

CITY OF NEW HAVEN, MISSOURI

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

**CITY OF NEW HAVEN, MISSOURI
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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, 2020, 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 22, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Tochtrop & Associates

Tochtrop & Associates, P.C.

December 22, 2020

**CITY OF NEW HAVEN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

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 \$14,714,636, an increase of \$983,580 in comparison with the prior year. Of this amount, \$2,685,036 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 \$2,247,708, an increase of \$225,852 in comparison with the prior year. Of this amount \$747,727 is unassigned and is available for spending at the City's discretion and is 57.51% of total General Fund expenditures.

The City's enterprise funds reported combined ending net position of \$3,986,824, an increase of \$237,901 in comparison with the prior year. Of this amount \$1,248,403 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, 2020**

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, 2020**

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

Condensed Statement of Net Position:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Totals</u>	
			<u>2020</u>	<u>2019</u>
ASSETS				
Current and other assets	\$ 2,581,569	1,833,417	4,414,986	4,847,617
Capital assets, net	<u>8,785,067</u>	<u>4,968,727</u>	<u>13,753,794</u>	<u>12,638,563</u>
Total Assets	<u>11,366,636</u>	<u>6,802,144</u>	<u>18,168,780</u>	<u>17,486,180</u>
DEFERRED OUTFLOWS				
Related to pension benefits	<u>88,717</u>	<u>42,612</u>	<u>131,329</u>	<u>74,238</u>
LIABILITIES				
Long-term liabilities	495,520	2,729,945	3,225,465	3,316,936
Other liabilities	<u>230,683</u>	<u>125,752</u>	<u>356,435</u>	<u>530,164</u>
Total Liabilities	<u>726,203</u>	<u>2,855,697</u>	<u>3,581,900</u>	<u>3,847,100</u>
DEFERRED INFLOWS				
Related to pension benefits	<u>1,338</u>	<u>2,235</u>	<u>3,573</u>	<u>17,645</u>
NET POSITION				
Invested in capital assets, net of related debt	8,480,020	2,401,403	10,881,423	9,589,982
Restricted	811,159	337,018	1,148,177	1,796,521
Unrestricted	<u>1,436,633</u>	<u>1,248,403</u>	<u>2,685,036</u>	<u>2,309,170</u>
Total Net Position	<u>\$10,727,812</u>	<u>3,986,824</u>	<u>14,714,636</u>	<u>13,695,673</u>

The largest portion of the City's net position, \$10,881,423 (73.95%), 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, 2020**

to liquidate these liabilities. Included in the City's net position is \$1,148,177 (7.8%) 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, \$2,685,036 (18.25%), is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

Statement of Activities

Condensed Statement of Activities:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>2020</u>	<u>2019</u>	<u>Change</u>
REVENUES					
Program revenues:					
Charges for services	\$ 296,232	1,624,326	1,920,558	2,109,285	(8.95)%
Grants and contributions:					
Operating	39,470	--	39,470	38,454	2.64
Capital	979,531	25,250	1,004,781	1,094,454	(8.19)
General revenues:					
Taxes	1,087,197	--	1,087,197	1,059,590	2.61
Miscellaneous	7,165	101,463	108,628	12,259	786.11
Investment income	2,424	12,207	14,631	7,465	95.99
Gain (loss) on sale of capital assets	<u>8,671</u>	<u>--</u>	<u>8,671</u>	<u>(86,477)</u>	<u>(110.03)</u>
Total Revenues	<u>2,420,690</u>	<u>1,763,246</u>	<u>4,183,936</u>	<u>4,235,030</u>	<u>(1.21)</u>
EXPENSES					
Public safety	624,340	--	624,340	539,521	15.72%
Public works	520,913	--	520,913	537,607	(3.11)
General government	246,750	--	246,750	267,468	(7.75)
Sanitation	209,421	--	209,421	202,336	3.50
Parks and recreation	111,189	--	111,189	165,450	(32.80)
Judicial	25,810	--	25,810	30,355	(14.97)
Interest & fiscal charges	11,189	--	11,189	11,668	(4.11)
Natural gas	--	693,926	693,926	858,629	(19.18)
Sewer	--	452,633	452,633	482,138	(6.12)
Water	--	304,185	304,185	291,091	4.50
Total Expenses	<u>1,749,612</u>	<u>1,450,744</u>	<u>3,200,356</u>	<u>3,386,263</u>	<u>(5.49)</u>
TRANSFERS	<u>74,601</u>	<u>(74,601)</u>	<u>--</u>	<u>--</u>	<u>--</u>
CHANGE IN NET POSITION	745,679	237,901	983,580	848,767	15.88
NET POSITION, JULY 1	9,977,391	3,718,282	13,695,673	12,846,906	6.61
PRIOR PERIOD ADJUSTMENT	<u>4,742</u>	<u>30,641</u>	<u>35,383</u>	<u>--</u>	100.00
NET POSITION, JUNE 30	<u>\$10,727,812</u>	<u>3,986,824</u>	<u>14,714,636</u>	<u>13,695,673</u>	7.44

**CITY OF NEW HAVEN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

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 \$747,727. Unassigned fund balance increased \$38,223 (5.39%) from the prior year. Total fund balance amounted to \$850,245. Of this amount, \$39,075 is restricted for the police department (donation for tactical supplies and Prop P sales tax), \$30,195 is committed for capital improvements, and \$33,248 is committed for debt service payments.

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 \$232,068. Restricted fund balance increased \$60,637 (35.37%).

Capital Improvements Sales Tax Fund -- At the end of the current fiscal year, total fund balance, which is restricted for capital improvements, amounted to \$387,255. Restricted fund balance increased \$115,425 (42.46%).

Capital Improvements Project Reserve Fund -- At the end of the current fiscal year, total fund balance, which is committed for capital improvements, amounted to \$625,379. Restricted fund balance increased \$26,880 (4.49%).

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 \$149,481. Unrestricted net position increased \$22,527 (17.74%). Total net position amounted to \$746,409.

Sewer Fund -- At the end of the current fiscal year, the unrestricted net position of the Sewer Fund was \$274,672. Unrestricted net position increased \$186,967 (213.18%). Total net position amounted to \$1,898,558. Of this amount, \$337,018 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 \$824,250. Unrestricted net position increased \$104,542 (14.53%). Total net position amounted to \$1,341,857.

**CITY OF NEW HAVEN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

CAPITAL ASSETS

At June 30, 2020, the City had \$13,753,794 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 \$1,115,230 from June 30, 2019. Current year depreciation expense amounted to \$605,490.

The City's capital asset additions are as follows:

Governmental Activities:

Highway 100 bridge project	\$ 321,478
Highway 100 sidewalks project	265,226
Arizona Street	101,816
Downtown improvements project	62,231
2019 Ford F-150	50,056
Icom FR 5000 repeater	10,495
Morgan and Vine Streets project	10,462
SCAG 61 Tiger 35 HP Mower	10,395
Maupin Street project	10,217
Knapheide salt spreader	8,513
2020 Ford F-250 (1/4)	6,758
Konica copier	5,817
ADA multi-use trail project	4,911
Gravel pit (donation)	1,864
	<u>870,240</u>

Business-Type Activities:

Lift Station #4 project	761,324
Sewer improvements (CIPP 2019 and 2020)	83,315
2020 Ford F-250 (3/4)	20,274
	<u>864,913</u>

Total Additions	<u>\$1,735,153</u>
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The City's capital asset sale proceeds are as follows:

Governmental Activities:

Industrial Park Lot 2	\$20,000
Zero turn mower	2,215
Ford F-250	888
	<u>888</u>

Total Proceeds	<u>\$23,103</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, 2020, the City had \$2,897,232 in long-term debt. Long term debt decreased \$178,710 from June 30, 2019. During the fiscal year 2020, the City retired \$171,610 in Certificates of Participation and \$4,600 in notes payable. Compensated absences activity had a net decrease of \$2,500.

**CITY OF NEW HAVEN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

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

BUDGET VARIANCES

General Fund - Revenues exceeded budgeted estimates by \$9,626 (.76%) and budgeted expenditures exceeded actual amounts by \$112,618 (7.97%). Other financing sources (uses) exceeded budgeted estimates by \$1,873 (16.17%). The City amended the original budget by increasing both revenues and expenditures which resulted in a decrease in change in fund balance of \$31,004.

Parks and Recreation Fund - Budgeted revenues exceeded actual amounts by \$65,399 (28.23%) and budgeted expenditures exceeded actual amounts by \$141,008 (55.82%). The City did not amend the original budget.

Capital Improvement Sales Tax Fund - Budgeted revenues exceeded actual amounts by \$88,464 (10.49%) and budgeted expenditures exceeded actual amounts by \$150,861 (16.36%). Budgeted other financing sources exceeded account amounts by \$90 (.07%). The City amended the original budget by increasing both revenues and expenditures which resulted in an increase in change in fund balance of \$82,816.

Capital Improvement Project Reserve Fund - Revenues exceeded budgeted estimates by \$1,194 (15.81%) and expenditures exceeded budgeted estimates by \$1,530 (458.08%). Other financing sources equaled budgeted amounts. The City amended the original budget by increasing both expenditures and other financing sources which resulted in an increase in change in fund balance of \$19,666.

Transportation Sales Tax Fund - Revenues exceeded budgeted estimates by \$10,824 (9.02%) and budgeted expenditures exceeded actual amounts by \$11,691 (14.99%). Other financing uses equaled budgeted amounts. The City did not amend the original budget.

Motor Fuel Fund - Revenues exceeded budgeted estimates by \$202 (.29%) and budgeted expenditures exceeded actual amounts by \$16,168 (34.04%). Other financing uses equaled budgeted amounts. The City did not amend the original budget.

Debt Service Fund - Expenditures exceeded budgeted estimates by \$211 (100%). Other financing uses equaled budgeted amounts. The City amended the original budget by decreasing expenditures and increasing other financing uses which resulted in an increase in change in fund balance of \$4,137.

**CITY OF NEW HAVEN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The City's financial position continues to be sound as we enter another pandemic period. We expect to begin the fiscal year with just over \$3.7 million in reserves. It will be the goal to continue to encourage responsible spending to further build reserves already in place.
- The unpredictability of the pandemic and its effects merit cuts to numerous areas of the budget due to expected decreases in revenues.
- General Fund revenues for fiscal year 2021 are projected to be \$1.3 million. This represents a decrease of \$13,000 over the prior year budget.
- General Fund expenditures for the fiscal year 2021 are projected to total \$1.3 million which represents an increase of \$5,800 from the prior year budget.
- Due to the uncertainty of future revenues, there is no proposed employee wage and salary increases for fiscal year 2021.
- At the November 2020 election, voters approved a \$1.6 million general obligation bond issue to fund the New Haven Municipal Pool renovation project. The City issued the debt in December 2020. An increase to property taxes will assist debt payments.
- The City has completed rate studies for the water and wastewater systems. These studies have resulted in a twenty-year repair and maintenance plan. In 2021, a similar rate study will be completed for the natural gas system.
- 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.
- Grant funding continues to play a major role in funding the City's street projects. Currently the City has five 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
(only major expense left is the lighted handrails along the sidewalk)
 - o Recreational Trails Program Phase 2
(sixty-five percent complete)

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, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,048,092	1,316,690	3,364,782
Receivables:			
Taxes	193,467	-	193,467
Grants	177,778	-	177,778
Accounts, net	28,624	147,128	175,752
Special assessments	11,307	4,930	16,237
Court fines	11,371	-	11,371
Other	1,020	1,129	2,149
Inventory	-	5,990	5,990
Prepaid expenses	70,835	20,532	91,367
Restricted assets:			
Cash and cash equivalents	39,075	337,018	376,093
Capital assets:			
Land and construction in progress	1,133,242	834,195	1,967,437
Other, net of accumulated depreciation	<u>7,651,825</u>	<u>4,134,532</u>	<u>11,786,357</u>
Total Assets	<u>\$ 11,366,636</u>	<u>6,802,144</u>	<u>18,168,780</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension benefits	<u>\$ 88,717</u>	<u>42,612</u>	<u>131,329</u>
LIABILITIES			
Accounts payable	\$ 202,258	78,445	280,703
Payroll liabilities	17,659	10,116	27,775
Pension payable	3,678	2,353	6,031
Interest payable	-	17,062	17,062
Deposits:			
Customers	6,738	17,776	24,514
Court bonds	350	-	350
Noncurrent liabilities:			
Due within one year	26,222	152,848	179,070
Due in more than one year	290,108	2,428,054	2,718,162
Net pension liability:			
Due in more than one year	<u>179,190</u>	<u>149,043</u>	<u>328,233</u>
Total Liabilities	<u>\$ 726,203</u>	<u>2,855,697</u>	<u>3,581,900</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pension benefits	<u>\$ 1,338</u>	<u>2,235</u>	<u>3,573</u>
NET POSITION			
Net investment in capital assets	\$ 8,480,020	2,401,403	10,881,423
Restricted for:			
Capital improvements	387,255	337,018	724,273
Parks and recreation	232,068	-	232,068
Transportation projects	103,098	-	103,098
Street maintenance	49,663	-	49,663
Police department	39,075	-	39,075
Unrestricted	<u>1,436,633</u>	<u>1,248,403</u>	<u>2,685,036</u>
Total Net Position	<u>\$ 10,727,812</u>	<u>3,986,824</u>	<u>14,714,636</u>

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, 2020

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	\$ 624,340	-	6,178	9,222	(608,940)	-	(608,940)
Public works	520,913	3,400	28,372	967,352	478,211	-	478,211
General government	246,750	50,151	2,100	-	(194,499)	-	(194,499)
Sanitation	209,421	211,739	-	-	2,318	-	2,318
Parks and recreation	111,189	8,105	2,820	2,957	(97,307)	-	(97,307)
Judicial	25,810	22,837	-	-	(2,973)	-	(2,973)
Interest and fiscal charges	11,189	-	-	-	(11,189)	-	(11,189)
Total Governmental Activities	<u>1,749,612</u>	<u>296,232</u>	<u>39,470</u>	<u>979,531</u>	<u>(434,379)</u>	<u>-</u>	<u>(434,379)</u>
Business-type Activities							
Natural gas	693,926	812,107	-	6,250	-	124,431	124,431
Sewer	452,633	523,217	-	12,750	-	83,334	83,334
Water	304,185	289,002	-	6,250	-	(8,933)	(8,933)
Total Business-type Activities	<u>1,450,744</u>	<u>1,624,326</u>	<u>-</u>	<u>25,250</u>	<u>-</u>	<u>198,832</u>	<u>198,832</u>
Total Primary Government	<u>\$ 3,200,356</u>	<u>1,920,558</u>	<u>39,470</u>	<u>1,004,781</u>	<u>(434,379)</u>	<u>198,832</u>	<u>(235,547)</u>
General Revenues:							
Taxes:							
Sales and local use taxes					\$ 444,190	-	444,190
Property taxes					414,782	-	414,782
Utility gross receipts tax					224,111	-	224,111
Miscellaneous taxes					4,114	-	4,114
Miscellaneous					7,165	101,463	108,628
Investment income					2,424	12,207	14,631
Gain on sale/retirement of capital assets					8,671	-	8,671
Transfers					<u>74,601</u>	<u>(74,601)</u>	<u>-</u>
Total General Revenues and Transfers					<u>1,180,058</u>	<u>39,069</u>	<u>1,219,127</u>
Change in Net Position					745,679	237,901	983,580
Net Position, July 1					<u>9,982,133</u>	<u>3,748,923</u>	<u>13,731,056</u>
Net Position, June 30					<u>\$ 10,727,812</u>	<u>3,986,824</u>	<u>14,714,636</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, 2020

	<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	\$ 731,832	222,639	340,244	626,579	126,798	2,048,092
Receivable:						
Taxes	121,210	15,449	24,118	-	32,690	193,467
Grants	-	3,004	174,774	-	-	177,778
Accounts, net	28,624	-	-	-	-	28,624
Court	11,371	-	-	-	-	11,371
Special assessments	11,307	-	-	-	-	11,307
Other	1,020	-	-	-	-	1,020
Restricted assets:						
Cash and cash equivalents	39,075	-	-	-	-	39,075
Total Assets	<u>\$ 944,439</u>	<u>241,092</u>	<u>539,136</u>	<u>626,579</u>	<u>159,488</u>	<u>2,510,734</u>
LIABILITIES						
Accounts payable	\$ 40,135	4,742	151,881	-	5,500	202,258
Payroll liabilities	15,223	1,399	-	-	1,037	17,659
Pension payable	3,175	313	-	-	190	3,678
Deposits:						
Customers	5,538	-	-	1,200	-	6,738
Court bonds	350	-	-	-	-	350
Total Liabilities	<u>64,421</u>	<u>6,454</u>	<u>151,881</u>	<u>1,200</u>	<u>6,727</u>	<u>230,683</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues:						
Special assessments	11,307	-	-	-	-	11,307
Delinquent property taxes	8,457	2,570	-	-	-	11,027
Court fines	10,009	-	-	-	-	10,009
Total Deferred Inflows of Resources	<u>29,773</u>	<u>2,570</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,343</u>
FUND BALANCES						
Restricted for:						
Capital improvements	-	-	387,255	-	-	387,255
Parks and recreation	-	232,068	-	-	-	232,068
Transportation projects	-	-	-	-	103,098	103,098
Street maintenance	-	-	-	-	49,663	49,663
Police department	39,075	-	-	-	-	39,075
Committed for:						
Capital improvements	30,195	-	-	625,379	-	655,574
Debt service	33,248	-	-	-	-	33,248
Unassigned	747,727	-	-	-	-	747,727
Total Fund Balances	<u>850,245</u>	<u>232,068</u>	<u>387,255</u>	<u>625,379</u>	<u>152,761</u>	<u>2,247,708</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 944,439</u>	<u>241,092</u>	<u>539,136</u>	<u>626,579</u>	<u>159,488</u>	<u>2,510,734</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, 2020

Total Fund Balances - Governmental Funds		\$ 2,247,708
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.		70,835
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	\$ 11,606,893	
Less: accumulated depreciation	<u>(2,821,826)</u>	8,785,067
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds:		
Special assessments	11,307	
Delinquent property taxes	11,027	
Court fines	<u>10,009</u>	32,343
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	88,717	
Deferred inflows	<u>(1,338)</u>	87,379
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	(11,283)	
Certificates of participation	(305,047)	
Net pension liability	<u>(179,190)</u>	<u>(495,520)</u>
Net Position of Governmental Activities		<u>\$ 10,727,812</u>

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

CITY OF NEW HAVEN, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<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	\$ 965,915	150,381	130,651	-	184,840	1,431,787
Grants	23,075	5,417	621,081	-	14,500	664,073
Charges for services	211,739	8,105	-	-	-	219,844
Rent	20,181	-	-	6,600	-	26,781
Licenses, fees, & permits	23,370	-	-	-	-	23,370
Fines and court costs	22,110	-	-	-	-	22,110
Donations	9,175	360	-	1,530	-	11,065
Miscellaneous	5,702	1,463	-	-	-	7,165
Special assessments	49	-	2,428	-	141	2,618
Investment income	804	526	375	614	105	2,424
Total Revenues	<u>1,282,120</u>	<u>166,252</u>	<u>754,535</u>	<u>8,744</u>	<u>199,586</u>	<u>2,411,237</u>
EXPENDITURES						
Current:						
Police department	570,463	-	-	-	-	570,463
Administration	239,719	-	-	-	-	239,719
Public works	123,070	-	90	-	97,641	220,801
Trash service	209,421	-	-	-	-	209,421
Parks and recreation	-	96,283	-	-	-	96,283
Municipal court	28,626	-	-	-	-	28,626
Emergency management agency	14,368	-	-	-	-	14,368
Industrial buildings	487	-	-	-	-	487
Capital outlay	81,639	15,306	771,430	1,864	-	870,239
Debt service:						
Principal retirement	21,492	-	-	-	-	21,492
Interest & fiscal charges	10,978	-	-	-	211	11,189
Total Expenditures	<u>1,300,263</u>	<u>111,589</u>	<u>771,520</u>	<u>1,864</u>	<u>97,852</u>	<u>2,283,088</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(18,143)</u>	<u>54,663</u>	<u>(16,985)</u>	<u>6,880</u>	<u>101,734</u>	<u>128,149</u>
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	887	2,215	-	20,000	-	23,102
Transfers in	66,328	3,759	132,410	-	-	202,497
Transfers out	(53,759)	-	-	-	(74,137)	(127,896)
Total Other Financing Sources (Uses)	<u>13,456</u>	<u>5,974</u>	<u>132,410</u>	<u>20,000</u>	<u>(74,137)</u>	<u>97,703</u>
CHANGE IN FUND BALANCES	(4,687)	60,637	115,425	26,880	27,597	225,852
FUND BALANCES, JULY 1	<u>854,932</u>	<u>171,431</u>	<u>271,830</u>	<u>598,499</u>	<u>125,164</u>	<u>2,021,856</u>
FUND BALANCES, JUNE 30	<u>\$ 850,245</u>	<u>232,068</u>	<u>387,255</u>	<u>625,379</u>	<u>152,761</u>	<u>2,247,708</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, 2020**

Net Change in Fund Balances - Governmental Funds \$ 225,852

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 (\$870,239) exceeded depreciation (\$368,145) in the current period. 502,094

The net effect of various transactions involving capital assets (i.e. sales, trade-ins, donations, and allocations). (14,431)

Revenues in the statement of activities that do not provide current financial resources is not reported as revenues in the governmental funds financial statements. 782

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 21,492

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 7,812
Accrued compensated absences 7,154
Pension expense (5,076)

Change in Net Position of Governmental Activities **\$ 745,679**

CITY OF NEW HAVEN, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-type Activities - Enterprise Funds			
	<u>Water</u>	<u>Sewer</u>	<u>Natural Gas</u>	<u>Total</u>
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 169,696	303,720	843,274	1,316,690
Receivable:				
Accounts, net	38,102	61,396	47,630	147,128
Special assessments	-	-	4,930	4,930
Other	-	-	1,129	1,129
Inventory	-	-	5,990	5,990
Prepaid expenses	6,746	6,746	7,040	20,532
Total Current Assets	<u>214,544</u>	<u>371,862</u>	<u>909,993</u>	<u>1,496,399</u>
Noncurrent Assets				
Restricted assets:				
Cash and cash equivalents	-	337,018	-	337,018
Capital assets:				
Land and construction in progress	-	834,195	-	834,195
Other, net of accumulated depreciation	938,370	2,516,578	679,584	4,134,532
Total Noncurrent Assets	<u>938,370</u>	<u>3,687,791</u>	<u>679,584</u>	<u>5,305,745</u>
Total Assets	<u>\$ 1,152,914</u>	<u>4,059,653</u>	<u>1,589,577</u>	<u>6,802,144</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension benefits	\$ 13,703	13,858	15,051	42,612
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 7,656	40,494	30,295	78,445
Payroll liabilities	3,344	3,195	3,577	10,116
Pension payable	748	771	834	2,353
Interest payable	2,079	12,904	2,079	17,062
Customer deposits	11,806	-	5,970	17,776
Compensated absences	4,486	4,486	4,606	13,578
Current maturities:				
Certificates of Participation	16,983	115,385	6,902	139,270
Total Current Liabilities	<u>47,102</u>	<u>177,235</u>	<u>54,263</u>	<u>278,600</u>
Noncurrent Liabilities				
Note payable	-	56,500	-	56,500
Certificates of Participation	324,459	1,892,020	155,075	2,371,554
Net pension liability	47,928	48,471	52,644	149,043
Total Noncurrent Liabilities	<u>372,387</u>	<u>1,996,991</u>	<u>207,719</u>	<u>2,577,097</u>
Total Liabilities	<u>\$ 419,489</u>	<u>2,174,226</u>	<u>261,982</u>	<u>2,855,697</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, 2020
(CONTINUED)

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Natural Gas	Total
DEFERRED INFLOWS OF RESOURCES				
Related to pension benefits	\$ 719	727	789	2,235
NET POSITION				
Net investment in capital assets	\$ 596,928	1,286,868	517,607	2,401,403
Restricted for:				
Capital improvements	-	337,018	-	337,018
Unrestricted	<u>149,481</u>	<u>274,672</u>	<u>824,250</u>	<u>1,248,403</u>
Total Net Position	<u>\$ 746,409</u>	<u>1,898,558</u>	<u>1,341,857</u>	<u>3,986,824</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, 2020

	Business-type Activities - Enterprise Funds			
	<u>Water</u>	<u>Sewer</u>	<u>Natural Gas</u>	<u>Total</u>
OPERATING REVENUES				
Charges for services	\$ 289,002	523,217	812,107	1,624,326
OPERATING EXPENSES				
Personnel services	139,533	141,830	151,388	432,751
Operating expenses	76,516	81,922	59,748	218,186
Contracted services	10,410	19,612	427,771	457,793
Depreciation	64,710	127,769	44,866	237,345
Other charges	967	544	3,810	5,321
Total Operating Expenses	<u>292,136</u>	<u>371,677</u>	<u>687,583</u>	<u>1,351,396</u>
Operating Income (Loss)	<u>(3,134)</u>	<u>151,540</u>	<u>124,524</u>	<u>272,930</u>
NONOPERATING REVENUES (EXPENSES)				
Miscellaneous income	2,259	97,303	1,901	101,463
Grants	6,250	12,750	6,250	25,250
Investment income	172	11,235	800	12,207
Interest & fiscal charges	(12,049)	(80,956)	(6,343)	(99,348)
Total Nonoperating Revenues (Expenses)	<u>(3,368)</u>	<u>40,332</u>	<u>2,608</u>	<u>39,572</u>
INCOME (LOSS) BEFORE TRANSFERS	(6,502)	191,872	127,132	312,502
TRANSFERS IN	1,479	1,479	-	2,958
TRANSFERS OUT	(12,410)	-	(65,149)	(77,559)
CHANGE IN NET POSITION	(17,433)	193,351	61,983	237,901
NET POSITION, JULY 1	<u>763,842</u>	<u>1,705,207</u>	<u>1,279,874</u>	<u>3,748,923</u>
NET POSITION, JUNE 30	<u>\$ 746,409</u>	<u>1,898,558</u>	<u>1,341,857</u>	<u>3,986,824</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, 2020

	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	\$ 285,816	524,218	823,034	1,633,068
Payments to suppliers	(90,007)	(151,017)	(493,477)	(734,501)
Payments to employees	(133,597)	(135,680)	(145,341)	(414,618)
Net cash provided by operating activities	<u>62,212</u>	<u>237,521</u>	<u>184,216</u>	<u>483,949</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	1,479	1,479	-	2,958
Transfers out	(12,410)	-	(65,149)	(77,559)
Miscellaneous income	2,259	97,303	1,901	101,463
Grants	6,250	12,750	6,250	25,250
Net cash provided by (used in) noncapital financing activities	<u>(2,422)</u>	<u>111,532</u>	<u>(56,998)</u>	<u>52,112</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets:				
Purchased	(6,758)	(851,397)	(6,758)	(864,913)
Certificates of Participation:				
Principal paid	(25,269)	(118,206)	(6,643)	(150,118)
Note payable:				
Principal paid	-	(4,600)	-	(4,600)
Interest and fiscal charges	(12,134)	(83,622)	(6,428)	(102,184)
Net cash used in capital and related financing activities	<u>(44,161)</u>	<u>(1,057,825)</u>	<u>(19,829)</u>	<u>(1,121,815)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease in restricted assets	-	827,780	-	827,780
Investment income	172	11,235	800	12,207
Net cash provided by investing activities	<u>172</u>	<u>839,015</u>	<u>800</u>	<u>839,987</u>
CHANGE IN CASH AND CASH EQUIVALENTS	15,801	130,243	108,189	254,233
CASH AND CASH EQUIVALENTS, JULY 1	<u>153,895</u>	<u>173,477</u>	<u>735,085</u>	<u>1,062,457</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 169,696</u>	<u>303,720</u>	<u>843,274</u>	<u>1,316,690</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, 2020
(CONTINUED)

	Business-type Activities - Enterprise Funds			
	<u>Water</u>	<u>Sewer</u>	<u>Natural Gas</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income	\$ (3,134)	151,540	124,524	272,930
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	64,710	127,769	44,866	237,345
(Increase) decrease in:				
Receivable:				
Accounts, net	(3,262)	1,001	7,107	4,846
Special assessments	-	-	3,713	3,713
Other	-	-	307	307
Inventory	4,766	-	6,709	11,475
Prepaid expenses	(113)	(113)	(119)	(345)
Deferred pension outflows	(6,803)	(7,004)	(7,433)	(21,240)
Increase (decrease) in:				
Accounts payable	(6,767)	(48,826)	(8,738)	(64,331)
Payroll liabilities	1,074	652	1,034	2,760
Pension payable	(104)	(74)	(103)	(281)
Customer deposits	76	-	(200)	(124)
Compensated absences	1,554	1,554	1,546	4,654
Net pension liability	11,446	12,232	12,367	36,045
Deferred pension inflows	(1,231)	(1,210)	(1,364)	(3,805)
 Total Adjustments	 65,346	 85,981	 59,692	 211,019
 Net cash provided by operating activities	 \$ 62,212	 237,521	 184,216	 483,949

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, 2020

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, 2020

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, 2020

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 was 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. This fund is no longer in use and cash has been transferred to the applicable funds. See transfers at Footnote D.

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, 2020

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, 2020

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, 2020

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 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, 2020

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: special assessments, delinquent property taxes, 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, 2020

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, 2019 upon which the 2019 levy was based for real estate, personal property, and railroads and utilities was \$47,317,960. The City's tax rate was levied at \$0.6647 per \$100 of assessed valuation for general revenue purposes and at \$0.1709 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, 2020

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, 2020, 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, 2020

NOTE C - CAPITAL ASSETS

Capital asset activity:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 356,273	1,864	(14,431)	343,706
Construction in progress	<u>1,134,639</u>	<u>674,525</u>	<u>(1,019,628)</u>	<u>789,536</u>
Total capital assets not being depreciated	<u>1,490,912</u>	<u>676,389</u>	<u>(1,034,059)</u>	<u>1,133,242</u>
Capital assets being depreciated:				
Buildings and improvements	970,504	--	--	970,504
Infrastructure	7,559,843	1,121,444	--	8,681,287
Machinery and equipment	467,506	35,220	(10,499)	492,227
Vehicles	<u>284,819</u>	<u>56,814</u>	<u>(12,000)</u>	<u>329,633</u>
Total capital assets being depreciated	<u>9,282,672</u>	<u>1,213,478</u>	<u>(22,499)</u>	<u>10,473,651</u>
Less accumulated depreciation for:				
Buildings and improvements	(388,052)	(26,219)	--	(414,271)
Infrastructure	(1,537,622)	(277,557)	--	(1,815,179)
Machinery and equipment	(348,658)	(24,170)	10,499	(362,329)
Vehicles	<u>(201,848)</u>	<u>(40,199)</u>	<u>12,000</u>	<u>(230,047)</u>
Total accumulated depreciation	<u>(2,476,180)</u>	<u>(368,145)</u>	<u>22,499</u>	<u>(2,821,826)</u>
Total capital assets being depreciated, net	<u>6,806,492</u>	<u>845,333</u>	<u>--</u>	<u>7,651,825</u>
Total capital assets, net	<u>\$8,297,404</u>	<u>1,521,722</u>	<u>(1,034,059)</u>	<u>8,785,067</u>

Depreciation expense charged to functions/programs:

Governmental activities:	
Public works	\$298,913
Public safety	40,768
Parks and recreation	19,768
General government	<u>8,696</u>
Total depreciation expense - Governmental activities	<u>\$368,145</u>

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE C - CAPITAL ASSETS (CONTINUED)

Capital asset activity (continued):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 24,816	--	--	24,816
Construction in progress	<u>132,658</u>	<u>798,258</u>	<u>(121,537)</u>	<u>809,379</u>
Total capital assets not being depreciated	<u>157,474</u>	<u>798,258</u>	<u>(121,537)</u>	<u>834,195</u>
Capital assets being depreciated:				
Buildings and improvements	2,902,342	--	--	2,902,342
Infrastructure	3,779,579	167,918	--	3,947,497
Machinery and equipment	516,125	--	(48,288)	467,837
Vehicles	<u>150,385</u>	<u>20,274</u>	<u>--</u>	<u>170,659</u>
Total capital assets being depreciated	<u>7,348,431</u>	<u>188,192</u>	<u>(48,288)</u>	<u>7,488,335</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,365,162)	(66,927)	--	(1,432,089)
Infrastructure	(1,347,898)	(129,125)	--	(1,477,023)
Machinery and equipment	(305,900)	(35,680)	48,288	(293,292)
Vehicles	<u>(145,786)</u>	<u>(5,613)</u>	<u>--</u>	<u>(151,399)</u>
Total accumulated depreciation	<u>(3,164,746)</u>	<u>(237,345)</u>	<u>48,288</u>	<u>(3,353,803)</u>
Total capital assets being depreciated, net	<u>4,183,685</u>	<u>(49,153)</u>	<u>--</u>	<u>4,134,532</u>
Total capital assets, net	<u>\$4,341,159</u>	<u>749,105</u>	<u>(121,537)</u>	<u>4,968,727</u>

Depreciation expense charged to functions/programs:

Business-type activities:	
Sewer department	\$127,769
Water department	64,710
Natural gas department	<u>44,866</u>
Total depreciation expense - Business-type activities	<u>\$237,345</u>

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE D - TRANSFERS

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Total</u>
General Fund	Natural Gas Fund	\$ 65,149
General Fund	Nonmajor Governmental Funds	1,179
Parks and Recreation Fund	General Fund	3,759
Capital Improvements		
Sales Tax Fund	General Fund	50,000
Capital Improvements		
Sales Tax Fund	Nonmajor Governmental Funds	70,000
Capital Improvements		
Sales Tax Fund	Water Fund	12,410
Water Fund	Nonmajor Governmental Funds	1,479
Sewer Fund	Nonmajor Governmental Funds	<u>1,479</u>
		<u>\$205,455</u>

Purpose of transfers:

To the General Fund: administrative support (Natural Gas Fund) and close of the Debt Service Fund.

To the Parks and Recreation Fund: park grant project payroll.

To the Capital Improvements Sales Tax Fund: street projects support.

To the Water Fund - close of the Debt Service Fund

To the Sewer fund - close of the Debt Service Fund

NOTE E - LONG-TERM DEBT

Changes in long-term debt:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Governmental activities:					
Certificates of participation	\$ 326,539	--	(21,492)	305,047	14,939
Compensated absences	<u>18,437</u>	<u>11,283</u>	<u>(18,437)</u>	<u>11,283</u>	<u>11,283</u>
Total Governmental Activities	<u>\$ 344,976</u>	<u>11,283</u>	<u>(38,421)</u>	<u>316,330</u>	<u>26,222</u>
Business-type activities:					
Certificates of participation	\$2,660,942	--	(150,118)	2,510,824	139,270
Note payable	61,100	--	(4,600)	56,500	--
Compensated absences	<u>8,924</u>	<u>13,578</u>	<u>(8,924)</u>	<u>13,578</u>	<u>13,578</u>
Total Business-type Activities	<u>\$2,730,966</u>	<u>13,578</u>	<u>(163,642)</u>	<u>2,580,902</u>	<u>152,848</u>

Compensated absences are liquidated by the related fund.

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE E - LONG-TERM DEBT (CONTINUED)

Certificates of Participation:

Governmental activities:

\$181,000 Certificates of Participation, Series 2017, due in bi-annual installments through March 1, 2037, interest payable at 3.85% \$ 161,977

\$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% 143,070

\$ 305,047

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% \$1,091,063

\$800,000 Certificates of Participation, Series 2014, due in annual installments through November 1, 2029, interest payable at 3.27% 574,900

\$543,000 Certificates of Participation, Series 2017, due in bi-annual installments through March 1, 2037, interest payable at 3.85% 485,931

\$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% 358,930

\$2,510,824

Annual requirements to amortize the Certificates of Participation:

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>
2021	\$ 14,939	8,281	139,270	87,435	
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	26,194	7,400	183,780	68,842	
2026-2030	111,794	24,208	941,570	241,095	
2031-2035	54,613	10,747	568,613	100,182	
2036-2037	<u>24,932</u>	<u>1,211</u>	<u>166,425</u>	<u>6,550</u>	
	<u>\$305,047</u>	<u>78,864</u>	<u>2,510,824</u>	<u>748,057</u>	

**CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE E - LONG-TERM DEBT (CONTINUED)

Note payable:

\$100,000 note payable to the Missouri Department of Natural Resources, due in annual installments through July 1, 2031, interest payable at 1.4% \$56,500

Annual requirements to amortize the note payable:

<u>Years Ending</u> <u>June 30</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ --	395
2022	4,700	758
2023	4,800	692
2024	4,900	624
2025	5,000	554
2026-2030	26,000	1,701
2031-2032	<u>11,100</u>	<u>156</u>
	<u>\$56,500</u>	<u>4,880</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 .93% 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, 2020.

**CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

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

The following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Retirees and beneficiaries	2	2
Inactive non-retired employees	4	5
Active employees	<u>10</u>	<u>7</u>
Total	<u>16</u>	<u>14</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 6.1% (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, 2020

NOTE H - PENSION (CONTINUED)

Net Pension Liability (Asset)

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

Actuary Assumptions

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

Inflation	3.25% wage inflation, 2.50% price inflation
Salary 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 10 to 22 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 2.45%; 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, 2020

NOTE H - PENSION (CONTINUED)

Changes in Net Pension Liability and Related Ratios

	<u>General</u>	<u>Police</u>
Total Pension Liability		
Service cost	\$ 35,327	18,782
Interest	42,505	18,075
Difference in experience	26,030	32,990
Benefit payments, including refunds	<u>(13,714)</u>	<u>(7,925)</u>
Net change in total pension liability	90,148	61,922
Total pension liability - beginning	<u>575,653</u>	<u>243,971</u>
Total pension liability - ending	<u>665,801</u>	<u>305,893</u>
 Plan Fiduciary Net Position		
Contributions - employer	29,652	19,932
Contributions - employee	19,130	13,070
Net investment income	6,340	2,626
Benefit payments, including refunds	<u>(13,714)</u>	<u>(7,925)</u>
Pension plan administrative expense	<u>(2,152)</u>	<u>(1,076)</u>
Other (net transfer)	<u>5,012</u>	<u>(6,064)</u>
Net change in plan fiduciary net position	44,268	20,563
Plan fiduciary net position - beginning	<u>383,263</u>	<u>195,367</u>
Plan fiduciary net position - ending	<u>427,531</u>	<u>215,930</u>
 Net Pension Liability	 <u>\$238,270</u>	 <u>89,963</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 64.21%	 70.59%
 Covered Employee Payroll	 \$485,272	 341,951
 Net Pension Liability as a Percentage of Covered Employee Payroll	 49.10%	 26.31%

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	\$784,466	665,801	569,433
Plan fiduciary net position	<u>427,531</u>	<u>427,531</u>	<u>427,531</u>
Net pension liability	<u>\$356,935</u>	<u>238,270</u>	<u>141,902</u>
 <u>Police</u>			
Total pension liability	\$372,514	305,893	254,128
Plan fiduciary net position	<u>215,930</u>	<u>215,930</u>	<u>215,930</u>
Net pension liability	<u>\$156,584</u>	<u>89,963</u>	<u>38,198</u>

Pension Expense

Pension expense amounted to \$60,834.

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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	\$42,743	(3,573)	39,170
Assumption changes	11,632	--	11,632
Differences in projected and actual earnings on plan investments	<u>13,747</u>	<u>--</u>	<u>13,747</u>
Total	<u>\$68,122</u>	<u>(3,573)</u>	<u>64,549</u>
<u>Police</u>			
Differences in experience	\$56,140	--	56,140
Assumption changes	2,734	--	2,734
Differences in projected and actual earnings on plan investments	<u>4,333</u>	<u>--</u>	<u>4,333</u>
Total	<u>\$63,207</u>	<u>--</u>	<u>63,207</u>

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

<u>Year Ending June 30</u>	<u>General</u>	<u>Police</u>
2021	\$ 8,772	11,610
2022	10,363	12,378
2023	12,719	13,494
2024	12,117	13,507
2025	7,556	9,744
Thereafter	<u>13,022</u>	<u>2,474</u>
Total	<u>\$64,549</u>	<u>63,207</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
2020	49,585	49,585	(.05)	805,021	6.16

CITY OF NEW HAVEN, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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 \$83,210 for MIRMA's fiscal year ended June 30, 2020. 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 \$1,148,177 of restricted net assets, of which \$774,986 is restricted by enabling legislation.

NOTE K - COMMITMENTS AND CONTINGENCIES

The City had the following major commitments:

	<u>Committed Expense</u>	<u>Grant Available</u>	<u>City Match</u>
Projects:			
Downtown Improvements	\$1,502,228	1,168,829	333,399
Highway 100 Shared Use Bridge and Sidewalks	188,695	66,736	121,959
Morgan and Vine Street Improvements	122,841	--	122,841
Recreational Trails	109,844	66,137	43,707
Lift Station No. 4	<u>26,169</u>	<u>--</u>	<u>26,169</u>
	<u>\$1,949,777</u>	<u>1,301,702</u>	<u>648,075</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, 2020

NOTE L - PRIOR PERIOD ADJUSTMENTS

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net position, July 1	\$9,977,391	3,718,282
Prior year unbilled utility receivables understated	<u>4,742</u>	<u>30,641</u>
Net position, July 1, as restated	<u>\$9,982,133</u>	<u>3,748,923</u>
	<u>General Fund</u>	<u>Water Fund</u>
Fund balance/net position, July 1	\$ 850,190	756,565
Prior year unbilled utility receivables understated	<u>4,742</u>	<u>7,277</u>
Fund balance/net position, July 1, as restated	<u>\$ 854,932</u>	<u>763,842</u>
	<u>Sewer Fund</u>	<u>Natural Gas Fund</u>
Net position, July 1	\$1,692,937	1,268,780
Prior year unbilled utility receivables understated	<u>12,270</u>	<u>11,094</u>
Net position, July 1, as restated	<u>\$1,705,207</u>	<u>1,279,874</u>

NOTE M - PENDING GOVERNMENTAL ACCOUNTING STANDARDS

The Governmental Accounting Standard Board (GASB) has issued the following statements which may impact the City's financial reporting requirements in the future:

GASB Statement No. 87, *Leases*, effective for year ending June 30, 2022.

GASB Statement No. 89, *Interest Cost Incurred before the End of a Construction Period*, effective for year ending June 30, 2022.

GASB Statement No. 90, *Majority Equity Interests*, effective for year ending June 30, 2021.

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
				<u>Budget</u>
REVENUES				
Taxes:				
Sales	\$ 366,000	366,000	378,782	12,782
Property	313,800	313,800	330,536	16,736
Utility gross receipts	275,000	275,000	224,111	(50,889)
Motor vehicle	23,000	23,000	28,372	5,372
Cigarette	4,200	4,200	4,114	(86)
	<u>982,000</u>	<u>982,000</u>	<u>965,915</u>	<u>(16,085)</u>
Charges for services	206,600	206,600	211,739	5,139
Licenses, fees, & permits	17,450	17,450	23,370	5,920
Grants	10,000	29,950	23,075	(6,875)
Fines and court costs	20,200	20,200	22,110	1,910
Rent	19,219	20,169	20,181	12
Donations	2,800	9,875	9,175	(700)
Miscellaneous	-	1,517	5,702	4,185
Investment income	500	500	804	304
Special assessments	500	500	49	(451)
	<u>1,259,269</u>	<u>1,288,761</u>	<u>1,282,120</u>	<u>(6,641)</u>
Total Revenues				
EXPENDITURES				
Police department:				
Current:				
Personnel services	431,650	459,074	436,972	(22,102)
Operating expenditures	49,550	68,750	67,623	(1,127)
Contracted services	67,400	67,400	63,278	(4,122)
Other charges	12,000	4,000	2,590	(1,410)
	<u>560,600</u>	<u>599,224</u>	<u>570,463</u>	<u>(28,761)</u>
Capital outlay	57,500	65,300	60,551	(4,749)
	<u>618,100</u>	<u>664,524</u>	<u>631,014</u>	<u>(33,510)</u>
Administration:				
Current:				
Personnel services	119,368	119,368	109,721	(9,647)
Operating expenditures	34,700	28,700	23,593	(5,107)
Contracted services	105,900	105,900	94,113	(11,787)
Other charges	24,000	24,000	12,292	(11,708)
	<u>283,968</u>	<u>277,968</u>	<u>239,719</u>	<u>(38,249)</u>
Capital outlay	5,900	5,900	5,817	(83)
Debt service:				
Principal retirement	-	14,848	14,848	-
Interest & fiscal charges	-	4,549	4,549	-
	<u>\$ 289,868</u>	<u>303,265</u>	<u>264,933</u>	<u>(38,332)</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, 2020
(CONTINUED)

EXPENDITURES (CONTINUED)	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
				<u>Budget</u>
Trash service:				
Current:				
Contracted services	\$ 205,000	205,000	209,421	4,421
Public works:				
Current:				
Personnel services	79,600	79,600	69,845	(9,755)
Operating expenditures	50,600	50,600	43,896	(6,704)
Contracted services	26,000	26,000	8,279	(17,721)
Other charges	1,000	1,000	1,050	50
	<u>157,200</u>	<u>157,200</u>	<u>123,070</u>	<u>(34,130)</u>
Capital outlay	15,550	16,581	15,271	(1,310)
Debt service:				
Principal retirement	6,644	6,644	6,644	-
Interest & fiscal charges	6,429	6,429	6,429	-
	<u>185,823</u>	<u>186,854</u>	<u>151,414</u>	<u>(35,440)</u>
Municipal Court:				
Current:				
Personnel services	27,680	27,680	23,345	(4,335)
Operating expenditures	800	2,200	1,856	(344)
Contracted services	3,850	3,850	2,243	(1,607)
Other charges	900	1,900	1,182	(718)
	<u>33,230</u>	<u>35,630</u>	<u>28,626</u>	<u>(7,004)</u>
Emergency management agency:				
Current:				
Operating expenditures	3,750	7,708	5,621	(2,087)
Contracted services	8,600	8,600	8,358	(242)
Other charges	500	500	389	(111)
	<u>12,850</u>	<u>16,808</u>	<u>14,368</u>	<u>(2,440)</u>
Industrial buildings				
Current:				
Operating expenditures	800	800	487	(313)
Total Expenditures	<u>1,345,671</u>	<u>1,412,881</u>	<u>1,300,263</u>	<u>(112,618)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(86,402)</u>	<u>(124,120)</u>	<u>(18,143)</u>	<u>105,977</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	887	887	-
Transfers in	58,000	59,179	66,328	7,149
Transfers out	(69,398)	(50,000)	(53,759)	(3,759)
Total Other Financing Sources (Uses)	<u>(11,398)</u>	<u>10,066</u>	<u>13,456</u>	<u>3,390</u>
CHANGE IN FUND BALANCE	<u>\$ (97,800)</u>	<u>(114,054)</u>	<u>(4,687)</u>	<u>109,367</u>

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
				<u>Budget</u>
REVENUES				
Taxes:				
Property	\$ 79,820	79,820	84,973	5,153
Sales	<u>60,000</u>	<u>60,000</u>	<u>65,408</u>	<u>5,408</u>
	139,820	139,820	150,381	10,561
Charges for services	19,650	19,650	8,105	(11,545)
Miscellaneous	-	-	1,463	1,463
Grants	72,071	72,071	5,417	(66,654)
Donations	-	-	360	360
Investment income	<u>110</u>	<u>110</u>	<u>526</u>	<u>416</u>
Total Revenues	<u>231,651</u>	<u>231,651</u>	<u>166,252</u>	<u>(65,399)</u>
EXPENDITURES				
Parks and recreation:				
Current:				
Personnel services	99,976	99,976	65,312	(34,664)
Operating expenditures	35,800	35,800	21,102	(14,698)
Contracted services	11,450	11,450	9,084	(2,366)
Other charges	<u>2,300</u>	<u>2,300</u>	<u>785</u>	<u>(1,515)</u>
	149,526	149,526	96,283	(53,243)
Capital outlay	<u>103,071</u>	<u>103,071</u>	<u>15,306</u>	<u>(87,765)</u>
Total Expenditures	<u>252,597</u>	<u>252,597</u>	<u>111,589</u>	<u>(141,008)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(20,946)</u>	<u>(20,946)</u>	<u>54,663</u>	<u>75,609</u>
OTHER FINANCING SOURCES				
Sale of capital assets	2,000	2,000	2,215	215
Transfers in	<u>-</u>	<u>-</u>	<u>3,759</u>	<u>3,759</u>
Total Other Financing Sources	<u>2,000</u>	<u>2,000</u>	<u>5,974</u>	<u>3,974</u>
CHANGE IN FUND BALANCE	<u>\$ (18,946)</u>	<u>(18,946)</u>	<u>60,637</u>	<u>79,583</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, 2020

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 had expenditures over budget:

- General Fund - Trash Service \$4,421
- Capital Improvements Project Reserve Fund \$1,530

Over expenditures were recovered with current year's 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, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability						
Service cost	\$ 35,327	36,106	34,463	36,172	35,386	32,017
Interest	42,505	38,100	32,576	28,096	21,975	17,690
Differences in experience	26,030	(4,547)	11,827	1,766	9,259	11,050
Changes of assumptions	--	--	--	--	20,787	--
Benefit payments, including refunds	<u>(13,714)</u>	<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	90,148	66,140	75,435	62,653	84,069	57,474
Total pension liability - beginning	<u>575,653</u>	<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>665,801</u>	<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	29,652	33,442	29,944	24,411	27,381	23,287
Contributions - employee	19,130	21,576	20,651	20,342	21,476	20,250
Net investment income	6,340	21,415	30,598	22,119	2,941	2,164
Benefit payments, including refunds	(13,714)	(3,519)	(3,431)	(3,381)	(3,338)	(3,283)
Pension plan administrative expense	(2,152)	(1,692)	(1,281)	(1,180)	(1,179)	(1,305)
Other (net transfer)	<u>5,012</u>	<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	44,268	70,080	75,985	60,664	45,962	44,735
Plan fiduciary net position - beginning	<u>383,263</u>	<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>427,531</u>	<u>383,263</u>	<u>313,183</u>	<u>237,198</u>	<u>176,534</u>	<u>130,572</u>
Net Pension Liability	<u>\$238,270</u>	<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	64.21%	66.58%	61.47%	54.64%	47.53%	45.44%
Covered Employee Payroll	\$485,272	529,399	511,363	481,767	526,829	502,459
Net Pension Liability as a Percentage of Covered Employee Payroll	49.10%	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, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability						
Service cost	\$ 18,782	16,939	17,651	17,131	14,838	12,533
Interest	18,075	14,796	11,697	9,849	7,624	5,738
Differences in experience	32,990	18,742	17,991	1,256	1,942	6,600
Changes of assumptions	--	--	--	--	6,124	--
Benefit payments, including refunds	(7,925)	(4,452)	(4,057)	(1,964)	--	--
Net change in total pension liability	61,922	46,025	43,282	26,272	30,528	24,871
Total pension liability - beginning	<u>243,971</u>	<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>305,893</u>	<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	19,932	14,821	13,779	14,063	13,387	9,848
Contributions - employee	13,070	10,587	8,890	10,417	9,736	8,563
Net investment income	2,626	15,162	16,345	10,563	904	879
Benefit payments, including refunds	(7,925)	(4,452)	(4,057)	(1,964)	--	--
Pension plan administrative expense	(1,076)	(1,208)	(683)	(674)	(674)	(653)
Other (net transfer)	(6,064)	3,844	8,486	(1,195)	167	2,306
Net change in plan fiduciary net position	20,563	38,754	42,760	31,210	23,520	20,943
Plan fiduciary net position - beginning	<u>195,367</u>	<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>215,930</u>	<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>\$ 89,963</u>	<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	70.59%	80.08%	79.12%	73.61%	64.37%	60.41%
Covered Employee Payroll	\$341,951	235,954	218,204	251,035	226,654	198,385
Net Pension Liability as a Percentage of Covered Employee Payroll	26.31%	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, 2020

	<u>Special Revenue Funds</u>		
	<u>Transportation</u>	<u>Motor</u>	<u>Total</u>
	<u>Sales Tax</u>	<u>Fuel</u>	
ASSETS			
Cash and cash equivalents	\$ 85,279	41,519	126,798
Receivable:			
Taxes	<u>24,117</u>	<u>8,573</u>	<u>32,690</u>
Total Assets	<u>\$ 109,396</u>	<u>50,092</u>	<u>159,488</u>
 LIABILITIES			
Accounts payable	\$ 5,071	429	5,500
Payroll liabilities	1,037	-	1,037
Pension payable	<u>190</u>	<u>-</u>	<u>190</u>
Total Liabilities	<u>6,298</u>	<u>429</u>	<u>6,727</u>
 FUND BALANCES			
Restricted for:			
Transportation projects	103,098	-	103,098
Street maintenance	<u>-</u>	<u>49,663</u>	<u>49,663</u>
Total Fund Balances	<u>103,098</u>	<u>49,663</u>	<u>152,761</u>
 Total Liabilities and Fund Balances	<u>\$ 109,396</u>	<u>50,092</u>	<u>159,488</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, 2020

	<u>Special Revenue Funds</u>		<u>Debt Service</u>	<u>Total</u>
	<u>Transportation Sales Tax</u>	<u>Motor Fuel</u>		
REVENUES				
Taxes	\$ 130,651	54,189	-	184,840
Grants	-	14,500	-	14,500
Special assessments	141	-	-	141
Investment income	<u>72</u>	<u>33</u>	<u>-</u>	<u>105</u>
Total Revenues	<u>130,864</u>	<u>68,722</u>	<u>-</u>	<u>199,586</u>
EXPENDITURES				
Current:				
Public works	66,309	31,332	-	97,641
Debt Service:				
Interest & fiscal charges	<u>-</u>	<u>-</u>	<u>211</u>	<u>211</u>
Total Expenditures	<u>66,309</u>	<u>31,332</u>	<u>211</u>	<u>97,852</u>
REVENUES OVER (UNDER) EXPENDITURES	64,555	37,390	(211)	101,734
OTHER FINANCING USES				
Transfers out	<u>(50,000)</u>	<u>(20,000)</u>	<u>(4,137)</u>	<u>(74,137)</u>
CHANGE IN FUND BALANCES	14,555	17,390	(4,348)	27,597
FUND BALANCES, JULY 1	<u>88,543</u>	<u>32,273</u>	<u>4,348</u>	<u>125,164</u>
FUND BALANCES, JUNE 30	<u>\$ 103,098</u>	<u>49,663</u>	<u>-</u>	<u>152,761</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, 2020

	<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	\$ 120,000	120,000	130,651	10,651
Special assessments	-	-	141	141
Investment income	<u>40</u>	<u>40</u>	<u>72</u>	<u>32</u>
Total Revenues	<u>120,040</u>	<u>120,040</u>	<u>130,864</u>	<u>10,824</u>
EXPENDITURES				
Current:				
Public works:				
Personnel services	39,800	39,800	36,412	(3,388)
Operating expenditures	30,000	30,000	21,703	(8,297)
Contracted services	<u>8,200</u>	<u>8,200</u>	<u>8,194</u>	<u>(6)</u>
Total Expenditures	<u>78,000</u>	<u>78,000</u>	<u>66,309</u>	<u>(11,691)</u>
REVENUES OVER EXPENDITURES	42,040	42,040	64,555	22,515
OTHER FINANCING USES				
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>\$ (7,960)</u>	<u>(7,960)</u>	<u>14,555</u>	<u>22,515</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
				<u>Budget</u>
REVENUES				
Motor vehicle sales tax	\$ 54,000	54,000	54,189	189
Grants	-	14,500	14,500	-
Investment income	<u>20</u>	<u>20</u>	<u>33</u>	<u>13</u>
Total Revenues	54,020	68,520	68,722	202
EXPENDITURES				
Current:				
Public works:				
Operating expenditures	<u>33,000</u>	<u>47,500</u>	<u>31,332</u>	<u>(16,168)</u>
REVENUES OVER EXPENDITURES	<u>21,020</u>	<u>21,020</u>	<u>37,390</u>	<u>16,370</u>
OTHER FINANCING USES				
Transfers out	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>\$ 1,020</u>	<u>1,020</u>	<u>17,390</u>	<u>16,370</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, 2020

	<u>Budgeted Amounts</u>			<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
EXPENDITURES				
Debt Service:				
Interest & fiscal charges	68,062	-	211	211
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)				
Transfers in	68,062	-	-	-
Transfers out	-	(4,137)	(4,137)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	68,062	(4,137)	(4,137)	-
	<hr/>	<hr/>	<hr/>	<hr/>
CHANGE IN FUND BALANCE	\$ -	4,137	4,348	211
	<hr/>	<hr/>	<hr/>	<hr/>

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
				<u>Budget</u>
REVENUES				
Grants	\$ 619,995	722,999	621,081	(101,918)
Taxes:				
Capital improvement sales	120,000	120,000	130,651	10,651
Special assessments	-	-	2,428	2,428
Investment income	-	-	375	375
	<u>739,995</u>	<u>842,999</u>	<u>754,535</u>	<u>(88,464)</u>
EXPENDITURES				
Current:				
Public works:				
Operating expenditures	7,000	7,000	90	(6,910)
Contracted services	1,500	1,500	-	(1,500)
	<u>8,500</u>	<u>8,500</u>	90	(8,410)
Capital outlay	893,693	913,881	771,430	(142,451)
	<u>902,193</u>	<u>922,381</u>	<u>771,520</u>	<u>(150,861)</u>
REVENUES OVER (UNDER) EXPENDITURES	(162,198)	(79,382)	(16,985)	62,397
OTHER FINANCING SOURCES				
Transfers in	132,500	132,500	132,410	(90)
CHANGE IN FUND BALANCE	<u>\$ (29,698)</u>	<u>53,118</u>	<u>115,425</u>	<u>62,307</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Rent	\$ 7,200	7,200	6,600	(600)
Donations	-	-	1,530	1,530
Investment income	<u>350</u>	<u>350</u>	<u>614</u>	<u>264</u>
Total Revenues	7,550	7,550	8,744	1,194
EXPENDITURES				
Capital outlay	<u>-</u>	<u>334</u>	<u>1,864</u>	<u>1,530</u>
REVENUES OVER (UNDER) EXPENDITURES	7,550	7,216	6,880	(336)
OTHER FINANCING SOURCES				
Sale of capital assets	<u>-</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>\$ 7,550</u>	<u>27,216</u>	<u>26,880</u>	<u>(336)</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, 2020, 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 22, 2020.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City'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 22, 2020