2021	22,349	10,500	157,860	93,004	
2022	23,159	9,767	163,815	87,296	
2023	23,979	9,018	169,789	81,399	
2024	25,437	8,232	177,562	75,258	
2025-2029	128,260	28,264	958,690	275,554	
2030-2034	52,570	12,790	612,089	123,989	
2035-2037	<u>36,703</u>	<u>2,512</u>	<u>289,608</u>	<u>17,126</u>	
	<u>\$326,539</u>	<u>89,841</u>	<u>2,660,942</u>	<u>847,945</u>	

**CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE E - LONG-TERM DEBT (CONTINUED)

Note payable for the year ended June 30, 2019 is as follows:

\$100,000 note payable to the Missouri Department of Natural Resources, due in annual installments through July 1, 2031, interest payable at 1.4% \$61,100

The annual requirements to amortize the note payable are as follows:

<u>Years Ending June 30</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ --	428
2021	4,600	823
2022	4,700	758
2023	4,800	692
2024	4,900	624
2025-2029	25,600	2,062
2030-2032	<u>16,500</u>	<u>349</u>
	<u>\$61,100</u>	<u>5,736</u>

NOTE F - FINES AND COURT COSTS FOR TRAFFIC VIOLATIONS

The State of Missouri under House Bill 103 requires all municipalities to provide an accounting of annual general operating revenue from fines and court costs for traffic violations in the municipality's annual report. The purpose of the bill is to make sure that municipalities are not generating more than 20% of their operating revenue from fines and court costs for traffic violations. The City only generates 1.47% of operating revenues from fines and court costs for traffic violations.

NOTE G - POST-EMPLOYMENT HEALTH BENEFITS

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the first day of the month for the actual month covered. This program is offered for a duration of 18 months after the termination date, unless the employee becomes divorced or deceased, then the duration is 36 months. There is no associated cost to the City under this program. The City did not have any participants in the program at June 30, 2019.

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE H - PENSION

Plan Description

The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer statewide public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was established in 1967 and is governed by statute section 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 it is tax exempt. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing LAGERS' website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police) with 5 or more years of service are entitled to an allowance for life based upon the following benefit program information:

Benefit factor	1.00% for life to age 60
Final average salary	5 years
Member contributions	4% contributory for employees

Employees Covered by Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Retirees and beneficiaries	1	1
Inactive non-retired employees	3	6
Active employees	<u>12</u>	<u>6</u>
Total	<u>16</u>	<u>13</u>

Contributions

Full-time employees of the City contribute 4% of their gross pay to the pension plan. The June 30th statutorily required contribution rates for the governing body are 6.2% (general) and 5.6% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE H - PENSION (CONTINUED)

Net Pension Liability (Asset)

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

Actuary 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, 2.50% price inflation
Salary increases	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses

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

Actuarial cost method	Entry age normal and modified terminal funding
Asset valuation method	5-year smoothed market, 20% corridor
Retirement age	Experienced-based table of rates that are specific to the type of eligibility condition

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 23 years
-------------------------------	------------------------------------

Discount Rate

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 payments to determine total pension liability. For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 3.13%; and the resulting single discount rate is 7.25% for both general and police divisions.

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE H - PENSION (CONTINUED)

Changes in Net Pension Liability and Related Ratios

	<u>General</u>	<u>Police</u>
Total Pension Liability		
Service cost	\$ 36,106	16,939
Interest	38,100	14,796
Difference in experience	(4,547)	18,742
Benefit payments, including refunds	<u>(3,519)</u>	<u>(4,452)</u>
Net change in total pension liability	66,140	46,025
Total pension liability - beginning	<u>509,513</u>	<u>197,946</u>
Total pension liability - ending	<u>575,653</u>	<u>243,971</u>
 Plan Fiduciary Net Position		
Contributions - employer	33,442	14,821
Contributions - employee	21,576	10,587
Net investment income	21,415	15,162
Benefit payments, including refunds	(3,519)	(4,452)
Pension plan administrative expense	(1,692)	(1,208)
Other (net transfer)	<u>(1,142)</u>	<u>3,844</u>
Net change in plan fiduciary net position	70,080	38,754
Plan fiduciary net position - beginning	<u>313,183</u>	<u>156,613</u>
Plan fiduciary net position - ending	<u>383,263</u>	<u>195,367</u>
 Net Pension Liability	 <u>\$192,390</u>	 <u>48,604</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 66.58%	 80.08%
 Covered Employee Payroll	 \$529,399	 235,954
 Net Pension Liability as a Percentage of Covered Employee Payroll	 36.34%	 20.60%

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
<u>General</u>	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
Total pension liability	\$682,673	575,653	488,945
Plan fiduciary net position	<u>383,263</u>	<u>383,263</u>	<u>383,263</u>
Net pension liability	<u>\$299,410</u>	<u>192,390</u>	<u>105,682</u>
 <u>Police</u>			
Total pension liability	\$291,389	243,971	206,958
Plan fiduciary net position	<u>195,367</u>	<u>195,367</u>	<u>195,367</u>
Net pension liability	<u>\$ 96,022</u>	<u>48,604</u>	<u>11,591</u>

Pension Expense

Pension expense amounted to \$44,518 for year ended June 30, 2019.

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE H - PENSION (CONTINUED)

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

Reported deferred outflows and inflows of resources are related to pensions from the following sources:

	<u>Outflows</u>	<u>Inflows</u>	<u>Net Outflows</u>
<u>General</u>			
Differences in experience	\$22,925	(4,060)	18,865
Assumption changes	13,463	--	13,463
Deficit investment returns	--	(6,222)	(6,222)
Total	<u>\$36,388</u>	<u>(10,282)</u>	<u>26,106</u>
<u>Police</u>			
Differences in experience	\$34,438	--	34,438
Assumption changes	3,412	--	3,412
Deficit investment returns	--	(7,363)	(7,363)
Total	<u>\$37,850</u>	<u>(7,363)</u>	<u>30,487</u>

Deferred outflows and deferred inflows of resources recognized in future pension expense as follows:

<u>Year Ending June 30</u>	<u>General</u>	<u>Police</u>
2020	\$ 2,725	4,479
2021	1,113	3,642
2022	2,704	4,410
2023	5,060	5,526
2024	4,456	5,537
Thereafter	<u>10,048</u>	<u>6,893</u>
Total	<u>\$26,106</u>	<u>30,487</u>

**REQUIRED SUPPLEMENTAL INFORMATION
Schedule of Funding Progress**

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contribution in Relation</u>	<u>Contribution Deficiency</u>	<u>Covered Employee Payroll</u>	<u>Contribution as Percentage</u>
2013	\$17,603	\$17,603	\$.10	\$380,708	4.62%
2014	31,978	31,978	(.01)	692,317	4.62
2015	33,135	33,135	.16	720,325	4.60
2016	40,769	40,769	.28	780,297	5.22
2017	38,474	38,474	.27	768,988	5.00
2018	43,722	43,723	(.03)	738,509	5.92
2019	48,264	48,264	(.07)	804,057	6.00

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE I - RISK MANAGEMENT

The City is a member of the Missouri Intergovernmental Risk Management Association (MIRMA), a state-wide governmental self-insurance pool which provides property, liability, and workers' compensation coverage to its participating members in a single comprehensive multiline package. The various lines of coverage are not available individually and the membership is limited to municipalities and municipally owned utilities. The City's policy covers all real and personal property owned by the City. MIRMA is funded by annual member assessments calculated at a rate per \$100 of annual payroll which applies to all lines of coverage on a composite basis. These funds are used to pay losses within specific risk retention limits shared equally by all members; purchase excess insurance which provides a transfer of catastrophic risk to private insurance carriers; purchase services such as claims administration, loss prevention, and data processing; and pay administrative expenses. Should actual insurance losses exceed MIRMA's estimates, the City could be required to contribute additional funds. Management believes the risk of additional loss is minimal and any additional contributions that may be required would not materially impact overall operations of the City. The City paid an assessment totaling \$82,403 for MIRMA's fiscal year ended June 30, 2019. Settled claims resulting from these risks have not exceeded coverage in any of the past three years.

NOTE J - RESTRICTED NET ASSETS

The government-wide statement of net assets reports \$631,723 of restricted net assets, of which \$569,475 is restricted by enabling legislation.

NOTE K - COMMITMENTS AND CONTINGENCIES

The City had the following major commitments at June 30, 2019:

	<u>Committed Expense</u>	<u>Grant Available</u>	<u>City Match</u>
Projects:			
Downtown Improvements	\$1,564,458	1,216,509	347,949
Highway 100 Shared Use Bridge and Sidewalks	771,399	529,127	242,271
Lift Station No. 4	312,944	--	312,944
Recreational Trails	114,755	69,094	45,661
Cured-In-Place-Pipe	37,154	--	37,155
Maupin Street Improvements	<u>8,670</u>	<u>6,936</u>	<u>1,734</u>
	<u>\$2,809,380</u>	<u>1,821,666</u>	<u>987,714</u>

Grants available:

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. If any expenditures are disallowed as a result of these audits, claims for reimbursement to the grantor agency would become a liability of the City. In the opinion of management, any such adjustments would not be significant.

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE L - PENDING GOVERNMENTAL ACCOUNTING STANDARDS

The effect on the City's financial statements of the following Governmental Accounting Standard Board (GASB) statements issued, but not yet adopted, has not yet been determined.

This report does not incorporate GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 87, *Leases*, and GASB Statement No. 89, *Interest Cost Incurred before the End of a Construction Period*.

The City will adopt and implement these statements at the required time.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF NEW HAVEN, MISSOURI
 REQUIRED SUPPLEMENTAL INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Sales	\$ 316,892	316,892	340,028	23,136
Property	308,400	308,400	314,277	5,877
Utility gross receipts	249,000	249,000	256,936	7,936
Motor vehicle	23,000	23,000	27,459	4,459
Cigarette	4,200	4,200	4,315	115
	<u>901,492</u>	<u>901,492</u>	<u>943,015</u>	<u>41,523</u>
Charges for services	200,750	200,750	202,916	2,166
Donations	-	11,100	28,504	17,404
Fines and court costs	25,200	25,200	32,166	6,966
Licenses, fees, & permits	24,450	24,450	24,324	(126)
Rent	18,869	18,869	20,163	1,294
Grants	-	-	3,501	3,501
Miscellaneous	-	-	997	997
Investment income	400	400	818	418
Special assessments	1,000	1,000	626	(374)
	<u>1,172,161</u>	<u>1,183,261</u>	<u>1,257,030</u>	<u>73,769</u>
Total Revenues				
EXPENDITURES				
Police department:				
Current:				
Personnel services	374,951	377,900	378,875	975
Operating expenditures	48,125	73,110	70,403	(2,707)
Contracted services	59,056	59,056	52,371	(6,685)
Other charges	3,000	3,750	3,744	(6)
	<u>485,132</u>	<u>513,816</u>	<u>505,393</u>	<u>(8,423)</u>
Capital outlay	44,000	57,090	65,086	7,996
	<u>529,132</u>	<u>570,906</u>	<u>570,479</u>	<u>(427)</u>
Administration:				
Current:				
Personnel services	112,103	114,742	109,119	(5,623)
Operating expenditures	26,300	26,300	21,731	(4,569)
Contracted services	109,524	109,524	105,263	(4,261)
Other charges	29,500	30,040	20,810	(9,230)
	<u>277,427</u>	<u>280,606</u>	<u>256,923</u>	<u>(23,683)</u>
Capital outlay	-	-	5,570	5,570
	<u>\$ 277,427</u>	<u>280,606</u>	<u>262,493</u>	<u>(18,113)</u>

CITY OF NEW HAVEN, MISSOURI
 REQUIRED SUPPLEMENTAL INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2019
 (CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (CONTINUED)				
Trash service:				
Current:				
Contracted services	\$ 201,000	201,000	202,336	1,336
Public works:				
Current:				
Personnel services	74,947	75,812	75,290	(522)
Operating expenditures	54,625	55,775	46,575	(9,200)
Contracted services	18,355	18,655	12,804	(5,851)
Other charges	1,000	1,000	136	(864)
	148,927	151,242	134,805	(16,437)
Capital outlay	9,550	8,400	6,047	(2,353)
Debt service	13,073	13,073	13,072	(1)
	171,550	172,715	153,924	(18,791)
Municipal Court:				
Current:				
Personnel services	27,419	27,419	27,106	(313)
Operating expenditures	800	800	260	(540)
Contracted services	3,258	3,258	2,026	(1,232)
Other charges	700	1,038	1,037	(1)
	32,177	32,515	30,429	(2,086)
Emergency management agency:				
Current:				
Operating expenditures	2,480	7,930	2,303	(5,627)
Contracted services	8,500	8,500	7,820	(680)
Other charges	500	500	103	(397)
	11,480	16,930	10,226	(6,704)
Capital outlay	-	-	5,011	5,011
	11,480	16,930	15,237	(1,693)
Industrial buildings				
Current:				
Operating expenditures	3,200	3,900	1,993	(1,907)
	3,200	3,900	1,993	(1,907)
	1,225,966	1,278,572	1,236,891	(41,681)
REVENUES OVER (UNDER) EXPENDITURES	(53,805)	(95,311)	20,139	115,450
OTHER FINANCING SOURCES (USES)				
Transfers in	57,295	57,295	83,891	26,596
Transfers out	(129,982)	(129,982)	(129,982)	-
Total Other Financing Sources (Uses)	(72,687)	(72,687)	(46,091)	26,596
CHANGE IN FUND BALANCE	\$ (126,492)	(167,998)	(25,952)	142,046

CITY OF NEW HAVEN, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
PARKS AND RECREATION - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property	\$ 80,875	80,875	80,769	(106)
Sales	59,000	59,000	62,885	3,885
	<u>139,875</u>	<u>139,875</u>	<u>143,654</u>	<u>3,779</u>
Charges for services	23,950	23,950	21,650	(2,300)
Miscellaneous	8,000	8,000	5,372	(2,628)
Grants	1,500	2,944	3,050	106
Investment income	85	85	353	268
	<u>173,410</u>	<u>174,854</u>	<u>174,079</u>	<u>(775)</u>
EXPENDITURES				
Parks and recreation:				
Current:				
Personnel services	88,775	89,230	84,018	(5,212)
Operating expenditures	51,550	58,674	42,836	(15,838)
Contracted services	14,808	15,303	10,507	(4,796)
Other charges	1,500	2,300	2,003	(297)
	<u>156,633</u>	<u>165,507</u>	<u>139,364</u>	<u>(26,143)</u>
Capital outlay	10,500	13,000	2,458	(10,542)
	<u>167,133</u>	<u>178,507</u>	<u>141,822</u>	<u>(36,685)</u>
CHANGE IN FUND BALANCE	<u>\$ 6,277</u>	<u>(3,653)</u>	<u>32,257</u>	<u>35,910</u>

CITY OF NEW HAVEN, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

Budgetary Data

The Board of Alderman adheres to the following procedures in establishing the budgets reflected in the financial statements:

- a. Prior to July 1, the City Administrator, after receiving input from each department head, submits to the Board of Alderman the proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings and open meetings of the Board of Aldermen are held to obtain taxpayer comments.
- c. Prior to July 1, the budget is legally enacted by the Board of Alderman through passage of an ordinance.
- d. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
- e. The legal level of budgetary control is defined as the budgeted appropriation amount at the fund level of expenditures.
- f. Unused appropriations for annually budgeted funds lapse at the end of the year.
- g. The budget amounts shown in the financial statements are as originally adopted and as amended by the Board of Aldermen.
- h. Annually appropriated budgets are consistent with accounting principles generally accepted in the United States of America.

Excess of Expenditures over Appropriations

The following General Fund department had expenditures over budget:

Trash Service	\$1,336
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Over expenditures were recovered with current year's unassigned fund balance.

CITY OF NEW HAVEN, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS MULTIYEAR
GENERAL DIVISION
JUNE 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability					
Service cost	\$ 36,106	34,463	36,172	35,386	32,017
Interest	38,100	32,576	28,096	21,975	17,690
Differences in experience	(4,547)	11,827	1,766	9,259	11,050
Changes of assumptions	--	--	--	20,787	--
Benefit payments, including refunds	<u>(3,519)</u>	<u>(3,431)</u>	<u>(3,381)</u>	<u>(3,338)</u>	<u>(3,283)</u>
Net change in total pension liability	66,140	75,435	62,653	84,069	57,474
Total pension liability - beginning	<u>509,513</u>	<u>434,078</u>	<u>371,425</u>	<u>287,356</u>	<u>229,282</u>
Total pension liability - ending	<u>575,653</u>	<u>509,513</u>	<u>434,078</u>	<u>371,425</u>	<u>287,356</u>
Plan Fiduciary Net Position					
Contributions - employer	33,442	29,944	24,411	27,381	23,287
Contributions - employee	21,576	20,651	20,342	21,476	20,250
Net investment income	21,415	30,598	22,119	2,941	2,164
Benefit payments, including refunds	(3,519)	(3,431)	(3,381)	(3,338)	(3,283)
Pension plan administrative expense	(1,692)	(1,281)	(1,180)	(1,179)	(1,305)
Other (net transfer)	<u>(1,142)</u>	<u>(496)</u>	<u>(1,647)</u>	<u>(1,319)</u>	<u>3,622</u>
Net change in plan fiduciary net position	70,080	75,985	60,664	45,962	44,735
Plan fiduciary net position - beginning	<u>313,183</u>	<u>237,198</u>	<u>176,534</u>	<u>130,572</u>	<u>85,837</u>
Plan fiduciary net position - ending	<u>383,263</u>	<u>313,183</u>	<u>237,198</u>	<u>176,534</u>	<u>130,572</u>
Net Pension Liability	<u>\$192,390</u>	<u>196,330</u>	<u>196,880</u>	<u>194,891</u>	<u>156,784</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.58%	61.47%	54.64%	47.53%	45.44%
Covered Employee Payroll	\$529,399	511,363	481,767	526,829	502,459
Net Pension Liability as a Percentage of Covered Employee Payroll	36.34%	38.39%	40.87%	36.99%	31.20%
(Ultimately 10 years will be displayed)					

CITY OF NEW HAVEN, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS MULTIYEAR
POLICE DIVISION
JUNE 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability					
Service cost	\$ 16,939	17,651	17,131	14,838	12,533
Interest	14,796	11,697	9,849	7,624	5,738
Differences in experience	18,742	17,991	1,256	1,942	6,600
Changes of assumptions	--	--	--	6,124	--
Benefit payments, including refunds	<u>(4,452)</u>	<u>(4,057)</u>	<u>(1,964)</u>	--	--
Net change in total pension liability	46,025	43,282	26,272	30,528	24,871
Total pension liability - beginning	<u>197,946</u>	<u>154,664</u>	<u>128,392</u>	<u>97,864</u>	<u>72,993</u>
Total pension liability - ending	<u>243,971</u>	<u>197,946</u>	<u>154,664</u>	<u>128,392</u>	<u>97,864</u>
Plan Fiduciary Net Position					
Contributions - employer	14,821	13,779	14,063	13,387	9,848
Contributions - employee	10,587	8,890	10,417	9,736	8,563
Net investment income	15,162	16,345	10,563	904	879
Benefit payments, including refunds	(4,452)	(4,057)	(1,964)	--	--
Pension plan administrative expense	(1,208)	(683)	(674)	(674)	(653)
Other (net transfer)	<u>3,844</u>	<u>8,486</u>	<u>(1,195)</u>	<u>167</u>	<u>2,306</u>
Net change in plan fiduciary net position	38,754	42,760	31,210	23,520	20,943
Plan fiduciary net position - beginning	<u>156,613</u>	<u>113,853</u>	<u>82,643</u>	<u>59,123</u>	<u>38,180</u>
Plan fiduciary net position - ending	<u>195,367</u>	<u>156,613</u>	<u>113,853</u>	<u>82,643</u>	<u>59,123</u>
Net Pension Liability (Asset)	<u>\$ 48,604</u>	<u>41,333</u>	<u>40,811</u>	<u>45,749</u>	<u>38,741</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.08%	79.12%	73.61%	64.37%	60.41%
Covered Employee Payroll	\$235,954	218,204	251,035	226,654	198,385
Net Pension Liability as a Percentage of Covered Employee Payroll	20.60%	18.94%	16.26%	20.18%	19.53%
(Ultimately 10 years will be displayed)					

OTHER SUPPLEMENTAL INFORMATION

CITY OF NEW HAVEN, MISSOURI
OTHER SUPPLEMENTAL INFORMATION
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>Special Revenue Funds</u>			<u>Total</u>
	<u>Transportation</u>	<u>Motor</u>	<u>Debt</u>	
	<u>Sales Tax</u>	<u>Fuel</u>	<u>Service</u>	
ASSETS				
Cash and cash equivalents	\$ 74,581	25,547	4,348	104,476
Receivable:				
Taxes	18,462	9,677	-	28,139
Special assessments	<u>240</u>	<u>-</u>	<u>-</u>	<u>240</u>
Total Assets	<u>\$ 93,283</u>	<u>35,224</u>	<u>4,348</u>	<u>132,855</u>
LIABILITIES				
Accounts payable	\$ 3,414	2,951	-	6,365
Payroll liabilities	968	-	-	968
Pension payable	<u>218</u>	<u>-</u>	<u>-</u>	<u>218</u>
Total Liabilities	<u>4,600</u>	<u>2,951</u>	<u>-</u>	<u>7,551</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues:				
Special assessments	<u>140</u>	<u>-</u>	<u>-</u>	<u>140</u>
FUND BALANCES				
Restricted for:				
Transportation projects	88,543	-	-	88,543
Street maintenance	-	32,273	-	32,273
Debt service	<u>-</u>	<u>-</u>	<u>4,348</u>	<u>4,348</u>
Total Fund Balances	<u>88,543</u>	<u>32,273</u>	<u>4,348</u>	<u>125,164</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 93,283</u>	<u>35,224</u>	<u>4,348</u>	<u>132,855</u>

CITY OF NEW HAVEN, MISSOURI
OTHER SUPPLEMENTAL INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Special Revenue Funds</u>			<u>Total</u>
	<u>Transportation</u>	<u>Motor</u>	<u>Debt</u>	
	<u>Sales Tax</u>	<u>Fuel</u>	<u>Service</u>	
REVENUES				
Taxes	\$ 125,935	56,011	-	181,946
Special assessments	317	-	-	317
Investment income	70	30	37	137
Total Revenues	<u>126,322</u>	<u>56,041</u>	<u>37</u>	<u>182,400</u>
EXPENDITURES				
Current:				
Public works	72,604	37,764	-	110,368
Debt Service:				
Principal retirement	-	-	14,991	14,991
Interest & fiscal charges	-	-	4,991	4,991
Total Expenditures	<u>72,604</u>	<u>37,764</u>	<u>19,982</u>	<u>130,350</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>53,718</u>	<u>18,277</u>	<u>(19,945)</u>	<u>52,050</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	19,982	19,982
Transfers out	(50,000)	(30,000)	-	(80,000)
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(30,000)</u>	<u>19,982</u>	<u>(60,018)</u>
CHANGE IN FUND BALANCES	3,718	(11,723)	37	(7,968)
FUND BALANCES, JULY 1	<u>84,825</u>	<u>43,996</u>	<u>4,311</u>	<u>133,132</u>
FUND BALANCES, JUNE 30	<u>\$ 88,543</u>	<u>32,273</u>	<u>4,348</u>	<u>125,164</u>

CITY OF NEW HAVEN, MISSOURI
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
TRANSPORTATION SALES TAX - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
				<u>Budget</u>
REVENUES				
Transportation sales tax	\$ 115,000	115,000	125,935	10,935
Special assessments	-	-	317	317
Investment income	<u>20</u>	<u>20</u>	<u>70</u>	<u>50</u>
Total Revenues	<u>115,020</u>	<u>115,020</u>	<u>126,322</u>	<u>11,302</u>
EXPENDITURES				
Current:				
Public works:				
Personnel services	37,472	39,431	39,412	(19)
Operating expenditures	30,000	30,000	27,788	(2,212)
Contracted services	<u>8,130</u>	<u>8,130</u>	<u>5,404</u>	<u>(2,726)</u>
Total Expenditures	<u>75,602</u>	<u>77,561</u>	<u>72,604</u>	<u>(4,957)</u>
REVENUES OVER EXPENDITURES	39,418	37,459	53,718	16,259
OTHER FINANCING USES				
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>\$ (10,582)</u>	<u>(12,541)</u>	<u>3,718</u>	<u>16,259</u>

CITY OF NEW HAVEN, MISSOURI
 OTHER SUPPLEMENTAL INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
 BUDGET AND ACTUAL
 MOTOR FUEL - SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Motor vehicle sales tax	\$ 54,000	54,000	56,011	2,011
Investment income	-	-	30	30
	<u>54,000</u>	<u>54,000</u>	<u>56,041</u>	<u>2,041</u>
EXPENDITURES				
Current:				
Public works:				
Operating expenditures	<u>39,000</u>	<u>39,000</u>	<u>37,764</u>	<u>(1,236)</u>
REVENUES OVER EXPENDITURES	<u>15,000</u>	<u>15,000</u>	<u>18,277</u>	<u>3,277</u>
OTHER FINANCING USES				
Transfers out	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>\$ (15,000)</u>	<u>(15,000)</u>	<u>(11,723)</u>	<u>3,277</u>

CITY OF NEW HAVEN, MISSOURI
 OTHER SUPPLEMENTAL INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
 BUDGET AND ACTUAL
 DEBT SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ -	-	37	37
EXPENDITURES				
Debt service	<u>70,110</u>	<u>70,110</u>	<u>19,982</u>	<u>(50,128)</u>
REVENUES OVER (UNDER) EXPENDITURES	(70,110)	(70,110)	(19,945)	50,165
OTHER FINANCING SOURCES				
Transfers in	<u>70,110</u>	<u>70,110</u>	<u>19,982</u>	<u>(50,128)</u>
CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>37</u>	<u>37</u>

CITY OF NEW HAVEN, MISSOURI
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT SALES TAX - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Grants	\$ 992,803	1,037,078	762,513	(274,565)
Taxes:				
Capital improvement sales	115,000	115,000	125,935	10,935
Miscellaneous	-	-	3,500	3,500
Investment income	-	-	273	273
	<u>1,107,803</u>	<u>1,152,078</u>	<u>892,221</u>	<u>(259,857)</u>
Total Revenues				
EXPENDITURES				
Current:				
Public works:				
Operating expenditures	3,250	15,350	13,202	(2,148)
Contracted services	1,500	1,500	-	(1,500)
	4,750	16,850	13,202	(3,648)
Capital outlay	1,435,062	1,493,309	1,073,711	(419,598)
	<u>1,439,812</u>	<u>1,510,159</u>	<u>1,086,913</u>	<u>(423,246)</u>
Total Expenditures				
REVENUES OVER (UNDER) EXPENDITURES	(332,009)	(358,081)	(194,692)	163,389
OTHER FINANCING SOURCES				
Transfers in	194,100	194,100	194,100	-
CHANGE IN FUND BALANCE	<u>\$ (137,909)</u>	<u>(163,981)</u>	<u>(592)</u>	<u>163,389</u>

CITY OF NEW HAVEN, MISSOURI
 OTHER SUPPLEMENTAL INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
 BUDGET AND ACTUAL
 CAPITAL IMPROVEMENTS PROJECT RESERVE FUND - CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
REVENUES				
Rent	\$ 7,200	7,200	7,800	600
Investment income	100	100	557	457
Total Revenues	7,300	7,300	8,357	1,057
EXPENDITURES				
Current:				
Public works:				
Operating expenditures	-	277	277	-
REVENUES OVER (UNDER) EXPENDITURES	7,300	7,023	8,080	1,057
OTHER FINANCING SOURCES				
Sale of capital assets	-	-	37,280	37,280
CHANGE IN FUND BALANCE	<u>\$ 7,300</u>	<u>7,023</u>	<u>45,360</u>	<u>38,337</u>

COMPLIANCE



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

**Honorable Mayor and Board of Aldermen
City of New Haven, Missouri**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Haven, Missouri, (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 12, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Compliance and Other Matters

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

Purpose of this report

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

Tochtrop & Associates

Tochtrop & Associates, P.C.

December 12, 2019