

**CITY OF OSAGE BEACH, MISSOURI**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
FOR THE FISCAL YEAR  
JANUARY 1, 2019 - DECEMBER 31, 2019



**CITY OF OSAGE BEACH, MISSOURI**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2019**

**Prepared by:**

**Karri Bell**  
**City Treasurer**

**CITY OF OSAGE BEACH, MISSOURI**  
**AUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

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## **INTRODUCTORY SECTION**



May 4, 2020

To the Honorable Mayor, Board of Aldermen, and the Citizens of the City of Osage Beach:

The Comprehensive Annual Financial Report (CAFR) of the City of Osage Beach, Missouri (the City), for the fiscal year ended December 31, 2019, is herewith submitted. The information presented in the CAFR is the responsibility of the City's management. The City Treasurer's Department prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The CAFR conforms to the standards of financial reporting as set forth by the Governmental Accounting Standards Board (GASB) and the guidelines as recommended by the Government Finance Officers Association (GFOA). The City Treasurer's Department believes that the financial statements, supporting schedules, and statistical information fairly represent the financial condition of the City. We further believe that all presented data is accurate in all aspects and that all necessary disclosures have been included to enable the reader to gain a reasonable understanding of the City's financial affairs.

Generally accepted accounting principles require that management provide a narrative, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read with it. The City of Osage Beach's MD&A can be found immediately following the report of the independent auditors.

### **The Reporting Entity and Its Services**

The City of Osage Beach, organized in 1959, is a fourth-class city and political subdivision created and existing under the laws of the State of Missouri. The City is approximately 10 square miles in area and is in Camden and Miller Counties, Missouri. The City lies along the shores of Lake of the Ozarks, one of the largest man-made lakes in the world. The City has an estimated permanent population of 4,570; however, it is estimated that there are more than 100,000 people during the peak seasonal periods. The governing body consists of an elected six-member Board of Aldermen and a Mayor who in turn appoints a City Administrator, City Clerk, Police Chief, Building Official, City Treasurer, City Planner, Public Works Director and City Attorney. Aldermen serve two-year terms, with three members elected every year. The Mayor is elected for a two-year term.

The City provides a full range of municipal services including streets, water, sewer, airports, engineering, public safety, ambulance services, and general administration.

The City offers its residents and visitors two City parks. Peanick Park is a 13-acre park with two ball fields, pavilions, basketball courts, a walking trail and playground facilities. It is located on the northeast side of town on Highway 42. The Osage Beach City Park is a 92-acre park surrounded by Lake of the Ozarks and Lake of the Ozarks State Park; it is located off Hatchery Road adjacent to the outlet mall. The park has lake access, a stocked fishing pond, three soccer fields, sand volleyball courts, three pavilions, a playground and a Sports Complex complete with three 300' baseball/softball fields and concession facilities.

Utility service in the City is mixed between public and private companies. Water and sanitary sewerage utilities are operated by the City of Osage Beach. Water and sewerage rates are established to meet the total revenue requirements of the utilities. Natural gas is supplied by Summit Natural Gas of Missouri, electricity by Ameren Missouri. Both traditional and cellular phone service is provided by numerous companies. Commercial and residential trash service is provided by several local and non-local suppliers.

Media in Osage Beach is split between two television markets. While Camden County is part of the Springfield market, Miller County is part of the Columbia/Jefferson City market. Charter Communication's cable system carries stations from both markets. DirecTV and Dish carry Springfield stations.

Education in the City of Osage is provided by two public schools. Osage Beach Elementary (Camdenton R-III) and School of the Osage (Miller County R-II School District). Colleges and universities that serve the City are Columbia College, State Fair Community College and Central Methodist University.

### **Accounting System and Budgetary Control**

Although legally separate from the City, the financial statements include its component units. The component unit is the Tax Increment Financing Districts responsible for encouraging development of commercial enterprises in the Districts. The Districts are fiscally dependent upon the City because the City must approve any debt issuances.

The diversity of governmental operations and the necessity for legal compliance preclude recording and summation of all financial transactions in a single accounting entity. The City's accounting system is therefore organized and operated on a fund basis, wherein each fund is a distinct and separate self-balancing entity.

The City's financial records utilize two bases of accounting. The modified accrual basis is followed by the governmental funds. Under this basis, revenues are recognized when measurable and available, and expenditures are recorded when the fund liability is incurred, except for interest on long-term debt. The accrual basis of accounting is utilized by the proprietary funds. Consideration is given to the adequacy of internal accounting controls governing the financial transactions and records of the City. Internal controls are designed and developed to provide reasonable assurance that assets are safeguarded and that transactions are properly executed and recorded in line with management's policy and generally accepted accounting principles.

Budgetary control is maintained at the fund level.

### **Local Economy**

The City of Osage Beach is recognized as both a retail center and a tourist destination and we pride ourselves in being the heart of Lake of the Ozarks. The Lake of the Ozarks was awarded Best Recreational Lake by USA Today readers. Osage Beach is part of the ever-growing and popular lake community, supporting a vital economy along with growing diversity in its economic base. While both population and local economic activity continue to peak in the summer season, the increasing number of second homeowners, the expansion in retail goods and the promotion of non-peak activities is smoothing out the sharpness of the peaks.

### **Long-term Financial Planning and Policies**

On December 1, 2016, the Board of Aldermen approved Bill 16-85 – Ordinance of the City establishing Section 135.020.C. Reserves. This section was added to the City's code of ordinances adopting reserve target levels for most funds. The Reserve Policy outlines fund reserve target levels for the General Fund, Transportation Fund, Water and Sewer Combined Funds, Lee C. Fine Airport Fund, and the Grand Glaize Airport Fund.

Capital expansion projects that are not funded through debt service but are high on the priority list are in the current year's budget. If the project lacks enough funds, the project will be carried into the next year's budget with funds added until enough funds are available to complete the project.

## **Reporting Standards and Formats**

The standards used to formulate and present the content of this Comprehensive Annual Financial Report were set forth by the Governmental Accounting Standards Board (GASB), which incorporates the statements and interpretations of the National Council on Governmental Accounting (NCGA) until modification is deemed necessary. The GASB has also promulgated acceptance of certain standards as set by the American Institute of Certified Public Accountants (AICPA) in the guide for "Audits of State and Local Governmental Units." Guidance for illustrative interpretation was obtained by use of the 2012 "Governmental Accounting, Auditing and Financial Reporting" (GAAFR), published by the Government Finance Officers Association (GFOA).

## **Major Initiatives**

**Economic Development** – In October 2019, the Board of Aldermen approved a contract with Buxton Company, which is a multi-year contract with the first-year expense of \$65,000. Buxton Company is a leading consumer analytic company who partners with municipalities to provide city government solutions for retail recruitment, retail base support, tax base increases through attraction, understanding the retail market, and other long-term economic development strategies through data, technology, and expertise of the markets. The Buxton partnership will provide services and share tools and solutions and act as an extension of city staff. The contract objectives include: develop profile of residents and visitors, leveraging analytics, tools and services to understand current business economic conditions, recruit new business and retention of existing businesses.

**Economic Development** – In August 2019, the Board of Aldermen approved an ordinance establishing selected fee reimbursement provision to encourage residential development of projects or property where traditional economic development tools are insufficient or inapplicable to support or encourage the project. To be considered, the project would need a minimum of twenty new single-family or forty multi-family units with limits to the price per unit. Fees that could be considered for reimbursement are water impact, sewer development, building permit, site development and demolition permit.

**TSG Osage Beach, LLC Tax Increment Financing (TIF)** – City Ordinance 17.43 adopted the TSG Osage Beach, LLC TIF Plan as amended with recommendations from the Osage Beach TIF Commission on May 11, 2019. The project will redevelop the 13.71-acre site previously known as The Golden Door motel, Jake's Steak and Fish restaurant and two abandoned single-family homes. The financing proposed for this TIF is a "pay as you go" plan. The developer's investment is proposed to be \$30,500,000. The approved reimbursable project cost is estimated at \$4,550,000, which is 14.9% of the total project costs. This project is expected to start in 2020.

On December 19, 2019, the Board of Aldermen authorized the purchase of 911 center radio consoles, mobile radios, and portable radios in an amount not to exceed \$717,409. This purchase will be in the 2020 Budget and be spread over a three-year period, through a lease purchase agreement. The service agreement is included in the total cost. This purchase is high priority because existing equipment is becoming obsolete and replacement parts are difficult to locate. The technology associated with this purchase will allow for better communication internally as well as with other government agencies.

**Technology** – Budgeted in 2020, the City entered into an agreement with Forward Slash Technologies for IT Managed Services and help desk support. This professional service will provide help desk support for all end users, provide detailed inventory tracking for all information technology assets, proactive maintenance and security for all information technology assets, enhanced security and administration for email, daily health and safety checks, weekly reporting of critical assets, 24/7 monitoring to catch errors that need to be



addressed quickly, quarterly onsite assessments and meetings with City staff, and assist with future budget recommendations.

Transportation – Street improvement projects, including engineering, land purchases, and streetlights, totaling \$1,876,000, are included in the 2020 budget. This includes various land purchases, streetlights, Mace Road Phase II (\$1,000,000). In a joint effort with the City, the Special Road District will reimburse the City \$388,000 for projects that benefit the District (Cove Road, Autumn Lane Wren Drive, Ledges, and Executive Drive extension). The City provides the administrative and engineering services and the Special Road District provides the construction funds for the various projects.

Water – Maintenance of the City’s water system will include water tower cleaning at Swiss Village Tower.

Water projects, including engineering and land purchases totaling \$206,200, are included in the 2020 budget. This includes Antioch Lane and new water well construction at Swiss Village Tower. A few setbacks have delayed work, including electric utility move, drilling depths, and water testing required by Missouri Department of Natural Resources. As a result, a portion of this project will need to be carried over to the 2020 budget through a Board approved budget amendment.

Sewer lift station improvements totaling \$100,000 are included in the 2020 budget.

Lee C. Fine Airport – The Board of Aldermen authorized the Mayor to execute a State Block Grant Agreement, project no AIR20-046B Lee C. Fine airport design and construct terminal apron reconstruction and realignment of taxiway B, was executed April 6, 2020. This grant reimburses the City for the project through the Federal Aviation Administration passing through the Missouri Department of Transportation Aviation. The City will be reimbursed 95% of the cost of this project. The estimated total of this project is \$4,000,000; the City’s portion is estimated to be \$200,000.

Economy – The lake area, including the City of Osage Beach, was awarded the 2020 Can-Am Police Fire Games, but due to COVID-19 this event is cancelled. This event would have brought roughly 1,200 participants to the Lake from across the United States and Canada to participate in various competitive events.

Economy – The City of Osage Beach along with cities across the nation will not know the full impact of the COVID-19 pandemic for many months to come. To address the situation financially, the City is suspending capital purchases, and each will be reviewed on a case-by case basis. All departments have been directed to cut 20% from their 2020 Budget. Training expenses have been suspended and a current review of the Budget is being done to determine if more drastic measures need to be taken.

### **Single Audit**

The City of Osage Beach is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act of 1984 and related amendments and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, if the City spends \$750,000 or more in federal funding. In 2019, the City spent \$1,642,999 in federal funding; therefore, a Single Audit was performed. Information related to this audit, including a schedule of federal financial assistance, the independent auditors’ reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separately issued Single Audit report.

### **Independent Audit**

The City’s financial statements have been audited by Williams Keepers LLC, a firm of licensed certified public accountants. The purpose of the audit conducted by Williams Keepers was to review and provide reasonable assurance that the City’s financial statements for the fiscal year ended December 31, 2019, are free of material misstatements. The independent audit involves examining, on a test basis, evidence

supporting the amounts and disclosures in the government-wide and fund financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The auditors gave an unmodified opinion for the year ended December 31, 2019, which can be found in the first report in the financial section of this document.

## **Awards**

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Osage Beach for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2018. This was the twentieth year that the City of Osage Beach has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **Acknowledgments**

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated service of many City employees. I want to especially express my appreciation to the City Treasurer's staff for assisting and contributing with its preparation.

Finally, I would like to acknowledge the Mayor, Board of Aldermen, and the City Administrator for their support in planning and conducting the financial operations of the City in a professional and progressive manner.

Respectfully submitted,



Karri Bell  
City Treasurer



April White  
Staff Accountant



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Osage Beach  
Missouri**

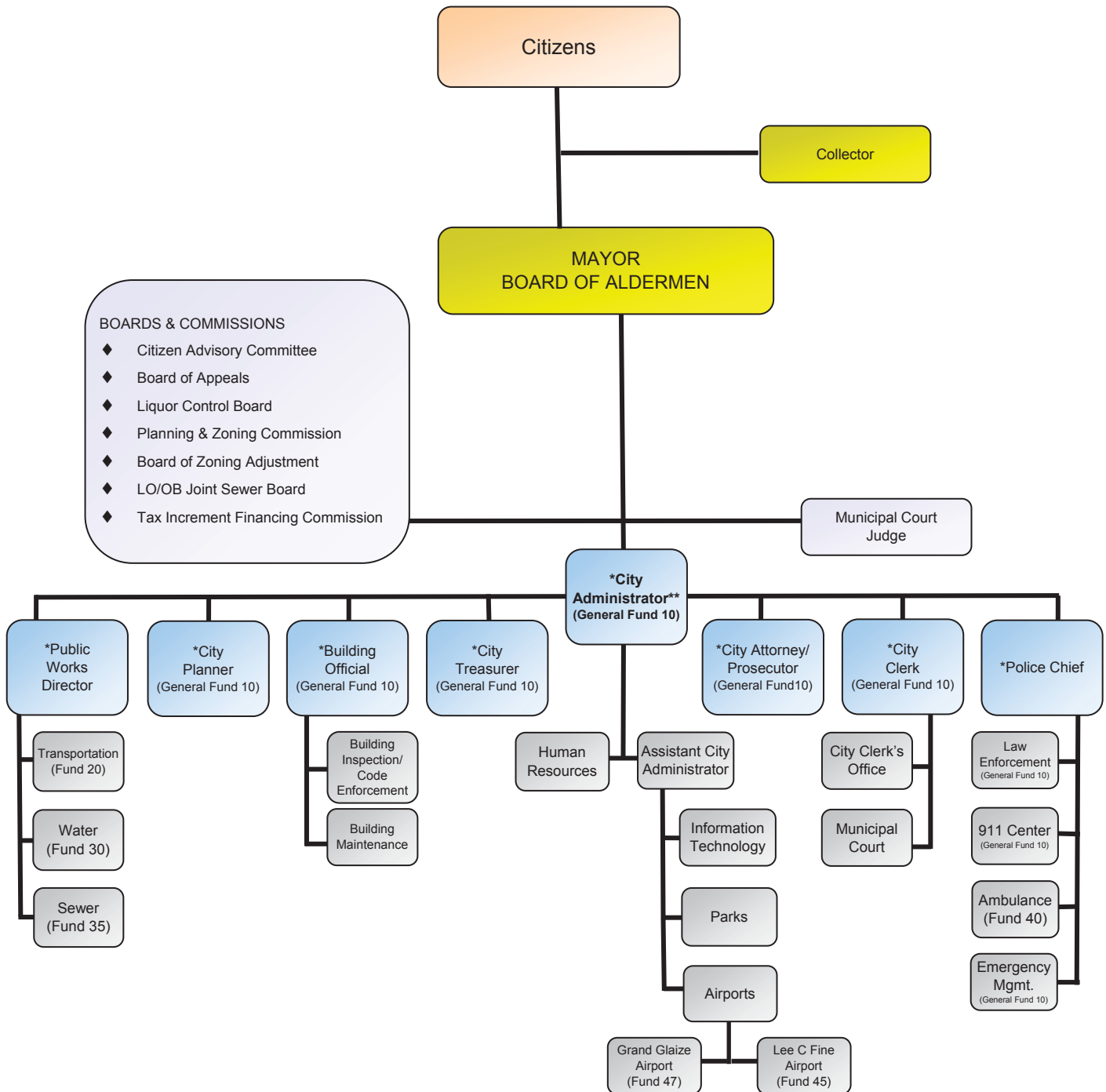
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morrell*

Executive Director CEO

# City of Osage Beach Organizational Chart



\*Appointed Officials of the City; per City code Chapter 115.  
 \*\*The City Administrator coordinates and supervises the operations of all departments; per City code 115.170  
 (The specific department's fund as outlined in the annually adopted budget is indicated in parenthesis.)

## City of Osage Beach, Missouri

### *Elected Officials*

Mayor..... John Olivarri  
Ward One..... Kevin Rucker  
..... Greg Massey  
Ward Two ..... Phyllis Marose  
..... Tyler Becker  
Ward Three ..... Richard Ross  
..... Tom Walker  
City Collector..... Lee Schuman

### *Management Team*

City Administrator ..... Jeana Woods  
City Clerk..... Tara Berreth  
Chief of Police ..... Todd Davis  
City Attorney ..... Ed Rucker  
City Treasurer ..... Karri Bell  
Building Official ..... Ron White  
City Planner ..... Cary Patterson  
Public Works Director ..... VACANT  
Assistant City Administrator ..... Mike Welty  
Human Resources Generalist..... Cindy Leigh  
Information Technology Specialist ..... Mikeal Bean  
Airport Manager ..... Ty Dinsdale  
Park Manager..... Matt Vandevoort

### INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**Williams-Keepers LLC**



## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Aldermen  
of the City of Osage Beach, Missouri

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the City of Osage Beach, Missouri (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the accompanying 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 U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the City of Osage Beach, Missouri, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material aspects in relation to the financial statements as a whole.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 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, and 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.

*William K. Kapers UC*

May 4, 2020

**City of Osage Beach, Missouri**  
**Management Discussion and Analysis**  
**December 31, 2019**

This section of the City of Osage Beach's annual financial report presents a review of the City's financial activities for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of the City of Osage Beach exceeded its entity-wide liabilities and deferred inflows at the close of the fiscal year by \$92,643,397 on the government-wide statements. Of this amount, \$75,040,804 represents investment in capital assets; \$10,517,571 is restricted; and the remaining \$7,085,022 may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$511,863 from 2018. This is a combined total of a decrease of \$1,440,276 from the City's governmental activities and an increase of \$1,952,139 from the business-type activities.
- The decrease in governmental activities of \$1,440,276 (3%) was \$547,750 less than the decrease of \$1,988,026 in 2018. Both total revenue and total expenses increased, with a net increase of \$570,724 before transfers to business-type activities. Total net transfers were reduced by \$591,000, primarily as a result of decreased transfers from the Capital Improvement Fund to the Water Fund (\$800,000).
- The increase in business-type activities of \$1,952,139 (4%) was mostly due to State Block Grant funding from the Missouri Highway and Transportation Commission for the taxiway reconstruction at Lee C. Fine Airport.
- The City of Osage Beach utilized a combination of five state and federal grants during fiscal year 2019, with approximately \$1,642,999 being expended and \$1,541,139 being reimbursed during the year. A substantial amount of the expenditures (\$1,533,887) and reimbursements were attributable to the Lee C. Fine Airport taxiway reconstruction, made available through Missouri Department of Transportation, and a Peanick Park enhancement grant (\$85,960 expended) through Missouri Department of Natural Resources.
- The City's gross sales tax (on the cash basis) increased less than 1% from \$4,765,894 in fiscal year 2018 to \$4,804,272 (General Fund) in fiscal year 2019.
- To promote economic development, the City continued its partnership for a fifth year with the Tri-County Lodging Association to promote the City of Osage Beach through an advertising campaign. The City supported beautification projects, hosted the 5<sup>th</sup> Annual Easter Egg Hunt in partnership with First Family Church, the 3<sup>rd</sup> Annual National Night Out and the 19<sup>th</sup> Annual Fall Festival.
- The City charges a Sewer Development Charge. This permit charge is based on one equivalent dwelling unit (1 EDU) and nine different Benefit Areas. All Benefit Area charges remained unchanged during the year.
- The City supported events through the "Community Event Support Program." During the year, the City supported Bikefest, Aquapalooza, Veteran's Day Parade, Pub Crawl, and Can Am Games for a total of \$15,500.
- The City's Transportation Department completed maintenance projects including slurry seal, asphalt overlay and road striping throughout the City, totaling \$849,400.

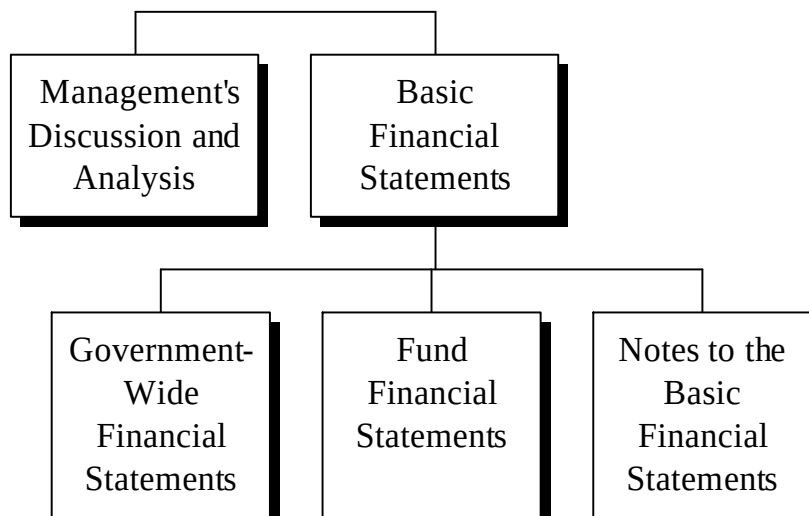
- The Osage Beach Special Road District contributed a total of \$323,853 during the year to assist with City sidewalk projects and reconstructing of private roads for acceptance to the City. During the year, Rowan Road and Dorothy Lane were reconstructed and accepted into the City street inventory. Sidewalks along Osage Beach Parkway from Barry Prewitt to Memorial Drive were completed with 100% funding from the Osage Beach Special Road District.
- On June 6, 2019, the Board approved the opting in of the State of Missouri 2019 Back to School sales tax holiday and rescinding the City's previous opt out of said holiday.
- On May 16, 2019, the Board approved amending the Human Resources System (Personnel) Rules and Regulations Chapter 125 Section: 125.240 D. Retirement Plans. This amendment will add a matching portion to the City's current 6% defined contribution, single employer retirement plan. In addition to the 6%, if an employee will contribute up to 1% to their 457 account, the City will match up to an additional 1% in to the 401 account. This matching option started July 1, 2019, and currently has 83% employee participation.
- The Board approved an agreement with the School of the Osage to reauthorize a School Resource Officer for the school year 2019-20. The City hired a commissioned police officer to fill this position.
- On November 6, 2018, the voters of Missouri passed Amendment 2 – Medical Marijuana and it has now become part of the Missouri Constitution, Article XIV. This law allows the cultivation, production, transportation, sale, purchase, and administration of medical marijuana ensuring patient access to medical marijuana. In response to the passing of this law and citizen input, on June 20, 2019, the Board of Aldermen passed Ordinance 19.37 amending existing codes and changes to zoning to address the medical marijuana law.

## **OVERVIEW OF FINANCIAL STATEMENTS**

The financial reports consist of the management's discussion and analysis, the basic financial statements, required supplementary information and additional supplementary information.

The basic financial statements include two kinds of statements that present different views of the City. The first statements are government-wide financials that provide both long-term and short-term information about the City's overall financial status. These statements are prepared on a full accrual basis of accounting to present information in a more corporate-like presentation on individual parts of the government. The remaining statements are the fund financials that focus on individual parts of the City government and report more detail.

### **Required Components of Annual Financial Report**



## **Basic Financial Statements**

The first two statements in the basic financial statements are government-wide financial statements (the Statement of Net Position and the Statement of Activities). The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status.

The next statements are the fund financial statements. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are two parts to the fund financial statements: 1) the governmental funds statements and 2) the proprietary funds statements.

The next section of the basic financial statements is the notes to the basic financial statements. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, required supplemental information is provided to show details about the City's performance relative to the budget and schedules of other post-employment benefits.

## **Government-Wide Financial Statements**

The government-wide financial statements present the financial picture of the City from the economic resources' measurement focus using the accrual basis of accounting. The statements present governmental activities and business-type activities, as well as the City's component unit separately. These statements include certain infrastructure as well as all known liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement regarding inter fund activity, payables and receivables.

The statement of net position and the statement of activities report the City's net position and the resulting changes. Net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, which is one way to measure the City's financial health or financial assets. Over time, increases or decreases in the City's net position is a useful indicator of whether its financial position is improving or deteriorating. Other non-financial factors to consider when assessing the overall health of the City are changes in the City's sales tax base and the condition of the City's capital assets (roads, buildings, and water and sewer lines).

The statement of activities distinguishes the City's functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities).

**Governmental activities** – Most of the City's basic services are reported in this category, including General Administration, Finance, Public Safety, Transportation and Parks. Sales taxes, franchise fees, user fees, interest income, and grants finance these activities.

**Business-type activities** – The City charges fees to customers to cover most of the cost of services it provides. The Combined Water and Sewer Fund, Ambulance Fund, Lee C. Fine Airport Fund and Grand Glaize Airport Fund are reported in this activity.

**Component Unit** – The City's component unit activities are reported in this category.



## **Fund Financial Statements**

The City uses two types of funds to manage its resources: governmental funds and proprietary funds. A fund is a fiscal entity with a set of self-balancing accounts recording financial resources, together with all related current liabilities and residual equities and balances, and the changes therein. These accounting entities are separated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions or limitations.

**Governmental Funds** – Most of the City’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the City’s general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent soon to finance the City’s programs. The relationships or differences of activities reported in the Governmental Fund Financial Statements versus that reported in the Government-Wide Financial Statements are explained in the reconciliation schedules following the Governmental Fund Financial Statements.

**Proprietary Funds** – When the City charges customers for the services it provides to cover the cost of operations, these activities are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the government-wide statement of net position and the statement of activities. In fact, the City’s enterprise funds are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows for proprietary funds.

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

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning budgetary comparison schedules for the major governmental funds and schedule of funding progress.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As mentioned earlier, net position may serve as a useful indicator of the City’s financial position. At the close of December 31, 2019, the City of Osage Beach’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$92,643,397. The largest portion of the City’s net position, \$75,040,804 (81%), reflects its investment in capital assets (i.e. land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The 81% of capital assets has not changed from 2018. This reflects the City’s balanced approach in spending to operate versus investment in capital assets. The City of Osage Beach uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Osage Beach’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 to liquidate these liabilities.

## Statement of Net Position

The following table reflects the condensed Statement of Net Position as of December 31, 2019 and December 31, 2018:

| CITY OF OSAGE BEACH<br>STATEMENT OF NET POSITION |                            |                      |                             |                      |                      |                      |
|--------------------------------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
|                                                  | Governmental<br>Activities |                      | Business-Type<br>Activities |                      | Total                |                      |
|                                                  | 2019                       | 2018                 | 2019                        | 2018                 | 2019                 | 2018                 |
| Current and other assets                         | \$ 10,099,385              | \$ 9,913,752         | \$ 9,248,032                | \$ 9,392,250         | \$ 19,347,417        | \$ 19,306,002        |
| Capital assets                                   | 33,323,963                 | 34,915,470           | 53,433,212                  | 53,817,286           | 86,757,175           | 88,732,756           |
| <b>Total assets</b>                              | <b>43,423,348</b>          | <b>44,829,222</b>    | <b>62,681,244</b>           | <b>63,209,536</b>    | <b>106,104,592</b>   | <b>108,038,758</b>   |
| Deferred outflows -                              |                            |                      |                             |                      |                      |                      |
| Deferred charge on refunding                     | -                          | -                    | 283,910                     | 393,811              | 283,910              | 393,811              |
| Other post employment benefits                   | 30,605                     | 25,839               | 4,293                       | 3,825                | 34,898               | 29,664               |
| <b>Total deferred outflows</b>                   | <b>30,605</b>              | <b>25,839</b>        | <b>288,203</b>              | <b>397,636</b>       | <b>318,808</b>       | <b>423,475</b>       |
| Long-term liabilities                            | 206,081                    | 221,287              | 9,332,898                   | 12,145,530           | 9,538,979            | 12,366,817           |
| Other liabilities                                | 786,127                    | 743,958              | 3,440,683                   | 3,219,767            | 4,226,810            | 3,963,725            |
| <b>Total liabilities</b>                         | <b>992,208</b>             | <b>965,245</b>       | <b>12,773,581</b>           | <b>15,365,297</b>    | <b>13,765,789</b>    | <b>16,330,542</b>    |
| Deferred inflows -                               |                            |                      |                             |                      |                      |                      |
| Other post employment benefits                   | 12,205                     | -                    | 2,009                       | 157                  | 14,214               | 157                  |
| <b>Total deferred inflows</b>                    | <b>12,205</b>              | <b>-</b>             | <b>2,009</b>                | <b>157</b>           | <b>14,214</b>        | <b>157</b>           |
| Net position                                     |                            |                      |                             |                      |                      |                      |
| Net investment in                                |                            |                      |                             |                      |                      |                      |
| capital assets                                   | 33,323,963                 | 34,915,470           | 41,716,841                  | 39,492,176           | 75,040,804           | 74,407,646           |
| Restricted                                       | 6,468,528                  | 6,476,810            | 4,049,043                   | 3,256,225            | 10,517,571           | 9,733,035            |
| Unrestricted                                     | 2,657,049                  | 2,497,536            | 4,427,973                   | 5,493,317            | 7,085,022            | 7,990,853            |
| <b>Total net position</b>                        | <b>\$ 42,449,540</b>       | <b>\$ 43,889,816</b> | <b>\$ 50,193,857</b>        | <b>\$ 48,241,718</b> | <b>\$ 92,643,397</b> | <b>\$ 92,131,534</b> |

Overall, assets decreased primarily due to an increase in net expenses and flat revenue in the governmental funds. Capital assets decreased \$1,975,581 as a result of depreciation expense exceeding additions for 2019. Total long-term liabilities decreased \$2,827,838 (23%), primarily as a result of principal payments on the City's water and sewer bonds. The City's unrestricted net position for governmental activities was \$2,657,049. Total unrestricted net position was \$7,085,022, including business-type activities. Unrestricted net position decreased \$905,831; 100% of the decrease was in business-type activities.

At the end of the current fiscal year, the City reports positive balances in all categories of net position for the City, both per fund and in total. The City's combined net position increased to \$92,643,397 from \$92,131,534. This modest increase of less than 1% reflects the City's consistent management of financial resources. Total net position of \$92,643,397 is comprised of \$75,040,804 invested in capital assets, net of related debt; \$10,517,571 restricted for capital projects, debt service and other purposes; \$2,657,049 unrestricted and available for general governmental purposes; and \$4,427,973 unrestricted and available for the City's business-type activities.

## Change in Net Position

The following table reflects the revenues and expenses from the City's activities for the years ended December 31, 2019 and 2018:

| CITY OF OSAGE BEACH<br>CHANGE IN NET POSITION  |                            |                      |                             |                      |                      |                      |
|------------------------------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
|                                                | Governmental<br>Activities |                      | Business-Type<br>Activities |                      | Total                |                      |
|                                                | 2019                       | 2018                 | 2019                        | 2018                 | 2019                 | 2018                 |
| <b>Revenues:</b>                               |                            |                      |                             |                      |                      |                      |
| Program revenues:                              |                            |                      |                             |                      |                      |                      |
| Charges for services                           | \$ 529,668                 | \$ 513,760           | \$ 5,911,563                | \$ 5,748,200         | \$ 6,441,231         | \$ 6,261,960         |
| Operating grants and contributions             | 40,474                     | 21,630               | 365,840                     | 428,331              | 406,314              | 449,961              |
| Capital grants and contributions               | 467,738                    | 297,555              | 1,541,717                   | 582,118              | 2,009,455            | 879,673              |
| General revenues:                              |                            |                      |                             |                      |                      |                      |
| Sales taxes                                    | 9,518,981                  | 9,476,784            | -                           | -                    | 9,518,981            | 9,476,784            |
| Franchise taxes                                | 982,803                    | 1,063,470            | -                           | -                    | 982,803              | 1,063,470            |
| Other taxes                                    | 247,706                    | 246,284              | -                           | -                    | 247,706              | 246,284              |
| Unrestricted investment earnings               | 182,526                    | 112,734              | 170,154                     | 120,127              | 352,680              | 232,861              |
| Other revenues                                 | 462,075                    | 414,193              | 56,309                      | 27,610               | 518,384              | 441,803              |
| Sales of capital assets                        | -                          | 2,861                | -                           | 2,487                | -                    | 5,348                |
| <b>Total revenues</b>                          | <b>12,431,971</b>          | <b>12,149,271</b>    | <b>8,045,583</b>            | <b>6,908,873</b>     | <b>20,477,554</b>    | <b>19,058,144</b>    |
| <b>Expenses:</b>                               |                            |                      |                             |                      |                      |                      |
| General government                             | 3,046,105                  | 2,934,961            | -                           | -                    | 3,046,105            | 2,934,961            |
| Public safety                                  | 3,151,724                  | 3,141,925            | -                           | -                    | 3,151,724            | 3,141,925            |
| Streets and highways                           | 4,462,090                  | 4,296,076            | -                           | -                    | 4,462,090            | 4,296,076            |
| Parks and recreation                           | 703,750                    | 669,858              | -                           | -                    | 703,750              | 669,858              |
| Information technology                         | 497,578                    | 492,477              | -                           | -                    | 497,578              | 492,477              |
| Water and sewer                                | -                          | -                    | 5,675,710                   | 5,363,483            | 5,675,710            | 5,363,483            |
| Ambulance                                      | -                          | -                    | 565,495                     | 584,394              | 565,495              | 584,394              |
| Airport                                        | -                          | -                    | 1,343,250                   | 1,555,938            | 1,343,250            | 1,555,938            |
| Interest - long term debt                      | -                          | -                    | 519,989                     | 656,979              | 519,989              | 656,979              |
| <b>Total expenses</b>                          | <b>11,861,247</b>          | <b>11,535,297</b>    | <b>8,104,444</b>            | <b>8,160,794</b>     | <b>19,965,691</b>    | <b>19,696,091</b>    |
| <b>Change in net position before transfers</b> | <b>570,724</b>             | <b>613,974</b>       | <b>(58,861)</b>             | <b>(1,251,921)</b>   | <b>511,863</b>       | <b>(637,947)</b>     |
| <b>Transfers</b>                               | <b>(2,011,000)</b>         | <b>(2,602,000)</b>   | <b>2,011,000</b>            | <b>2,602,000</b>     | <b>-</b>             | <b>-</b>             |
| <b>Change in net position</b>                  | <b>(1,440,276)</b>         | <b>(1,988,026)</b>   | <b>1,952,139</b>            | <b>1,350,079</b>     | <b>511,863</b>       | <b>(637,947)</b>     |
| <b>Net position, beginning</b>                 | <b>43,889,816</b>          | <b>45,877,842</b>    | <b>48,241,718</b>           | <b>46,891,639</b>    | <b>92,131,534</b>    | <b>92,769,481</b>    |
| <b>Net position, ending</b>                    | <b>\$ 42,449,540</b>       | <b>\$ 43,889,816</b> | <b>\$ 50,193,857</b>        | <b>\$ 48,241,718</b> | <b>\$ 92,643,397</b> | <b>\$ 92,131,534</b> |

## Governmental Activities

Governmental activities decreased the City's net position by \$1,440,276; this improved from last year by \$547,750 due to a reduction of transfers to business-type activities. Both revenue (2%) and expenses (3%) increased during the year. Expenses increased in the streets and highways due to an increase in maintenance projects. The program revenues increased due to grant funding for both the park and sidewalk projects for the year. Charges for services increased 3% from \$513,760 in 2018 to \$529,668 in 2019. The overall increase of \$15,908 is primarily due to increases in park and recreation league activities. This is the City's second year of administrating a youth baseball program for the community; the goal is to break even on increases in revenue to offset the cost of administrating the program. Sales tax revenue, the City's largest general revenue, was \$9,518,981. Sales tax revenue was less than 1% more (on the accrual basis) than the total of \$9,476,784 in 2018. Interest revenue increased 38%, from \$112,734 in 2018 to \$182,526 in 2019. Interest rates on the City's certificates of deposit increased from an average of 2% in 2018 to a range of 1.88% to 2.31% during 2019. Other revenues increased \$47,882, or 12%. Other revenues consist of payments from enterprise funds, insurance settlements and rental of public property. The City received \$10,170 from credit card fees passed to City customers. Revenues totaled \$20,477,554 (governmental and business-type). Revenues from governmental activities totaled \$12,431,971, or 61% of total City revenues.

Governmental activities expenses increased \$325,950, or 3% for the fiscal year ended December 31, 2019, compared to the fiscal year ended December 31, 2018. The largest increase in expenses was in the streets and highways activities. Along with a substantial increase in maintenance projects, the streets and highways continued to transfer funds to the City airports. This year \$126,000 was transferred to Grand Glaize Airport to assist with the final cost of a pavement project, and \$195,000 was transferred to Lee C. Fine Airport to provide grant matching funds for the taxiway reconstruction project. Expenses for public safety increased less than 1% and expenses in general government increased \$111,144 (4%). Some of the increases of expenses in general government related to the pay-plan, a professional contract for retail recruitment, and increases in health insurance premiums.

The following table shows expenses and program revenues of the governmental activities for the year ended December 31, 2019. The purpose of this statement is to measure gross expenses against charges for services and grants and other funding.

**CITY OF OSAGE BEACH  
NET COST OF GOVERNMENTAL ACTIVITIES**

|                        | <b>Total Cost of<br/>Service</b> | <b>Net Cost of<br/>Service</b> |
|------------------------|----------------------------------|--------------------------------|
| General government     | \$ 3,046,105                     | \$ 2,763,201                   |
| Public safety          | 3,151,724                        | 2,933,842                      |
| Parks and recreation   | 703,750                          | 634,484                        |
| Information technology | 497,578                          | 497,578                        |
| Streets and highways   | 4,462,090                        | 3,994,262                      |
| <b>Total cost</b>      | <b>\$ 11,861,247</b>             | <b>\$ 10,823,367</b>           |

As previously noted, expenses from governmental activities totaled \$11,861,247. However, net costs of these services were \$10,823,367. The difference represents direct revenues received from charges for services of \$529,668, operating grants of \$40,474 and capital grants and contributions of \$467,738. Operating grants and contributions include overtime reimbursements associated with DWI programs and contributions for the City's events. Net costs of services increased \$121,015 from last year primarily due to general government expenses increasing 4% and charges for services decreasing 13%. This decrease in charges for services is a result of building permits being issued in nearly the same quantity as last year while the construction value or basis of charging fees reduced 34%.

**Business-Type Activities**

Business-type activities net position increased by \$1,952,139. Total revenue increased \$1,136,710 (16%) and total expenses decreased \$56,350 (1%) compared to the prior year. Capital grants and contributions decreased \$64,472, or 18%. Capital grants increased \$595,599 as a result of grant funding of the Lee C. Fine Airport taxiway reconstruction project. Water and Sewer State Revolving grants (interest subsidy) was less due to the decline in the principal balance. Total charges for services increased \$163,363 (3%) from \$5,748,200 in 2018 to \$5,911,563 in 2019. Charges for services revenue increased 3% for Ambulance and decreased 1% for Lee C. Fine and Grand Glaize airports combined. This change reflects stable fuel prices during the year. Water/Sewer increased 2%; this increase is primarily due to an increase in users and gallons of water sold. Total expenses decreased slightly (1%) from \$8,160,794 in 2018 to \$8,104,444 in 2019. Water and Sewer interest on long term debt had a decrease of \$136,990 (21%).

## **FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS**

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

### **Governmental Funds**

The focus of the City of Osage Beach's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Osage Beach's financial requirements.

**General Fund** – The General Fund is the chief operating fund of the City of Osage Beach. The General Fund includes legislative expenses, General Administration, City Attorney, Municipal Court, City Treasurer, City Clerk, Building Official, Police, Communications, Parks, Economic Development, Planning and Information Technology activities for the City. All these activities are provided to and benefit all the citizens equally and equitably. This area tends to work on the quality of life and the protection of the citizens and assets of the citizens as a group. At the end of the current fiscal year, total fund balance of the General Fund was \$2,861,575, an increase of \$59,583 over the beginning balance of \$2,801,992. General Fund total revenue increased less than 1%, with no major changes in any of the revenue categories. General Fund expenses increased 4% for the year. The increase reflects the pay-plan, health insurance premiums and professional services to recruit/support businesses. The unassigned General Fund balance at year-end was \$2,672,073.

**Transportation Fund** – This fund is established pursuant to the Missouri Constitution Article IV, Section 30(a)(2) [State Gas Tax], Revised Missouri Statutes 94.745 (City ½ cent sales tax). It is used for transportation purposes within the City of Osage Beach. This fund provides for the maintenance and expansion of transportation needs of our citizens. Included in this fund are repair and maintenance of the existing public road system and upgrades to the local transportation system. At the end of the current fiscal year, total fund balance of the Transportation Fund was \$5,061,665, a decrease of \$495,122 from the beginning balance of \$5,556,787. Transportation Fund total revenue increased 7% primarily due to a contribution from the Osage Beach Special Road District to support sidewalk and road reconstruction projects in City limits. Expenses increased 7% primarily due to sidewalk and street projects. Dorothy Lane and Rowan Road were completed and added to the City's street inventory. Dude Ranch sidewalk is nearly complete and Barry Prewitt to Memorial Drive sidewalk on the parkway is finished. The Transportation Fund balance was restricted for highways and streets at year-end other than the nonspendable portion of \$9,358 related to prepaid expenses and \$14,693 invested in inventory. The fund balance decrease of \$495,122 reflects the City's goal to plan, save and complete construction projects. The City spent \$1,467,796 in transportation projects across the City. The fund balance remaining will be used for future street/sidewalk projects.

**Capital Improvement Sales Tax Fund** – This fund is established as required under the Revised Missouri Statutes 94.577. The monies collected here are from a ½ cent general sales tax. The Mayor and Board of Aldermen, by ordinance, have committed these funds to help offset the debt service cost of the water and sewer system. As of the close of the current fiscal year, the City of Osage Beach's Capital Improvement Sales Tax Fund reported an ending fund balance of \$1,430,914, an increase of \$529,200 from the beginning balance of \$901,714. The Capital Improvement Sales Tax Fund balance was restricted for capital improvements/debt service at year-end. The fund balance increase was primarily due to decreases in transfer to the Water Fund; no transfers were made to the Sewer Fund during the year.

**General Fund Budget Highlights** – Each fiscal year, the City formally adopts its budget prior to the beginning of the fiscal year. If necessary, the original budget is amended to appropriate unspent funds before the current fiscal year ends. The total original expenditure budget of \$7,316,349 was amended to \$7,405,187 during the fiscal year. On a budgetary basis, which can be found in the Required Supplementary Information, the revenues and other sources compared to expenditures and other uses, resulted in an increase of \$59,583 in fund balance. Actual revenue was less than budgeted revenue by \$76,965, primarily due to sales tax being less than budgeted. Actual expenditures were under the budgeted amount by \$505,636. Some of the reasons

for this were vacancies in both general government and public safety and several building maintenance projects were canceled or moved to the 2020 Budget. The ambulance flooring was canceled, and the bulletproof glass and the park utility burial will be paid in 2020.

### **Proprietary Funds**

**Combined Water and Sewer Fund** – The Sewer Fund was created in 1985 to track revenue and expenses associated with the operation of the sewer system. A City water system was started in 1998 and changed the Sewer Fund into a combined fund. This fund was established under the bond ordinances to segment the operations of the combined Water and Sewer Fund from other activities of the City. The combined Water and Sewer Fund is based on a user fee system where the individuals and businesses utilizing the services pay a fee based upon a portion of the estimated cost of operation of the water and sewer utilities. This fee is subsidized by revenue transferred in from the Capital Improvement Sales Tax Fund to offset debt service costs. At the end of the current fiscal year, total net position of the Water and Sewer Fund was \$42,160,248, an increase of \$402,161 over the beginning balance of \$41,758,087. The increase in net position, although less than last year's increase of \$1,194,265, is a combination of several factors including increased customers, less interest expense and increased interest revenue. The reason the increase is less than last year is due to a reduction of transfers from Capital Improvement Sales Tax from \$2,200,000 (2018) to \$1,400,000 during 2019. The unrestricted net position in the Water and Sewer Fund at year-end was \$4,188,561.

**Ambulance Fund** – This fund was established by Board directive in order to track the costs of ambulance service to the citizens of Osage Beach. The City of Osage Beach began operating an ambulance service in 1984. The fund receives its revenue from user fees. Fees are not enough to cover the cash flow of operation, nor do they cover the non-cash cost (depreciation). The differences in cash payouts are made up by transfers from the General Fund. At the end of the current fiscal year, total net position of the Ambulance Fund was \$177,302. The unrestricted Ambulance Fund net position at year-end was \$108,307, an increase of \$14,647. Charges for services increased 3% and operating expenses remained steady compared to last year. No rate increases were approved during the year. Although the operating loss was less for the year, transfers from the General Fund (\$290,000) were necessary.

**Lee C. Fine Airport Fund** – This fund was established in 1999 by Board directive in order to track the costs of airport service to the public. The fund receives its revenue from user fees. The differences in cash payouts are made up by transfers from the General Fund or the Transportation Fund. At the end of the current fiscal year, the total net position balance of the Lee C. Fine Airport Fund was \$6,836,380, an increase of \$1,527,614 from the beginning balance of \$5,308,766. The net position increase is a result of apron reconstruction project paid for with grant funds. The unrestricted net position of the Lee C. Fine Airport Fund at year-end was \$89,606. The Transportation Fund transferred \$195,000 of funds to support the 10% grant-match needed for the capital construction project.

**Grand Glaize Airport Fund** – This fund was established in 1999 by Board directive in order to track the costs of airport services to the public. The fund receives its revenue from user fees. The differences in cash payouts are made up by transfers from the General Fund or the Transportation Fund. At the end of the current fiscal year, total net position of the Grand Glaize Airport Fund was \$1,019,927, a slight increase of \$7,717 from the beginning balance of \$1,012,210. The unrestricted net position of Grand Glaize Fund at year-end was \$41,499. The Transportation Fund transferred \$126,000 to offset the operating loss of \$132,741.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The amount invested in capital assets for the City as of December 31, 2019, was \$86,757,175, net of accumulated depreciation. This amount includes all infrastructure assets acquired during 2019 and prior years (construction in progress) street infrastructure. Capital assets decreased \$1,975,581 or 2% during the year. This change reflects a loss of net position in both governmental activities and business-type activities. The City is currently investing in capital assets and accepting capital grants/contributions, but not at a pace that equaled depreciation during the year. The following chart breaks down the City's capital asset balance into various categories of assets. Additional information regarding the City's capital assets can be found in Note 6.

#### **CITY OF OSAGE BEACH CAPITAL ASSETS**

|                               | <b>Governmental Activities</b> |                      | <b>Business-Type Activities</b> |                      | <b>Total</b>         |                      |
|-------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
|                               | <b>2019</b>                    | <b>2018</b>          | <b>2019</b>                     | <b>2018</b>          | <b>2019</b>          | <b>2018</b>          |
| Land                          | \$ 1,846,428                   | \$ 1,834,178         | \$ 897,793                      | \$ 897,793           | \$ 2,744,221         | \$ 2,731,971         |
| Construction in progress      | 593,664                        | 658,099              | 2,431,009                       | 338,016              | 3,024,673            | 996,115              |
| Buildings and improvements    | 7,868,266                      | 7,846,603            | 8,213,022                       | 8,060,023            | 16,081,288           | 15,906,626           |
| Equipment                     | 3,939,213                      | 3,990,299            | 1,973,877                       | 1,907,260            | 5,913,090            | 5,897,559            |
| Infrastructure                | 58,392,444                     | 57,207,083           | -                               | -                    | 58,392,444           | 57,207,083           |
| Water system                  | -                              | -                    | 35,468,752                      | 35,437,586           | 35,468,752           | 35,437,586           |
| Sewer system                  | -                              | -                    | 60,156,314                      | 59,988,366           | 60,156,314           | 59,988,366           |
| Less accumulated depreciation | (39,316,052)                   | (36,620,792)         | (55,707,555)                    | (52,811,758)         | (95,023,607)         | (89,432,550)         |
| <b>Total capital assets</b>   | <b>\$ 33,323,963</b>           | <b>\$ 34,915,470</b> | <b>\$ 53,433,212</b>            | <b>\$ 53,817,286</b> | <b>\$ 86,757,175</b> | <b>\$ 88,732,756</b> |

Major capital asset transactions during the year included the following:

- The Police Department purchased two computer tough books for \$2,455.
- Information Technology purchased two 48 port switches for \$2,431 each. This equipment benefits all City departments.
- The City purchased a new ice maker for the employee break room for \$2,245. A new Mitel voiceover IP phone system was purchased for \$12,154.
- Peanick Park dugouts for field #2 \$26,565, batting cage/surfacing \$5,813, replace pavilion \$31,224, basketball court \$105,990.
- For Transportation projects, the City completed construction of Mace Road round-a-bout and started engineering for phase II of Mace Road. Dorothy Lane, Rowan Road, Dude Ranch Road sidewalk project is ¾ complete, Quail's Nest sidewalk, Phase IV sidewalk project.
- Transportation purchased a new Case 580SN Backhoe Loader, including a hydraulic thumb and three buckets for \$104,900, replace waste oil furnace to heat the public works building for \$21,663, asphalt roller \$9,350, Gravely zero turn mover \$4,600, video detection camera \$5,120.
- Water projects included exterior repainting Bluff Tower \$246,800, well #4 Swiss Village is 1/3 complete, water meters approved for purchase during the year totaled \$40,000.

- For the Sewer Department, various lift-station improvements, upgrades, and purchases of sewer pump replacement inventory.
- Transportation, Water and Sewer combined funds to purchase a Ford F150 truck, Kubota SVL95 compact track loader after \$15,000 trade-in the total was for \$46,194, rock breaker attachment \$11,250, GIS based asset management software \$28,220.
- Engineering for Phase II taxiway reconstruction at the Lee C. Fine Airport was near completion during the year, total construction contract is \$1,627,334; 90% of this cost is reimbursable through grant funding and two carports for the fuel trucks \$3,830.
- Grand Glaize Airport purchased a carport for the fuel trucks \$2,925 and a fuel recovery tank \$3,107.

## Debt Administration

The gross debt on December 31, 2019, was \$11,775,000, a decrease of \$2,646,527 compared to 2018. The debt consists of Sewerage and Waterworks Revenue Bonds. The final payoff year for the bonds is 2027.

### CITY OF OSAGE BEACH OUTSTANDING DEBT

|                   | Governmental Activities |             | Business-Type Activities |                      | Total                |                      |
|-------------------|-------------------------|-------------|--------------------------|----------------------|----------------------|----------------------|
|                   | 2019                    | 2018        | 2019                     | 2018                 | 2019                 | 2018                 |
| Revenue bonds     | \$ -                    | \$ -        | \$ 11,775,000            | \$ 14,395,000        | \$ 11,775,000        | \$ 14,395,000        |
| Note payable      | -                       | -           | -                        | 26,527               | -                    | 26,527               |
| <b>Total debt</b> | <b>\$ -</b>             | <b>\$ -</b> | <b>\$ 11,775,000</b>     | <b>\$ 14,421,527</b> | <b>\$ 11,775,000</b> | <b>\$ 14,421,527</b> |

Missouri statutes limit the amount of general obligation debt that a unit of government can issue to twenty percent of the total assessed value of taxable property located within the City's boundaries. The legal debt limit for the City of Osage Beach was \$58,575,726. Additional information regarding the City's long-term debt can be found in Note 7 of this report.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Osage Beach's permit activity remained steady compared to past years. At the end of 2019, the City issued 642 business licenses to various businesses; 459 contractor's licenses; 85 liquor licenses; 7 taxi licenses; and 16 dog licenses. The Building Inspection Department issued 92 commercial permits and 99 residential permits, representing investment in our community of \$17,967,611.

The City is recognized as both a retail and tourist destination and, like all communities, is impacted by the state and national economic activity; however, the City has continued to experience growth over the past several years. Sales tax, the principal source of funding for the City, increased 1% for the year. The 2019 fiscal year budget represents the priorities of the City and it is a financially responsible plan for our resources to provide superior services to our community while preserving appropriate financial reserves. The City has committed to economic and community development efforts in 2020. For example, community event efforts, City promotional efforts, and economic development programs were supported in the 2020 Operating Budget.

The unemployment rate for the City of Osage Beach was 4.1% (Camden and Miller County average) on December 31, 2019, which is slightly higher compared to last year's rate of 4%. This rate is slightly higher than the State's average unemployment rate of 3.3% and the national average of 3.9%.



The above factors were considered in preparing the City of Osage Beach's budget for the 2020 fiscal year.

The City of Osage Beach has appropriated \$8,007,316 for spending in the General Fund 2020 budget. Compared to the 2019 actual of \$6,899,551, budgeted expenses and transfers will increase 16%. Of the total appropriated in General Fund, \$199,378 is budgeted for capital expenditures and \$216,908 is the first-year payment of a three-year lease purchase for 911 communication equipment. The budget includes a 2% increase in sales tax revenue during the 2020 fiscal year compared to estimated revenue in 2019. Merit increases will be granted to employees in 2020 based on the Matrix Plan and employee job performance. The General Fund's capital expenditures include improvements to the City Hall parking lot and several park projects.

There are no rate increases in the 2020 Operating Budget.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide the reader a general overview of the City's finances. Questions or requests for more information concerning any of the information provided in this report should be directed to Karri Bell, City Treasurer ([kbell@osagebeach.org](mailto:kbell@osagebeach.org)), City of Osage Beach, 1000 City Parkway, Osage Beach, Missouri 65065, or call (573) 302-2000 extension 1030.

**City of Osage Beach  
Statement of Net Position  
December 31, 2019**

|                                                    | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>  | <b>Tax Increment<br/>Financing<br/>District</b> |
|----------------------------------------------------|------------------------------------|-------------------------------------|---------------|-------------------------------------------------|
| <b>ASSETS</b>                                      |                                    |                                     |               |                                                 |
| Cash and cash equivalents                          | \$ 7,512,326                       | \$ 4,129,447                        | \$ 11,641,773 | \$ 5,091                                        |
| Receivables, net                                   | 1,419,225                          | 438,228                             | 1,857,453     | 902,716                                         |
| Due from other governments                         | 255,157                            | 55,632                              | 310,789       | -                                               |
| Inventories                                        | 14,693                             | 216,259                             | 230,952       | -                                               |
| Prepaid items                                      | 198,860                            | 51,350                              | 250,210       | -                                               |
| Restricted assets:                                 |                                    |                                     |               |                                                 |
| Cash and cash equivalents                          | 692,451                            | 2,763,362                           | 3,455,813     | 1,972,000                                       |
| Investments                                        | 6,673                              | 1,593,754                           | 1,600,427     | 983,373                                         |
| Capital assets:                                    |                                    |                                     |               |                                                 |
| Non-depreciable                                    | 2,440,092                          | 3,328,802                           | 5,768,894     | -                                               |
| Depreciable, net                                   | 30,883,871                         | 50,104,410                          | 80,988,281    | -                                               |
| Total assets                                       | 43,423,348                         | 62,681,244                          | 106,104,592   | 3,863,180                                       |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |                                    |                                     |               |                                                 |
| Deferred charge on refunding                       | -                                  | 283,910                             | 283,910       | 60,218                                          |
| Deferred outflows - other post employment benefits | 30,605                             | 4,293                               | 34,898        | -                                               |
| Total deferred outflows of resources               | 30,605                             | 288,203                             | 318,808       | 60,218                                          |
| <b>LIABILITIES</b>                                 |                                    |                                     |               |                                                 |
| Accounts payable                                   | 476,465                            | 349,837                             | 826,302       | 200,553                                         |
| Accrued liabilities                                | 88,745                             | 34,176                              | 122,921       | -                                               |
| Accrued interest                                   | -                                  | 286,919                             | 286,919       | 59,962                                          |
| Restricted customer deposits                       | 20,292                             | -                                   | 20,292        | -                                               |
| Funds held for others                              | 123                                | -                                   | 123           | -                                               |
| Unearned revenue                                   | 102,310                            | -                                   | 102,310       | -                                               |
| Long-term liabilities:                             |                                    |                                     |               |                                                 |
| Due within one year:                               |                                    |                                     |               |                                                 |
| Bonds payable                                      | -                                  | 2,740,000                           | 2,740,000     | 1,355,000                                       |
| Compensated absences                               | 98,192                             | 29,751                              | 127,943       | -                                               |
| Due in more than one year:                         |                                    |                                     |               |                                                 |
| Bonds payable                                      | -                                  | 9,260,281                           | 9,260,281     | 5,910,499                                       |
| Other post employment benefits obligation          | 206,081                            | 51,463                              | 257,544       | -                                               |
| Arbitrage rebate payable                           | -                                  | 21,154                              | 21,154        | -                                               |
| Total liabilities                                  | 992,208                            | 12,773,581                          | 13,765,789    | 7,526,014                                       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>               |                                    |                                     |               |                                                 |
| Deferred inflows - other post employment benefits  | 12,205                             | 2,009                               | 14,214        | -                                               |
| Total deferred inflows of resources                | 12,205                             | 2,009                               | 14,214        | -                                               |
| <b>NET POSITION</b>                                |                                    |                                     |               |                                                 |
| Net investment in capital assets                   | 33,323,963                         | 41,716,841                          | 75,040,804    | -                                               |
| Restricted for:                                    |                                    |                                     |               |                                                 |
| Highways and streets                               | 5,037,614                          | -                                   | 5,037,614     | -                                               |
| Debt service                                       | 667,093                            | 1,615,427                           | 2,282,520     | 2,955,373                                       |
| Depreciation and replacement                       | -                                  | 2,433,616                           | 2,433,616     | -                                               |
| Capital improvements                               | 763,821                            | -                                   | 763,821       | -                                               |
| Unrestricted                                       | 2,657,049                          | 4,427,973                           | 7,085,022     | (6,557,989)                                     |
| Total net position                                 | \$ 42,449,540                      | \$ 50,193,857                       | \$ 92,643,397 | \$ (3,602,616)                                  |

See accompanying notes to the basic financial statements.

**City of Osage Beach**  
**Statement of Activities**  
**For the Year Ended December 31, 2019**

| Functions/Programs                                   | Program Revenue      |                      |                                    |                                  | Net Revenue (Expense) and Changes in Net Position |                          |                      |                       |
|------------------------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|---------------------------------------------------|--------------------------|----------------------|-----------------------|
|                                                      | Expenses             | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government                                |                          |                      | Component Unit        |
|                                                      |                      |                      |                                    |                                  | Governmental Activities                           | Business-type Activities | Total                |                       |
| <b>Primary Government</b>                            |                      |                      |                                    |                                  |                                                   |                          |                      |                       |
| Governmental activities                              |                      |                      |                                    |                                  |                                                   |                          |                      |                       |
| General government                                   | \$ 3,046,105         | \$ 242,430           | \$ 40,474                          | \$ -                             | \$ (2,763,201)                                    | \$ -                     | \$ (2,763,201)       | \$ -                  |
| Public safety                                        | 3,151,724            | 217,882              | -                                  | -                                | (2,933,842)                                       | -                        | (2,933,842)          | -                     |
| Parks and recreation                                 | 703,750              | 69,266               | -                                  | -                                | (634,484)                                         | -                        | (634,484)            | -                     |
| Information technology                               | 497,578              | -                    | -                                  | -                                | (497,578)                                         | -                        | (497,578)            | -                     |
| Streets and highways                                 | 4,462,090            | 90                   | -                                  | 467,738                          | (3,994,262)                                       | -                        | (3,994,262)          | -                     |
| Total governmental activities                        | 11,861,247           | 529,668              | 40,474                             | 467,738                          | (10,823,367)                                      | -                        | (10,823,367)         | -                     |
| Business-type activities                             |                      |                      |                                    |                                  |                                                   |                          |                      |                       |
| Water/Sewer                                          | 6,195,699            | 4,608,839            | 365,840                            | -                                | -                                                 | (1,221,020)              | (1,221,020)          | -                     |
| Ambulance                                            | 565,495              | 287,692              | -                                  | -                                | -                                                 | (277,803)                | (277,803)            | -                     |
| Airports                                             | 1,343,250            | 1,015,032            | -                                  | 1,541,717                        | -                                                 | 1,213,499                | 1,213,499            | -                     |
| Total business-type activities                       | 8,104,444            | 5,911,563            | 365,840                            | 1,541,717                        | -                                                 | (285,324)                | (285,324)            | -                     |
| Total primary government                             | <u>\$ 19,965,691</u> | <u>\$ 6,441,231</u>  | <u>\$ 406,314</u>                  | <u>\$ 2,009,455</u>              | <u>(10,823,367)</u>                               | <u>(285,324)</u>         | <u>(11,108,691)</u>  | <u>-</u>              |
| <b>Component Unit</b>                                |                      |                      |                                    |                                  |                                                   |                          |                      |                       |
| Tax Increment Financing District                     | <u>\$ 1,204,123</u>  | <u>\$ -</u>          | <u>\$ -</u>                        | <u>\$ -</u>                      |                                                   |                          |                      | <u>(1,204,123)</u>    |
| <b>General revenues:</b>                             |                      |                      |                                    |                                  |                                                   |                          |                      |                       |
| Taxes                                                |                      |                      |                                    |                                  |                                                   |                          |                      |                       |
| County road taxes                                    |                      |                      |                                    |                                  | 70,500                                            | -                        | 70,500               | -                     |
| Property taxes                                       |                      |                      |                                    |                                  | -                                                 | -                        | -                    | 561,223               |
| Sales taxes                                          |                      |                      |                                    |                                  | 9,518,981                                         | -                        | 9,518,981            | 2,574,582             |
| Franchise taxes                                      |                      |                      |                                    |                                  | 982,803                                           | -                        | 982,803              | -                     |
| Motor vehicle fuel and license taxes                 |                      |                      |                                    |                                  | 177,206                                           | -                        | 177,206              | -                     |
| Charges for services                                 |                      |                      |                                    |                                  | 300,000                                           | -                        | 300,000              | -                     |
| <b>Other revenues:</b>                               |                      |                      |                                    |                                  |                                                   |                          |                      |                       |
| Unrestricted investment earnings                     |                      |                      |                                    |                                  | 182,526                                           | 170,154                  | 352,680              | 56,644                |
| Other income                                         |                      |                      |                                    |                                  | 162,075                                           | 56,309                   | 218,384              | -                     |
| Transfers                                            |                      |                      |                                    |                                  | (2,011,000)                                       | 2,011,000                | -                    | -                     |
| Total general revenues, special items, and transfers |                      |                      |                                    |                                  | 9,383,091                                         | 2,237,463                | 11,620,554           | 3,192,449             |
| Change in net position                               |                      |                      |                                    |                                  | (1,440,276)                                       | 1,952,139                | 511,863              | 1,988,326             |
| Net position - beginning                             |                      |                      |                                    |                                  | 43,889,816                                        | 48,241,718               | 92,131,534           | (5,590,942)           |
| Net position - ending                                |                      |                      |                                    |                                  | <u>\$ 42,449,540</u>                              | <u>\$ 50,193,857</u>     | <u>\$ 92,643,397</u> | <u>\$ (3,602,616)</u> |

See accompanying notes to the basic financial statements.

**City of Osage Beach  
Balance Sheet  
Governmental Funds  
December 31, 2019**

|                                      | <u>General</u>      | <u>Transportation</u> | <u>Capital<br/>Improvement<br/>Sales Tax</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--------------------------------------|---------------------|-----------------------|----------------------------------------------|-----------------------------------------|
| <b>ASSETS</b>                        |                     |                       |                                              |                                         |
| Cash and cash equivalents:           |                     |                       |                                              |                                         |
| Unrestricted                         | \$ 2,206,415        | \$ 4,822,703          | \$ 483,208                                   | \$ 7,512,326                            |
| Restricted                           | 32,031              | -                     | 660,420                                      | 692,451                                 |
| Investments:                         |                     |                       |                                              |                                         |
| Restricted                           | -                   | -                     | 6,673                                        | 6,673                                   |
| Receivables:                         |                     |                       |                                              |                                         |
| Taxes                                | 727,408             | 326,435               | 326,378                                      | 1,380,221                               |
| Receivable from other governments    | 57,896              | 197,261               | -                                            | 255,157                                 |
| Other                                | 39,004              | -                     | -                                            | 39,004                                  |
| Inventories                          | -                   | 14,693                | -                                            | 14,693                                  |
| Prepaid items                        | 189,502             | 9,358                 | -                                            | 198,860                                 |
| Total assets                         | <u>\$ 3,252,256</u> | <u>\$ 5,370,450</u>   | <u>\$ 1,476,679</u>                          | <u>\$ 10,099,385</u>                    |
| <b>LIABILITIES</b>                   |                     |                       |                                              |                                         |
| Accounts payable                     | \$ 232,246          | \$ 198,454            | \$ 45,765                                    | \$ 476,465                              |
| Accrued payroll                      | 80,724              | 8,021                 | -                                            | 88,745                                  |
| Unearned revenue                     | -                   | 102,310               | -                                            | 102,310                                 |
| Payable from restricted assets:      |                     |                       |                                              |                                         |
| Due to others                        | 123                 | -                     | -                                            | 123                                     |
| Bail bond deposits                   | 14,292              | -                     | -                                            | 14,292                                  |
| Building deposits                    | 6,000               | -                     | -                                            | 6,000                                   |
| Total liabilities                    | <u>333,385</u>      | <u>308,785</u>        | <u>45,765</u>                                | <u>687,935</u>                          |
| <b>DEFERRED INFLOWS OF RESOURCES</b> |                     |                       |                                              |                                         |
| Unavailable revenue - grants         | 57,296              | -                     | -                                            | 57,296                                  |
| Total deferred inflows of resources  | <u>57,296</u>       | <u>-</u>              | <u>-</u>                                     | <u>57,296</u>                           |
| <b>FUND BALANCES</b>                 |                     |                       |                                              |                                         |
| Nonspendable:                        |                     |                       |                                              |                                         |
| Inventories                          | -                   | 14,693                | -                                            | 14,693                                  |
| Prepaid items                        | 189,502             | 9,358                 | -                                            | 198,860                                 |
| Restricted for:                      |                     |                       |                                              |                                         |
| Debt service                         | -                   | -                     | 667,093                                      | 667,093                                 |
| Highways and streets                 | -                   | 5,037,614             | -                                            | 5,037,614                               |
| Capital improvements                 | -                   | -                     | 763,821                                      | 763,821                                 |
| Unassigned                           | 2,672,073           | -                     | -                                            | 2,672,073                               |
| Total fund balances                  | <u>2,861,575</u>    | <u>5,061,665</u>      | <u>1,430,914</u>                             | <u>9,354,154</u>                        |
| Total liabilities and fund balances  | <u>\$ 3,252,256</u> | <u>\$ 5,370,450</u>   | <u>\$ 1,476,679</u>                          | <u>\$ 10,099,385</u>                    |

See accompanying notes to the basic financial statements.

**City of Osage Beach**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2019**

|                                                                                                                                                                                                                                                                          |                     |                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------|
| Fund balances - total governmental funds                                                                                                                                                                                                                                 |                     | \$ 9,354,154                |
| Amounts reported for governmental activities in the Statement of Net Position are different because:                                                                                                                                                                     |                     |                             |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds:                                                                                                                           |                     |                             |
| Governmental capital assets                                                                                                                                                                                                                                              | 72,640,015          |                             |
| Less accumulated depreciation                                                                                                                                                                                                                                            | <u>(39,316,052)</u> |                             |
|                                                                                                                                                                                                                                                                          |                     | 33,323,963                  |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:                                                                                                                          |                     |                             |
| Unavailable revenue grants                                                                                                                                                                                                                                               |                     | 57,296                      |
| Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds:                                                                                                                          |                     |                             |
| Deferred outflows - other post employment benefits                                                                                                                                                                                                                       |                     | 30,605                      |
| Long-term liabilities including accrued compensated absences and other post employment benefits obligation, and deferred inflows of resources, are not due and payable in the current period, and, therefore, are not reported as liabilities in the governmental funds: |                     |                             |
| Accrued compensated absences                                                                                                                                                                                                                                             |                     | (98,192)                    |
| Other post employment benefits obligation                                                                                                                                                                                                                                |                     | (206,081)                   |
| Deferred inflows - other post employment benefits                                                                                                                                                                                                                        |                     | <u>(12,205)</u>             |
| Net position of governmental activities                                                                                                                                                                                                                                  |                     | <u><u>\$ 42,449,540</u></u> |

See accompanying notes to the basic financial statements.

**City of Osage Beach**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2019**

|                                                           | <b>General</b>             | <b>Transportation</b>      | <b>Capital<br/>Improvement<br/>Sales Tax</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|-----------------------------------------------------------|----------------------------|----------------------------|----------------------------------------------|-----------------------------------------|
| <b>REVENUES</b>                                           |                            |                            |                                              |                                         |
| Taxes:                                                    |                            |                            |                                              |                                         |
| Sales                                                     | \$ 4,796,239               | \$ 2,361,467               | \$ 2,361,275                                 | \$ 9,518,981                            |
| Franchise                                                 | 982,803                    | -                          | -                                            | 982,803                                 |
| Motor vehicle fuel and license                            | -                          | 177,206                    | -                                            | 177,206                                 |
| County road taxes                                         | -                          | 70,500                     | -                                            | 70,500                                  |
| Licenses, fines, permits and fees                         | 529,578                    | 90                         | -                                            | 529,668                                 |
| Intergovernmental                                         | 29,905                     | 410,442                    | -                                            | 440,347                                 |
| Interest                                                  | 88,645                     | 79,202                     | 14,679                                       | 182,526                                 |
| Contributions                                             | 10,569                     | -                          | -                                            | 10,569                                  |
| Charges for services                                      | 300,000                    | -                          | -                                            | 300,000                                 |
| Miscellaneous                                             | 108,829                    | 53,246                     | -                                            | 162,075                                 |
| Total revenues                                            | <u>6,846,568</u>           | <u>3,152,153</u>           | <u>2,375,954</u>                             | <u>12,374,675</u>                       |
| <b>EXPENDITURES</b>                                       |                            |                            |                                              |                                         |
| Current:                                                  |                            |                            |                                              |                                         |
| General government                                        | 2,433,719                  | -                          | -                                            | 2,433,719                               |
| Public safety                                             | 3,058,748                  | -                          | -                                            | 3,058,748                               |
| Parks and recreation                                      | 388,854                    | -                          | -                                            | 388,854                                 |
| Information technology                                    | 442,920                    | -                          | -                                            | 442,920                                 |
| Streets and highways                                      | -                          | 1,858,479                  | -                                            | 1,858,479                               |
| Capital improvements                                      | -                          | -                          | 334,188                                      | 334,188                                 |
| Capital outlay:                                           |                            |                            |                                              |                                         |
| Projects and equipment                                    | 285,310                    | -                          | -                                            | 285,310                                 |
| Streets and highways                                      | -                          | 1,467,796                  | -                                            | 1,467,796                               |
| Total expenditures                                        | <u>6,609,551</u>           | <u>3,326,275</u>           | <u>334,188</u>                               | <u>10,270,014</u>                       |
| Excess (deficiency) of revenues over (under) expenditures | <u>237,017</u>             | <u>(174,122)</u>           | <u>2,041,766</u>                             | <u>2,104,661</u>                        |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                            |                            |                                              |                                         |
| Transfers in                                              | 112,566                    | -                          | -                                            | 112,566                                 |
| Transfers out                                             | <u>(290,000)</u>           | <u>(321,000)</u>           | <u>(1,512,566)</u>                           | <u>(2,123,566)</u>                      |
| Total other financing (uses)                              | <u>(177,434)</u>           | <u>(321,000)</u>           | <u>(1,512,566)</u>                           | <u>(2,011,000)</u>                      |
| Net change in fund balances                               | 59,583                     | (495,122)                  | 529,200                                      | 93,661                                  |
| Fund balances - beginning                                 | <u>2,801,992</u>           | <u>5,556,787</u>           | <u>901,714</u>                               | <u>9,260,493</u>                        |
| Fund balances - ending                                    | <u><u>\$ 2,861,575</u></u> | <u><u>\$ 5,061,665</u></u> | <u><u>\$ 1,430,914</u></u>                   | <u><u>\$ 9,354,154</u></u>              |

See accompanying notes to the basic financial statements.

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

Net change in fund balances - total governmental funds: \$ 93,661

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

Governmental funds report outlays for capital assets as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlays were more than the depreciation in the current period.

|                                      |             |             |
|--------------------------------------|-------------|-------------|
| Depreciation expense                 | (2,929,539) |             |
| Capital outlay capitalized as assets | 1,338,032   | (1,591,507) |

Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

|                                                   |                |  |
|---------------------------------------------------|----------------|--|
| Compensated absences                              | (7,493)        |  |
| Other post employment benefits obligation         | 7,767          |  |
| Change in net position of governmental activities | \$ (1,440,276) |  |

See accompanying notes to the basic financial statements.

**City of Osage Beach  
Statement of Net Position  
Proprietary Funds  
December 31, 2019**

|                                                             | <b>Water and<br/>Sewer</b> | <b>Ambulance</b> | <b>Lee C. Fine</b> | <b>Grand Glaize</b> | <b>Total</b>  |
|-------------------------------------------------------------|----------------------------|------------------|--------------------|---------------------|---------------|
| <b>ASSETS</b>                                               |                            |                  |                    |                     |               |
| Current assets:                                             |                            |                  |                    |                     |               |
| Cash and cash equivalents                                   | \$ 3,884,259               | \$ 71,212        | \$ 143,652         | \$ 30,324           | \$ 4,129,447  |
| Accounts receivables (net of allowances for uncollectibles) | 379,390                    | 54,889           | 3,205              | 744                 | 438,228       |
| Receivables from other governments                          | -                          | -                | 55,632             | -                   | 55,632        |
| Inventories                                                 | 161,406                    | -                | 35,373             | 19,480              | 216,259       |
| Prepaid items                                               | 37,621                     | 5,300            | 5,024              | 3,405               | 51,350        |
| Total current assets                                        | 4,462,676                  | 131,401          | 242,886            | 53,953              | 4,890,916     |
| Non-current assets:                                         |                            |                  |                    |                     |               |
| Restricted cash and cash equivalents                        | 2,763,362                  | -                | -                  | -                   | 2,763,362     |
| Restricted investments                                      | 1,593,754                  | -                | -                  | -                   | 1,593,754     |
| Capital assets:                                             |                            |                  |                    |                     |               |
| Non-depreciable                                             | 1,054,990                  | -                | 1,928,269          | 345,543             | 3,328,802     |
| Depreciable, net                                            | 44,584,025                 | 68,995           | 4,818,505          | 632,885             | 50,104,410    |
| Total non-current assets                                    | 49,996,131                 | 68,995           | 6,746,774          | 978,428             | 57,790,328    |
| Total assets                                                | 54,458,807                 | 200,396          | 6,989,660          | 1,032,381           | 62,681,244    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                       |                            |                  |                    |                     |               |
| Deferred charge on refunding                                | 283,910                    | -                | -                  | -                   | 283,910       |
| Deferred outflows - other post employment benefits          | 3,352                      | -                | 274                | 667                 | 4,293         |
| Total deferred outflows of resources                        | 287,262                    | -                | 274                | 667                 | 288,203       |
| <b>LIABILITIES</b>                                          |                            |                  |                    |                     |               |
| Current liabilities:                                        |                            |                  |                    |                     |               |
| Accounts payable                                            | 205,464                    | 6,079            | 136,085            | 2,209               | 349,837       |
| Accrued payroll                                             | 16,832                     | 8,523            | 2,418              | 3,103               | 30,876        |
| Accrued interest payable                                    | 286,919                    | -                | -                  | -                   | 286,919       |
| Other accrued expenses                                      | 3,300                      | -                | -                  | -                   | 3,300         |
| Compensated absences                                        | 19,864                     | 3,862            | 3,070              | 2,955               | 29,751        |
| Bonds payable                                               | 2,740,000                  | -                | -                  | -                   | 2,740,000     |
| Total current liabilities                                   | 3,272,379                  | 18,464           | 141,573            | 8,267               | 3,440,683     |
| Non-current liabilities:                                    |                            |                  |                    |                     |               |
| Bonds payable                                               | 9,260,281                  | -                | -                  | -                   | 9,260,281     |
| Other post employment benefits payable                      | 30,670                     | 4,333            | 11,872             | 4,588               | 51,463        |
| Arbitrage rebate payable                                    | 21,154                     | -                | -                  | -                   | 21,154        |
| Total non-current liabilities                               | 9,312,105                  | 4,333            | 11,872             | 4,588               | 9,332,898     |
| Total liabilities                                           | 12,584,484                 | 22,797           | 153,445            | 12,855              | 12,773,581    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                        |                            |                  |                    |                     |               |
| Deferred inflows - other post employment benefits           | 1,337                      | 297              | 109                | 266                 | 2,009         |
| Total deferred inflows of resources                         | 1,337                      | 297              | 109                | 266                 | 2,009         |
| <b>NET POSITION</b>                                         |                            |                  |                    |                     |               |
| Net investment in capital assets                            | 33,922,644                 | 68,995           | 6,746,774          | 978,428             | 41,716,841    |
| Restricted for:                                             |                            |                  |                    |                     |               |
| Debt service                                                | 1,615,427                  | -                | -                  | -                   | 1,615,427     |
| Depreciation and replacement                                | 2,433,616                  | -                | -                  | -                   | 2,433,616     |
| Unrestricted                                                | 4,188,561                  | 108,307          | 89,606             | 41,499              | 4,427,973     |
| Total net position                                          | \$ 42,160,248              | \$ 177,302       | \$ 6,836,380       | \$ 1,019,927        | \$ 50,193,857 |

See accompanying notes to the basic financial statements.



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

|                                          | <b>Water and<br/>Sewer</b> | <b>Ambulance</b> | <b>Lee C. Fine</b> | <b>Grand Glaize</b> | <b>Total</b>  |
|------------------------------------------|----------------------------|------------------|--------------------|---------------------|---------------|
| <b>REVENUES</b>                          |                            |                  |                    |                     |               |
| Charges for services                     | \$ 4,608,839               | \$ 287,692       | \$ 709,745         | \$ 128,319          | \$ 5,734,595  |
| Rental income                            | -                          | -                | 115,529            | 61,439              | 176,968       |
| Operating grants and contributions       | 365,840                    | -                | -                  | -                   | 365,840       |
| Total operating revenues                 | 4,974,679                  | 287,692          | 825,274            | 189,758             | 6,277,403     |
| <b>OPERATING EXPENSES</b>                |                            |                  |                    |                     |               |
| Cost of sales and services               | 1,262,579                  | 31,539           | 478,407            | 75,323              | 1,847,848     |
| Administration                           | 77,532                     | 70,343           | 3,325              | 20,388              | 171,588       |
| Personnel services                       | 1,063,570                  | 398,432          | 239,840            | 139,577             | 1,841,419     |
| Repairs and maintenance                  | 413,487                    | 7,083            | 22,362             | 39,760              | 482,692       |
| Insurance                                | 92,419                     | 29,786           | 20,042             | 16,764              | 159,011       |
| Depreciation and amortization            | 2,690,570                  | 27,981           | 256,300            | 30,847              | 3,005,698     |
| Miscellaneous expenses                   | 402                        | -                | 233                | 82                  | 717           |
| Total operating expenses                 | 5,600,559                  | 565,164          | 1,020,509          | 322,741             | 7,508,973     |
| Operating loss                           | (625,880)                  | (277,472)        | (195,235)          | (132,983)           | (1,231,570)   |
| <b>NON-OPERATING REVENUES (EXPENSES)</b> |                            |                  |                    |                     |               |
| Interest and investment revenue          | 168,276                    | 1,111            | 507                | 260                 | 170,154       |
| Interest expense                         | (519,658)                  | (331)            | -                  | -                   | (519,989)     |
| Bond and financial services fees         | (75,482)                   | -                | -                  | -                   | (75,482)      |
| Miscellaneous revenue                    | 54,905                     | 1,339            | 65                 | -                   | 56,309        |
| Total non-operating revenues (expenses)  | (371,959)                  | 2,119            | 572                | 260                 | (369,008)     |
| Loss before capital grants and transfers | (997,839)                  | (275,353)        | (194,663)          | (132,723)           | (1,600,578)   |
| Capital grants                           | -                          | -                | 1,527,277          | 14,440              | 1,541,717     |
| Transfers in                             | 1,400,000                  | 290,000          | 195,000            | 126,000             | 2,011,000     |
| Change in net position                   | 402,161                    | 14,647           | 1,527,614          | 7,717               | 1,952,139     |
| Total net position - beginning           | 41,758,087                 | 162,655          | 5,308,766          | 1,012,210           | 48,241,718    |
| Total net position - ending              | \$ 42,160,248              | \$ 177,302       | \$ 6,836,380       | \$ 1,019,927        | \$ 50,193,857 |

See accompanying notes to the basic financial statements.

**City of Osage Beach**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2019**

|                                                                                          | <b>Water and<br/>Sewer</b> | <b>Ambulance</b>    | <b>Lee C. Fine</b> | <b>Grand Glaize</b> | <b>Total</b>        |
|------------------------------------------------------------------------------------------|----------------------------|---------------------|--------------------|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                             |                            |                     |                    |                     |                     |
| Collections from customers and users                                                     | \$ 4,674,273               | \$ 273,397          | \$ 822,774         | \$ 189,375          | \$ 5,959,819        |
| Payments for goods and services                                                          | (1,922,133)                | (91,808)            | (342,083)          | (140,100)           | (2,496,124)         |
| Payments on behalf of employees for services                                             | (1,072,424)                | (399,353)           | (238,296)          | (140,091)           | (1,850,164)         |
| Payments for interfund services used                                                     | (36,200)                   | (48,600)            | (46,800)           | (15,400)            | (147,000)           |
| Other operating revenues                                                                 | 420,745                    | 1,339               | 65                 | -                   | 422,149             |
| Net cash provided (used) by operating activities                                         | 2,064,261                  | (265,025)           | 195,660            | (106,216)           | 1,888,680           |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>                                  |                            |                     |                    |                     |                     |
| Interfund transfers                                                                      | 1,400,000                  | 290,000             | 195,000            | 126,000             | 2,011,000           |
| Net change in interfund receivables/payables                                             | -                          | -                   | (176,000)          | -                   | (176,000)           |
| Net cash provided by noncapital financing activities                                     | 1,400,000                  | 290,000             | 19,000             | 126,000             | 1,835,000           |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES:</b>                     |                            |                     |                    |                     |                     |
| Acquisition and construction of capital assets                                           | (749,446)                  | -                   | (1,756,247)        | (6,031)             | (2,511,724)         |
| Capital grants                                                                           | -                          | -                   | 1,684,061          | 14,440              | 1,698,501           |
| Principal paid on capital debt                                                           | (2,620,000)                | (26,858)            | -                  | -                   | (2,646,858)         |
| Interest and fees paid on capital debt                                                   | (595,140)                  | -                   | -                  | -                   | (595,140)           |
| Net cash provided (used) by capital and related<br>financing activities                  | (3,964,586)                | (26,858)            | (72,186)           | 8,409               | (4,055,221)         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                             |                            |                     |                    |                     |                     |
| Interest received                                                                        | 168,276                    | 1,111               | 507                | 260                 | 170,154             |
| Net change in short-term money market mutual funds                                       | (15,274)                   | -                   | -                  | -                   | (15,274)            |
| Proceeds from maturity of guaranteed investment contracts                                | 23,352                     | -                   | -                  | -                   | 23,352              |
| Purchase of guaranteed investment contracts                                              | (42,673)                   | -                   | -                  | -                   | (42,673)            |
| Net cash provided by investing activities                                                | 133,681                    | 1,111               | 507                | 260                 | 135,559             |
| Net increase (decrease) in cash and cash equivalents                                     | (366,644)                  | (772)               | 142,981            | 28,453              | (195,982)           |
| Cash and cash equivalents - beginning of year                                            | 7,014,265                  | 71,984              | 671                | 1,871               | 7,088,791           |
| Cash and cash equivalents - end of year                                                  | <u>\$ 6,647,621</u>        | <u>\$ 71,212</u>    | <u>\$ 143,652</u>  | <u>\$ 30,324</u>    | <u>\$ 6,892,809</u> |
| Reconciliation of operating loss to net cash provided (used) by<br>operating activities: |                            |                     |                    |                     |                     |
| Operating loss                                                                           | \$ (625,880)               | \$ (277,472)        | \$ (195,235)       | \$ (132,983)        | \$ (1,231,570)      |
| Adjustments to reconcile operating loss to net cash<br>provided by operating activities: |                            |                     |                    |                     |                     |
| Miscellaneous revenues (expenses)                                                        | 54,905                     | 1,339               | 65                 | -                   | 56,309              |
| Depreciation and amortization                                                            | 2,618,457                  | 27,981              | 256,300            | 30,847              | 2,933,585           |
| Changes in assets and liabilities:                                                       |                            |                     |                    |                     |                     |
| (Increase) decrease in accounts receivable, net                                          | 65,434                     | (14,295)            | (2,500)            | (383)               | 48,256              |
| (Increase) decrease in inventory                                                         | (42,247)                   | -                   | 4,949              | (3,645)             | (40,943)            |
| (Increase) decrease in prepaid items                                                     | (4,393)                    | (2,274)             | 687                | 714                 | (5,266)             |
| Increase (decrease) in accounts payable and<br>accrued liabilities                       | (2,015)                    | (304)               | 131,394            | (766)               | 128,309             |
| Total adjustments                                                                        | 2,690,141                  | 12,447              | 390,895            | 26,767              | 3,120,250           |
| Net cash provided (used) by operating activities                                         | <u>\$ 2,064,261</u>        | <u>\$ (265,025)</u> | <u>\$ 195,660</u>  | <u>\$ (106,216)</u> | <u>\$ 1,888,680</u> |
| Reconciliation of cash and cash equivalents to Statement of Net Position:                |                            |                     |                    |                     |                     |
| Cash and cash equivalents                                                                | \$ 3,884,259               | \$ 71,212           | \$ 143,652         | \$ 30,324           | \$ 4,129,447        |
| Restricted cash and cash equivalents                                                     | 2,763,362                  | -                   | -                  | -                   | 2,763,362           |
|                                                                                          | <u>\$ 6,647,621</u>        | <u>\$ 71,212</u>    | <u>\$ 143,652</u>  | <u>\$ 30,324</u>    | <u>\$ 6,892,809</u> |

See accompanying notes to the basic financial statements.

## CITY OF OSAGE BEACH

### NOTES TO FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies employed in the preparation of the accompanying financial statements, as presented on the basis set forth in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

##### A. Reporting Entity

The City of Osage Beach, Missouri (the City) was incorporated in 1959 and covers an area of approximately ten square miles in Camden and Miller Counties, Missouri. The City is governed by an elected Mayor and an elected six-member Board of Aldermen, who in turn appoint a City Administrator, City Clerk, Police Chief, Building Official, City Treasurer, City Planner, City Engineer and City Attorney. The City provides services to its more than four thousand residents in many areas including: law enforcement, water and sewer services, ambulance, airports, and economic development. These services do not include education, which is provided by separate governmental entities.

The basic financial statements of the City include all of the funds relevant to the operations of the City. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the City that have been determined not to be component units as defined by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is able to impose its will or the component unit may provide financial benefits or impose a financial burden on the primary government. In addition, component units can be other organizations for which the nature and significance of the relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading if excluded.

As required by generally accepted accounting principles, the City has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The Tax Increment Financing District (the District) is responsible for encouraging development of commercial enterprises in the District. The members of the District's governing board are appointed by various political subdivisions which levy taxes in the District. The City is financially accountable for the District as the City appoints a voting majority to the District's governing board and is able to impose its will on the organization through approval or rejection of plans and projects recommended by the District's governing board.

The District is presented as a discretely presented component unit in the basic financial statements. The District maintains only one fund, a governmental fund type, and does not issue separately prepared financial statements.

##### B. Fund Accounting

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the City. The effect of interfund activities has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other

non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

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

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. Each individual fund of the City is considered to be a major fund.

The City uses funds to report its financial position and results of its operations in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary and fiduciary. The City has no fiduciary funds.

The City reports the following major governmental funds:

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

Transportation Fund – This special revenue fund accounts for funds provided from a one-half of one percent sales tax restricted as to use for ongoing maintenance and construction of streets.

Capital Improvement Sales Tax Fund – This special revenue fund accounts for funds provided by a one-half of one percent sales tax restricted as to use to subsidize debt service for the water and sewer systems. In addition, this fund may be used in the future for other capital projects, as voter approved.

The City reports the following major proprietary funds:

Water and Sewer Fund – This enterprise fund accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and collection.

Ambulance Fund – This enterprise fund accounts for the operation of the City's ambulance response service.

Lee C. Fine and Grand Glaize Funds – These enterprise funds account for the operation of the City's two airports.

### *C. Measurement Focus, Basis of Accounting and Financial Statement Presentation*

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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 collected within the current period or soon enough thereafter to pay 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, interest and principal on general long-term debt are recognized when due.

Sales tax, franchise tax, interest, and revenues from other governmental units 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource measurement focus concerns determining costs as a means of maintaining the capital investment and management control. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. Operating expenses include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City's general spending prioritization policy is to consider restricted resources to have been used first, followed by committed, assigned, and unassigned amounts when expenditures have been incurred for which resources in more than one classification could be used.

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

#### *D. Budgets*

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for all governmental fund types on the modified accrual basis. All annual appropriations lapse at year-end.

#### *E. Pooled Cash and Cash Equivalents*

The City maintains a cash money-market pool that is used by all funds. Interest income is allocated to each fund in proportion to each fund's ownership of the pool each month. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of three months or less when purchased are considered to be cash equivalents. Because a statement of cash flows is prepared only for proprietary funds under generally accepted accounting principles, cash and cash equivalents are distinguished only for those funds.

Investments are stated at fair value, determined by quoted market prices. State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, collateralized certificates of deposit and the State Treasurer's Investment Pool.

#### *F. Receivables*

Receivables consist primarily of taxes, franchise fees, interest, and water and sewer charges. They are shown net of an allowance for estimated uncollectible amounts.

#### *G. Inventories*

Inventories, which consist of airport fuel and materials and supplies, are recorded on the purchases method and are stated at cost using the first-in, first-out method.

#### *H. Prepaid Items*

Prepaid items represent the payment of insurance premiums and other information technology related services for coverage that benefits more than one fiscal period. The premium amount is being amortized over the policy period following the consumption method.

#### *I. Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In the governmental fund statements, capital assets are charged to expenditures as purchased and capitalized in the proprietary fund statements. All capital assets are valued at historical cost or estimated historical cost if the actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date donated.

Capital assets are defined by the City as assets with an initial individual cost of \$2,000 or more and an estimated useful life in excess of five years. Additions or improvements and other capital outlays that significantly extend the useful life of an asset or that significantly increase the efficiency or capacity of an asset are capitalized. Other costs, such as capital outlays incurred for repairs and maintenance, are expensed as incurred.

Depreciation on exhaustible assets is recorded as an allocated expense in the statement of activities with accumulated depreciation reflected in the statement of net position. Depreciation is provided on the straight-line basis over the following estimated useful lives:

|                                          |               |
|------------------------------------------|---------------|
| Buildings                                | 20 – 40 years |
| Office furniture, fixture, and equipment | 5 – 10 years  |
| Transportation equipment                 | 5 years       |
| Sewage collection systems                | 20 – 40 years |
| Treatment plant                          | 40 years      |
| Water systems                            | 40 years      |
| Infrastructure – streets/roads           | 20 – 25 years |

It is the City's policy to capitalize interest incurred on debt during the construction of proprietary funds' capital assets, when appropriate. Interest incurred in the construction or acquisition of governmental funds' capital assets is not capitalized, in accordance with the provisions of GASB Statement No. 37.

The cost of assets disposed or sold, and the related amounts of accumulated depreciation, are eliminated from the accounts in the year of disposal or sale and any resulting gain or loss is reflected in the basic financial statements.

Fully depreciated capital assets are included in the capital assets accounts until their disposal or sale.

#### *J. Compensated Absences*

It is the City's policy to permit employees to accumulate earned but unused vacation and personal pay benefits. All unused vacation must be used within one year. There is no liability for unpaid accumulated personal leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of an employee resignation or retirements.

#### *K. Deferred Outflows/Inflows of Resources*

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 future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category, which are the deferred charge on refunding and the deferred outflows related to other post employment benefits. Both of these items are reported in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category, which is the deferred inflow related to other post employment benefit plan contributions reported in the government-wide and proprietary fund statements of net position.

#### *L. Long-Term Obligations*

General long-term obligations consist of the non-current portion of bonds payable, other post-employment benefits, and other long-term liabilities. In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed in all statements as incurred.

In the governmental fund financial statements, general long-term obligations are not reported as liabilities because they do not require the use of current resources. Governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources while discounts on debt issuance are reported as other financing uses. Principal repayments are reported as debt service expenditures.

#### *M. Equity*

In the governmental fund financial statements, equity is displayed in five components as follows:

Nonspendable – This consists of amounts that are not in a spendable form or are legally or contractually required to be maintained intact.

Restricted – This consists of amounts that are constrained to specific purposes by their providers, through constitutional or contractual provisions or by enabling legislation.

Committed – This consists of amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority (the Board of Aldermen) by the end of the year. The Board of Aldermen can, by adoption of an ordinance prior to the end of the year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

Assigned – This consists of amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board of Aldermen can assign fund balance; however, an additional formal action does not have to be taken for the removal of the assignment.

Unassigned – This consists of amounts that are available for any purpose and can only be reported in the General Fund. However, in governmental funds other than the General Fund, it may be necessary to report a negative unassigned fund balance in that fund if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to these purposes.

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Net investment in capital assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted – This consists of amounts that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted – This consists of amounts that do not meet the definition of “net investment in capital assets” or “restricted”.

#### *N. Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

#### *O. Subsequent Events*

Events that have occurred subsequent to December 31, 2019, have been evaluated through May 4, 2020, which is the date the financial statements were available to be issued.

The extent of the impact of Coronavirus Disease 2019 (COVID-19) on the City’s financial statements is uncertain at this time. The City is continuing to monitor and evaluate the pandemic’s effects on the City.

## **2. LEGAL COMPLIANCE - BUDGET**

The City’s policy is to prepare the operating budgets in accordance with U.S. generally accepted accounting principles. The City prepared budgets for all governmental fund types for the year ended December 31, 2019.



The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) Prior to January 1, the City Administrator submits to the Board of Aldermen a proposed operating budget for the fiscal period commencing January 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) The City utilizes multiple public budget workshops that the public is invited to attend and make comments. The proposed budget is available for public inspection prior to the budget workshops.
- 3) Prior to December 31, the budget is legally enacted through passage of an ordinance.
- 4) The City Administrator is authorized to transfer budgeted amounts within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Aldermen.
- 5) All appropriations lapse at year-end.

The reported budgetary data represents the final approved budget after amendments as adopted by the Board of Aldermen. The budget was amended during the year.

### **3. CASH AND INVESTMENTS**

#### Deposits

Missouri State Statutes authorize the City to deposit funds in obligations of the U.S. Treasury, federal agencies and instrumentalities; certificates of deposit; and repurchase agreements. Custodial credit risk for deposits is the risk that, in event of a bank failure, the government's deposits may not be returned to it. The City's deposit policy for custodial credit risk is set by statutes. Statutes require that collateral pledged must have a fair market value equal to 100% of the funds on deposit, less insured amounts. Collateral securities, which are the same type as authorized for investment by the City, are limited to the following as prescribed by state statutes:

- Bonds of the State of Missouri, of the United States, or of any wholly owned corporation of the United States.
- Other short-term obligations of the United States.

The City maintains a cash and investment pool which is available for use by all funds for the purpose of increasing income through investment activities. Interest is allocated to the various funds based on average cash or investment balances. The pool includes money market funds and certificates of deposit. Each fund type's portion of this pool is displayed on the statement of financial position as "Cash and cash equivalents" under each fund's caption.

The City's deposits are categorized to give an indication of the level of custodial risk assumed by the City at December 31, 2019. Deposits, categorized by level of custodial risk, were as follows as of December 31, 2019:

|                                                                                                                                                         | Cash and<br>Cash<br>Equivalents | Certificates<br>of<br>Deposit | Petty<br>Cash   | Total               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------------|-----------------|---------------------|
| Bank balance                                                                                                                                            |                                 |                               |                 |                     |
| Insured by the FDIC                                                                                                                                     | \$ 250,000                      | \$ -                          | \$ -            | \$ 250,000          |
| Collateralized with securities pledged by<br>the financial institution in the entity's name                                                             | 1,527,861                       | 12,643,000                    | -               | 14,170,861          |
| Collateralized by securities held by the<br>pledging financial institutions' trust<br>department or agent but not in the<br>depositor government's name | 329,746                         | 2,632,420                     | -               | 2,962,166           |
|                                                                                                                                                         | <u>\$ 2,107,607</u>             | <u>\$15,275,420</u>           | <u>\$ -</u>     | <u>\$17,383,027</u> |
| Carrying value                                                                                                                                          | <u>\$ 1,796,182</u>             | <u>\$15,275,420</u>           | <u>\$ 3,075</u> | <u>\$17,074,677</u> |

A reconciliation of cash and cash equivalents as shown on the government-wide statement of net position is as follows:

|                           | Government-Wide<br>Statement of Net Position |                     |                     |
|---------------------------|----------------------------------------------|---------------------|---------------------|
|                           | Primary<br>Government                        | Component<br>Unit   | Total               |
| Cash and cash equivalents | \$11,641,773                                 | \$ 5,091            | \$11,646,864        |
| Restricted assets:        |                                              |                     |                     |
| Cash and cash equivalents | 3,455,813                                    | 1,972,000           | 5,427,813           |
| Total                     | <u>\$15,097,586</u>                          | <u>\$ 1,977,091</u> | <u>\$17,074,677</u> |

### Investments

The City had the following investments as of December 31:

|                                 | Investment Maturities (in years) |                   |                   | Fair/Carrying<br>Value |
|---------------------------------|----------------------------------|-------------------|-------------------|------------------------|
|                                 | Less than 1                      | 1-5               | Over 5            |                        |
| Restricted assets:              |                                  |                   |                   |                        |
| Money market mutual funds       | \$ 1,530,159                     | \$ -              | \$ -              | \$ 1,530,159           |
| Guaranteed investment contracts | -                                | 267,921           | 785,720           | 1,053,641              |
| Total investments               | <u>\$ 1,530,159</u>              | <u>\$ 267,921</u> | <u>\$ 785,720</u> | <u>\$ 2,583,800</u>    |

The money market mutual funds held by the City at December 31, 2019, are fixed income funds invested in U.S. Treasuries and other governmental securities.

A reconciliation of investments as shown on the government-wide statement of net position is as follows:

|                    | Government-Wide<br>Statement of Net Position |            |              |
|--------------------|----------------------------------------------|------------|--------------|
|                    | Primary                                      | Component  | Total        |
|                    | Government                                   | Unit       |              |
| Restricted assets: |                                              |            |              |
| Investments        | \$ 1,600,427                                 | \$ 983,373 | \$ 2,583,800 |

Interest rate risk – Interest rate risk is the risk that the fair values of investments will be adversely affected by a change in interest rates. The City does not have a formal interest rate risk policy.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor's and Moody's. State statutes authorize the City to invest in obligations of the U.S. Treasury, and federal agencies and instrumentalities; certificates of deposit issued by Missouri banks; and repurchase agreements. The City has no investment policy that would further limit its investment choice. Of the total guaranteed investment contracts balance of \$1,053,641, \$2,061 of the amount is rated A2 by Moody's and \$1,051,580 is rated A1 by Moody's.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The City places no limit on the amount the City may invest in any one issuer. Of the City's total investments, 59% are money market mutual funds and 41% are guaranteed investment contracts (substantially all issued by Natixis Global Asset Management).

Custodial credit risk in investments – For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. The City does not have any custodial risk in investments.

#### Fair Value Measurements

For assets and liabilities required to be reported at fair value, U.S. generally accepted accounting principles prescribes a framework for measuring fair value and financial statement disclosures about fair value measurements. A fair value hierarchy has been established that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

The fair value hierarchy as prescribed by U.S. generally accepted accounting principles is as follows:

- Level 1 Valuation is based upon quoted prices (unadjusted) in active markets for identical assets or liabilities that the City has the ability to access.
- Level 2 Valuation is based upon quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.
- Level 3 Valuation is generated from model-based techniques that use at least one significant assumption based on unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The City's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The City's assets and liabilities measured at fair value on a recurring basis as of December 31, 2019, aggregated by the level in the fair value hierarchy within which those measurements fall, are as follows:

| Description                     | Total               | Level 1             | Level 2             | Level 3     |
|---------------------------------|---------------------|---------------------|---------------------|-------------|
| Measured at fair value:         |                     |                     |                     |             |
| Money market mutual funds       | \$ 1,530,159        | \$ 1,530,159        | \$ -                | \$ -        |
| Guaranteed investment contracts | 1,053,641           | -                   | 1,053,641           | -           |
| Total investments               | <u>\$ 2,583,800</u> | <u>\$ 1,530,159</u> | <u>\$ 1,053,641</u> | <u>\$ -</u> |

Level 1 classifications above consist of money market mutual funds that are valued at the daily closing price as reported by the fund. These funds are primarily invested in U.S. Treasuries and other governmental securities.

Level 2 classifications above consist of guaranteed investment contracts that are valued based on third party pricing services for identical or similar assets.

No investments are classified as Level 3 above.

#### 4. RESTRICTED CASH AND INVESTMENTS

At December 31, 2019, cash and investments were restricted for various uses as follows:

|                                         |                     |
|-----------------------------------------|---------------------|
| General Fund                            |                     |
| Restricted for bail bond deposits       | \$ 14,292           |
| Restricted for building permit deposits | 6,000               |
| Amounts held for others                 | 123                 |
| Amounts paid under protest              | 11,616              |
| Capital Improvement Sales Tax Fund      |                     |
| Reserved for bond requirements          | 667,093             |
| Water and Sewer Fund                    |                     |
| Restricted for bond requirements        | 4,357,116           |
| Tax Increment Financing District        |                     |
| Restricted for bond requirements        | <u>2,955,373</u>    |
|                                         | <u>\$ 8,011,613</u> |

## 5. RECEIVABLES, NET

Receivables, net are composed of the following at December 31, 2019:

|                                      | Primary Government      |                          |                     | Component Unit    |
|--------------------------------------|-------------------------|--------------------------|---------------------|-------------------|
|                                      | Governmental Activities | Business-type Activities | Total               |                   |
| Taxes receivable                     | \$ 1,380,221            | \$ -                     | \$ 1,380,221        | \$ 902,716        |
| Accounts receivable                  | -                       | 598,101                  | 598,101             | -                 |
| Other receivable                     | 39,004                  | -                        | 39,004              | -                 |
|                                      | <u>1,419,225</u>        | <u>598,101</u>           | <u>2,017,326</u>    | <u>902,716</u>    |
| Allowance for uncollectible accounts | -                       | (159,873)                | (159,873)           | -                 |
| Receivables, net                     | <u>\$ 1,419,225</u>     | <u>\$ 438,228</u>        | <u>\$ 1,857,453</u> | <u>\$ 902,716</u> |

## 6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

|                                             | Balance<br>December 31,<br>2018 | Additions             | Retirements    | Transfers        | Balance<br>December 31,<br>2019 |
|---------------------------------------------|---------------------------------|-----------------------|----------------|------------------|---------------------------------|
| <b>Governmental activities:</b>             |                                 |                       |                |                  |                                 |
| Capital assets, not being depreciated:      |                                 |                       |                |                  |                                 |
| Land                                        | \$ 1,834,178                    | \$ 12,250             | \$ -           | \$ -             | \$ 1,846,428                    |
| Construction in progress                    | 658,099                         | 525,504               | -              | (589,939)        | 593,664                         |
| Total capital assets, not being depreciated | <u>2,492,277</u>                | <u>537,754</u>        | <u>-</u>       | <u>(589,939)</u> | <u>2,440,092</u>                |
| Capital assets, being depreciated:          |                                 |                       |                |                  |                                 |
| Buildings and improvements                  | 7,846,603                       | 21,663                | -              | -                | 7,868,266                       |
| Machinery and equipment                     | 3,990,299                       | 176,943               | 234,279        | 6,250            | 3,939,213                       |
| Infrastructure                              | 57,207,083                      | 601,672               | -              | 583,689          | 58,392,444                      |
| Total capital assets, being depreciated     | <u>69,043,985</u>               | <u>800,278</u>        | <u>234,279</u> | <u>589,939</u>   | <u>70,199,923</u>               |
| Less accumulated depreciation for:          |                                 |                       |                |                  |                                 |
| Buildings and improvements                  | 4,364,591                       | 234,855               | -              | -                | 4,599,446                       |
| Machinery and equipment                     | 3,146,245                       | 320,922               | 234,279        | -                | 3,232,888                       |
| Infrastructure                              | 29,109,956                      | 2,373,762             | -              | -                | 31,483,718                      |
| Total accumulated depreciation              | <u>36,620,792</u>               | <u>2,929,539</u>      | <u>234,279</u> | <u>-</u>         | <u>39,316,052</u>               |
| Total capital assets being depreciated, net | <u>32,423,193</u>               | <u>(2,129,261)</u>    | <u>-</u>       | <u>589,939</u>   | <u>30,883,871</u>               |
| Total capital assets, net                   | <u>\$ 34,915,470</u>            | <u>\$ (1,591,507)</u> | <u>\$ -</u>    | <u>\$ -</u>      | <u>\$ 33,323,963</u>            |

|                                                 | Balance<br>December 31,<br>2018 | Additions    | Retirements | Transfers | Balance<br>December 31,<br>2019 |
|-------------------------------------------------|---------------------------------|--------------|-------------|-----------|---------------------------------|
| <b>Business-type activities:</b>                |                                 |              |             |           |                                 |
| Capital assets, not being depreciated:          |                                 |              |             |           |                                 |
| Land and easements                              | \$ 897,793                      | \$ -         | \$ -        | \$ -      | \$ 897,793                      |
| Construction in progress                        | 338,016                         | 2,241,129    | -           | (148,136) | 2,431,009                       |
| Total capital assets, not<br>being depreciated  | 1,235,809                       | 2,241,129    | -           | (148,136) | 3,328,802                       |
| Capital assets, being depreciated:              |                                 |              |             |           |                                 |
| Buildings and improvements                      | 8,060,023                       | 4,863        | -           | 148,136   | 8,213,022                       |
| Equipment                                       | 1,907,260                       | 66,617       | -           | -         | 1,973,877                       |
| Water system, tower and lines                   | 35,437,586                      | 31,166       | -           | -         | 35,468,752                      |
| Sewage collection system<br>and treatment plant | 59,988,366                      | 167,948      | -           | -         | 60,156,314                      |
| Total capital assets, being<br>depreciated      | 105,393,235                     | 270,594      | -           | 148,136   | 105,811,965                     |
| Less accumulated depreciation for:              |                                 |              |             |           |                                 |
| Buildings and improvements                      | 2,186,231                       | 290,120      | -           | -         | 2,476,351                       |
| Equipment                                       | 1,378,809                       | 150,736      | -           | -         | 1,529,545                       |
| Water system, tower and lines                   | 14,094,194                      | 912,886      | -           | -         | 15,007,080                      |
| Sewage collection system<br>and treatment plant | 35,152,524                      | 1,542,055    | -           | -         | 36,694,579                      |
| Total accumulated depreciation                  | 52,811,758                      | 2,895,797    | -           | -         | 55,707,555                      |
| Total capital assets being<br>depreciated, net  | 52,581,477                      | (2,625,203)  | -           | 148,136   | 50,104,410                      |
| Business-type activities<br>capital assets, net | \$ 53,817,286                   | \$ (384,074) | \$ -        | \$ -      | \$ 53,433,212                   |

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

|                                                        |              |
|--------------------------------------------------------|--------------|
| Governmental activities:                               |              |
| General administration                                 | \$ 257,185   |
| Public safety                                          | 88,569       |
| Streets and highways                                   | 2,278,774    |
| Parks and recreation                                   | 305,011      |
| Total depreciation expense - governmental activities:  | \$ 2,929,539 |
| Business-type activities:                              |              |
| Water/Sewer                                            | \$ 2,580,669 |
| Ambulance                                              | 27,981       |
| Airports                                               | 287,147      |
| Total depreciation expense - business-type activities: | \$ 2,895,797 |

## 7. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended December 31, 2019:

|                          | Beginning<br>Balance | Additions        | Retirements         | Ending<br>Balance    | Amount Due<br>in One Year |
|--------------------------|----------------------|------------------|---------------------|----------------------|---------------------------|
| Primary Government:      |                      |                  |                     |                      |                           |
| Governmental activities  |                      |                  |                     |                      |                           |
| Compensated absences     | \$ 90,699            | \$ 15,735        | \$ 8,242            | \$ 98,192            | \$ 98,192                 |
| Business-type activities |                      |                  |                     |                      |                           |
| Note payable             | 26,527               | -                | 26,527              | -                    | -                         |
| Bonds payable            | 14,395,000           | -                | 2,620,000           | 11,775,000           | 2,740,000                 |
| Compensated absences     | 40,116               | 8,146            | 18,511              | 29,751               | 29,751                    |
|                          | <u>\$ 14,552,342</u> | <u>\$ 23,881</u> | <u>\$ 2,673,280</u> | <u>\$ 11,902,943</u> | <u>\$ 2,867,943</u>       |
| Component Unit:          |                      |                  |                     |                      |                           |
| Bonds payable            | <u>\$ 9,245,000</u>  | <u>\$ -</u>      | <u>\$ 1,970,000</u> | <u>\$ 7,275,000</u>  | <u>\$ 1,355,000</u>       |

Accrued compensated absences are generally liquidated by the General Fund.

The State Constitution permits a city, by vote of two-thirds of the voting electorate, to incur general obligation indebtedness for "city purposes" not to exceed 10% of the assessed value of taxable tangible property and to incur additional general obligation indebtedness not to exceed, in the aggregate, an additional 10% of the assessed value of taxable tangible property, for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues and/or sanitary or storm wastewater systems, and purchasing or constructing waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuation of taxable property.

Based on the assessed valuation as of January 1, 2019, of \$292,878,630, the constitutional total general obligation debt limit was \$58,575,726, which provides a general obligation debt margin of \$58,575,726.

### Bonds Payable – State Revolving Loans

In 2001, 2002, 2003, 2005, and 2007, the City issued \$5,000,000 (Series 2001A), \$24,585,000 (Series 2002B), \$6,075,000 (Series 2003B), \$4,950,000 (Series 2005C), and \$2,550,000 (Series 2007A) in State Environmental Improvement and Energy Resources Authority Water Pollution Revenue Bonds and Public Drinking Water Bonds for the purpose of financing construction of certain wastewater treatment, sanitary sewerage or water facilities and costs associated with the issuance of the bonds. In connection with the issuance of these bonds, the City participates in a revolving loan program established by the Missouri Department of Natural Resources (DNR). The State of Missouri manages and invests the bond proceeds on behalf of the City. As the City incurs approved expenditures, DNR reimburses the City for the expenditures from the construction escrow fund. Additionally, an amount (83.33% of which is federal funding) representing 70% of the construction costs is deposited into a bond reserve fund in the City's name and is held as a guarantee against the outstanding bond obligation. Interest earned from this reserve fund can be used by the City to fund interest payments on the revenue bonds. A portion of the reserve fund is transferred back to the State as principal payments are made on the revenue bonds. The costs of operation and maintenance of the wastewater treatment and sewerage facilities and the debt service is payable from operating revenues.

The City has pledged future utility customer revenues and capital improvement sales tax collections, net of current specified operating expenses, to repay \$21.6 million in revenue bonds. Proceeds from the bonds provided financing for the construction of a new water system and expansion of sewerage facilities. The bonds are payable from utility customer net revenues and capital improvement sales tax net collections and are payable through 2026. Net revenues available for debt service are not to be less than 110% of the amount required to be paid annually of principal and interest. Net revenues for 2019 are over 136% of the annual principal and interest payments made in 2019. The total principal and interest remaining to be paid on the bonds is \$13,268,139. Principal and interest paid for the current year and total net revenues were \$3,139,658 and \$4,260,053, respectively.

Bonds payable are comprised of the following individual issues:

|                       | Original<br>Amount | Interest<br>Rate | Final<br>Maturity<br>Date | Balance<br>December 31,<br>2019 |
|-----------------------|--------------------|------------------|---------------------------|---------------------------------|
| 2001A, Clean Water    | \$ 5,000,000       | 4%-5%            | 1/1/2022                  | \$ 875,000                      |
| 2002B, Drinking Water | 24,585,000         | 2.0%-5.5%        | 7/1/2022                  | 5,245,000                       |
| 2003B, Drinking Water | 6,075,000          | 2.00%-5.25%      | 1/1/2024                  | 2,795,000                       |
| 2005C, Clean Water    | 4,950,000          | 3.00%-5.25%      | 7/1/2025                  | 1,725,000                       |
| 2007A, Drinking Water | 2,550,000          | 4.00%-4.75%      | 1/1/2026                  | 1,135,000                       |
|                       |                    |                  |                           | <u>\$11,775,000</u>             |

The following is a summary of bonds payable, net at December 31, 2019:

|                                                                          |                     |
|--------------------------------------------------------------------------|---------------------|
| Bonds payable at December 31, 2019                                       | \$11,775,000        |
| Unamortized premiums (net of accumulated amortization<br>of \$1,165,387) | <u>225,281</u>      |
|                                                                          | 12,000,281          |
| Less amount due within one year                                          | <u>(2,740,000)</u>  |
| Bonds payable, net at December 31, 2019                                  | <u>\$ 9,260,281</u> |

Annual debt service requirements to maturity are as follows:

| Year Ending<br>December 31 | Principal           | Interest            | Total               |
|----------------------------|---------------------|---------------------|---------------------|
| 2020                       | \$ 2,740,000        | \$ 555,572          | \$ 3,295,572        |
| 2021                       | 2,865,000           | 417,759             | 3,282,759           |
| 2022                       | 2,995,000           | 271,050             | 3,266,050           |
| 2023                       | 1,090,000           | 129,896             | 1,219,896           |
| 2024                       | 1,330,000           | 73,290              | 1,403,290           |
| 2025-2026                  | <u>755,000</u>      | <u>45,572</u>       | <u>800,572</u>      |
| Total                      | <u>\$11,775,000</u> | <u>\$ 1,493,139</u> | <u>\$13,268,139</u> |



### Bonds Payable – Tax Increment Financing

On February 28, 2002, the City issued Tax Increment Bonds Series 2002 in the aggregate principal amount of \$7,775,000 to finance roads, water and sewer infrastructure in the Prewitt's Point redevelopment area. These bonds were issued for the City's component unit, the Tax Increment Financing District. These bonds are limited obligations of the City, payable solely from bond proceeds, payments in lieu of taxes, economic activity tax revenue and monies on deposit in a debt service reserve fund. The application of economic activity tax revenues to the payment of the Series 2002 bonds is subject to annual appropriation by the City.

On September 18, 2012, the City issued \$4,410,000 of Tax Increment Bonds Series 2012 for the refunding of the \$4,510,000 remaining balance of the February 28, 2002 issuance. The refunding was undertaken to reduce the total future debt service payments. The transaction also resulted in an economic gain of \$486,595 and a reduction of \$302,665 in future debt service payments. Although the outstanding principal balance of \$525,000 is not due until 2023, it is the City's intent to make annual principal payments using TIF revenue received each year.

On December 31, 2006, the City issued Tax Increment Bonds Series 2006 in the aggregate principal amount of \$18,590,000 to finance roads, water and sewer infrastructure in the Prewitt's Point redevelopment area. These bonds were issued for the City's component unit, the Tax Increment Financing District. These bonds are limited obligations of the City, payable solely from bond proceeds, payments in lieu of taxes, economic activity tax revenue and monies on deposit in a debt service reserve fund. The application of economic activity tax revenues to the payment of the Series 2006 bonds is subject to annual appropriation by the City. The amount of the bonds outstanding as of December 31, 2019, is \$6,750,000.

The bond issues are structured so that bonds are redeemed as funds become available; accordingly, debt coverage will not exceed 100% over the life of the bonds. Principal and interest payments on the bonds are due semiannually. Debt service on principal and interest cannot exceed the life of the redevelopment area of May 1, 2023. For the current year, principal and interest paid and total incremental tax revenues for the TIF bonds are \$2,382,221 and \$2,298,113, respectively.

The following is a summary of bonds payable, net at December 31, 2019:

|                                                                    |                            |
|--------------------------------------------------------------------|----------------------------|
| Bonds payable at December 31, 2019                                 | \$ 7,275,000               |
| Unamortized discount (net of accumulated amortization of \$25,049) | <u>(9,501)</u>             |
|                                                                    | 7,265,499                  |
| Less amount due within one year                                    | <u>(1,355,000)</u>         |
| Bonds payable, net at December 31, 2019                            | <u><u>\$ 5,910,499</u></u> |

The annual requirements to amortize debt outstanding in the as of December 31, 2019, including interest payments, are as follows:

| Year Ending<br>December 31 | Series 2006         |                   | Series 2012       |                   | Total               |
|----------------------------|---------------------|-------------------|-------------------|-------------------|---------------------|
|                            | Principal           | Interest          | Principal         | Interest          |                     |
| 2020                       | \$ 1,355,000        | \$ 303,625        | \$ -              | \$ 35,275         | \$ 1,693,900        |
| 2021                       | 1,445,000           | 233,625           | -                 | 35,275            | 1,713,900           |
| 2022                       | 1,560,000           | 158,500           | -                 | 35,275            | 1,753,775           |
| 2023                       | 2,390,000           | 59,750            | 525,000           | 17,638            | 2,992,388           |
| Total                      | <u>\$ 6,750,000</u> | <u>\$ 755,500</u> | <u>\$ 525,000</u> | <u>\$ 123,463</u> | <u>\$ 8,153,963</u> |

The Series 2012 bonds do not have a required redemption schedule but require a balloon payment on May 1, 2023. Interest payments are made on May 1 and November 1 each year. The City will pay at 4.15% on the outstanding loan balance annually over the life of the loan.

### Arbitrage Liability

The arbitrage liability is established as the arbitrage rebate payable on the statements of financial position to set aside funds for the future potential interest rebate due the Internal Revenue Service (IRS). Separate trust accounts have been established for the Series 2001A, Series 2005C, and Series 2007A bonds. Pursuant to certain Internal Revenue Code requirements, the City is required to expend funds for designated purposes within time frames established by the IRS. In the event the “spend-down” schedule is not met, a rebate of excess interest earnings must be made. Excess interest earnings accrue if the interest rate on invested bond proceeds exceeds the interest rate paid to investors. The liability is estimated by the City’s bond counsel.

## **8. INTERFUND TRANSACTIONS**

Interfund balances and transfers between governmental funds are not included in the government-wide statement of net position or the government-wide statement of activities.

A summary of interfund transfers for the year ended December 31, 2019, follows:

| TRANSFERRED FROM                   | TRANSFERRED TO     |                   |                |                  |                           | Total        |
|------------------------------------|--------------------|-------------------|----------------|------------------|---------------------------|--------------|
|                                    | Governmental Funds | Proprietary Funds |                |                  |                           |              |
|                                    | General Fund       | Water/Sewer Fund  | Ambulance Fund | Lee C. Fine Fund | Grand Glaize Airport Fund |              |
| Governmental Funds:                |                    |                   |                |                  |                           |              |
| General Fund                       | \$ -               | \$ -              | \$ 290,000     | \$ -             | \$ -                      | \$ 290,000   |
| Transportation Fund                | -                  | -                 | -              | 195,000          | 126,000                   | 321,000      |
| Capital Improvement Sales Tax Fund | 112,566            | 1,400,000         | -              | -                | -                         | 1,512,566    |
|                                    | \$ 112,566         | \$ 1,400,000      | \$ 290,000     | \$ 195,000       | \$ 126,000                | \$ 2,123,566 |

The purpose of the transfer from the General Fund to the Ambulance Fund is to subsidize the operations of this fund. The purpose of the transfer from the Transportation Fund to the Lee C. Fine Airport Fund and the Grand Glaize Airport Fund is to subsidize the operations of these funds. The purpose of the transfer from the Capital Improvement Sales Tax Fund to the Water/Sewer Fund is to subsidize the payment of this fund’s bonds. The purpose of the transfer from the Capital Improvement Sales Tax Fund to the General Fund is to subsidize the payments of various City improvements.

### Interfund Charges for Support Services

Interfund charges for support services paid to the General Fund for the year ended December 31, 2019 were as follows:

|                           |                   |
|---------------------------|-------------------|
| Transportation Fund       | \$ 153,000        |
| Water/Sewer Fund          | 36,200            |
| Ambulance Fund            | 48,600            |
| Lee C. Fine Airport Fund  | 46,800            |
| Grand Glaize Airport Fund | 15,400            |
|                           | <u>\$ 300,000</u> |

## 9. COMMITMENTS AND CONTINGENCIES

### A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workman's compensation; liability, crime, and employee errors and omissions; and natural disasters. The City purchases commercial insurance to provide coverage for general liability, property damage, and workers' compensation. Settled claims have not exceeded this commercial insurance coverage in any of the past three years.

### B. Litigation

The City is involved in lawsuits arising in the ordinary course of activities, including claims regarding construction contract issues, personal injury and discriminatory personnel practices, property condemnation proceedings, and suits contesting the legality of certain taxes. While these cases may have future financial effect, management, based on advice of counsel, believes that their ultimate outcome will not be material to the basic financial statements.

### C. Contract Commitments

The City has entered into contracts for various projects for park improvements, economic development, street construction, construction of water and sewer facilities, and airport construction. As of December 31, 2019, commitments under these contracts were as follows:

| Project                             | Spent-to-Date       | Remaining<br>Commitment |
|-------------------------------------|---------------------|-------------------------|
| General Fund - Park                 | \$ -                | \$ 58,800               |
| General Fund - Economic Development | 65,000              | 100,000                 |
| Transportation                      | 454,580             | 116,414                 |
| Water/Sewer                         | 195,949             | 419,005                 |
| Lee C Fine Airport                  | 1,578,514           | 48,820                  |
|                                     | <u>\$ 2,294,043</u> | <u>\$ 743,039</u>       |

### D. Tax Increment Financing

On November 1, 2007, the Board of Aldermen approved the Marina View Tax Increment Financing Plan. This plan consists of the construction of a hotel on approximately 28 acres and includes a future bond issuance of approximately \$3.7 million plus interest and other miscellaneous costs. No activity occurred on this project during 2019.

On December 16, 2010, the Board of Aldermen approved the Dierbergs Osage Beach Tax Increment Financing Plan for a shopping center. This center consists of a Dierbergs Market, Dicks Sporting Goods, Bed Bath & Beyond and miscellaneous stores. The 2011 notes payable represent special, limited obligations of the City, payable solely from the incremental sales and real estate taxes generated by Dierbergs redevelopment area. The City functions as a collecting agent for the taxes, which are then passed through to the bond trustee. As the City is not liable for this debt beyond remitting all collected taxes, it is not recorded on the statement of net position as of December 31, 2019. The notes bear interest at 6.5% with final maturity on December 15, 2033. The balance at December 31, 2019, represents outstanding notes of \$4,287,220 and accrued interest of \$23,222, for a total of \$4,310,442. The annual debt service repayments of the 2011 TIF notes are the combined amounts of economic activity taxes and payments in lieu of taxes collected by the special allocation fund. The notes terminate December 15, 2033, whether or not the principal and interest have been paid in full.

On February 18, 2016, the City entered into a TIF agreement with Arrowhead Development Group, LLC. Under this agreement, the City will reimburse the developer on a pay-as-you-go method with funds generated by the TIF project. The Agreement will redevelop the 226-acre site of the former Dogwood Hills Golf Course. It provides flexibility for the developer with eight separate project areas for a mixed-use development to be built over the next several years. The agreement provides for a TIF incentive to the developer for promote a \$386,731,340 project when all 8 projects are completed. The total amount of the TIF reimbursement requested is \$55,835,595, which is 14.5% of the total project costs. One half (50%) of the new real estate and sales taxes generated by the development shall be passed through to the taxing districts. To date, the Arrowhead Senior Living Community is complete and open for business. This facility provides skilled nursing home and assisted living options. As of December 31, 2019, approved project costs total \$4,889,912 and accrued interest is \$844,458. No economic activity taxes or payments in lieu of taxes have been collected to date.

On September 21, 2017, the City entered into a TIF agreement with TSG Osage Beach, LLC. Under this agreement, the City will reimburse the developer on a pay-as-you-go method with funds generated by the TIF project. The Osage Beach Commons TIF Plan will redevelop the 13.71-acre site pre-plan was The Golden Door motel, the closed Jake's Steak and Fish restaurant and two abandoned single-family homes. The Plan proposes a \$30,500,000 project. The approved reimbursement is \$4,550,000, which is 14.9% of the total project costs. One half (50%) of the new real estate and sales taxes generated by the development shall be passed through to the taxing districts. To date, the site is being cleared for the development. No economic activity taxes or payments in lieu of taxes have been collected to date.

## **10. INTERGOVERNMENTAL REVENUE**

The City receives significant financial assistance from numerous federal, state, and local governmental agencies in the form of grants. Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements or the individual fund-types included herein or on the overall financial position of the City as of December 31, 2019.

## **11. PENSION PLAN**

### *Plan Description*

The City, by a resolution of the Board of Aldermen, created a defined contribution, single employer, retirement plan under Internal Revenue Code Section 401 for the employees of the City. The Board of Aldermen can amend the plan at their discretion. The City appointed ICMA Retirement Corporation to administer the plan. The plan is available to all full-time employees of the City. Employees are fully vested in contributions made on their behalf after 5-years.

### *Plan Funding*

The City contributes 6% of eligible employee wages. Employees are not required to contribute to the plan; however, effective July 1, 2019, the City provides a match of up to an additional 1% when employees contribute up to 1%. The City contributed \$277,750 to the plan for the year ended December 31, 2019. There were no forfeitures used to offset the City's expense during the year ended December 31, 2019.

## **12. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

### General Information About the Plan

The following information is presented in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions*.

### Plan Description and Benefits Provided

In addition to providing the pension benefits described in Note 11 above, the City provides full-time employees that retire after 10-years of service the opportunity for continuation of medical and dental insurance coverage offered through the Mid-America Regional Council Insurance Trust (MARCIT). The City provides retiree healthcare benefits through MARCIT, which is an insurance pool comprised of approximately 59 entity members. MARCIT functions as an agent multiple-employer plan.

Retirees who elect to continue coverage in the medical and dental plans offered through MARCIT are required to pay a contribution until the employee becomes eligible for Medicare. Since the retirees pay the same premium as active employees each year, the City share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation. The implicit rate subsidy is the difference between what the retiree actually pays, and the age adjusted amount he or she would have paid for the full cost of the benefit. The benefits and benefit levels are governed by City policy and the MARCIT trust agreement.

The City maintains a trust arrangement with MARCIT to collect premiums and pay claims and administrative costs. This trust arrangement does not qualify as an “OPEB Plan” and is not treated as holding assets in order to offset GASB 75 liabilities. However, GASB requires that the “Plan” determine the valuation interest rate (or discount rate) based on expected return of the MARCIT Health and Dental Fund since it is used to pay retiree claims. The Plan is not accounted for as a trust fund since an irrevocable trust has not been established. There is no stand-alone financial report for the Plan.

### Retirees Covered by Benefit Terms

At July 1, 2017, there were no benefit recipients enrolled in the Plan for the City.

### Funding Policy

The City does not pay retiree benefits directly; they are paid implicitly over time through employer subsidization of active premiums that would be lower if retirees were not part of the experience group.

### Annual OPEB Costs and Total OPEB Liability

The City’s total OPEB liability was measured as of December 31, 2018, and the total OPEB liability was determined by an actuarial valuation as of July 1, 2017. As of December 31, 2019, the retiree premium was 1.35 times the group plan premiums.

### Actuarial Assumptions

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

|                                                        |                                           |
|--------------------------------------------------------|-------------------------------------------|
| Discount rate                                          | 3.23% to 3.68%                            |
| Medical/Rx cost trend (and retiree contribution trend) | Average of 5.86% through fiscal year 2025 |
| Salary scale                                           | 3.0% per year                             |
| Average expected remaining service life                | 15-years                                  |

Mortality rates were based on the Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality Table with MP-2017 Full Generational Improvement.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 2, 2016 through July 1, 2017.

In order to determine the municipal bond rate, the actuarial valuation uses the average of the published yields from the S&P Municipal Bond 20-year High Grade and the Fidelity GO AA-20 Years indexes. The selected average rates are 3.23% and 3.86% as of the beginning and end of the valuation year, respectively.

### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.68%, as well as what the City's total OPEB liability would be using a discount rate that is 1 percentage point lower (2.68%) or 1 percentage point higher (4.68%) than the current rate.

|                                   | Current Single Discount |                            |                        |
|-----------------------------------|-------------------------|----------------------------|------------------------|
|                                   | 1% Decrease<br>(2.68%)  | Rate Assumption<br>(3.68%) | 1% Increase<br>(4.68%) |
| Total OPEB liability              | \$ 286,691              | \$ 257,544                 | \$ 231,369             |
| Increase/(decrease) from baseline | 29,147                  | -                          | (26,175)               |

### Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the City, calculated using the healthcare cost trend assumption, as well as what the City's total OPEB liability would be using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

|                                   | Current Trend |            |             |
|-----------------------------------|---------------|------------|-------------|
|                                   | 1% Decrease   | Assumption | 1% Increase |
| Total OPEB liability              | \$ 219,032    | \$ 257,544 | \$ 304,423  |
| Increase/(decrease) from baseline | (38,512)      | -          | 46,879      |

Changes in the Total OPEB Liability

|                                                   |            |
|---------------------------------------------------|------------|
| Total OPEB liability - beginning of year          | \$ 273,611 |
| Changes for the year:                             |            |
| Service cost                                      | 25,801     |
| Interest                                          | 9,639      |
| Difference between expected and actual experience | 6,281      |
| Changes in assumptions and inputs                 | (14,699)   |
| Contributions - employer                          | (2,000)    |
| Changes in benefit terms                          | (41,089)   |
| Net changes                                       | (16,067)   |
| Total OPEB liability - end of year                | \$ 257,544 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the City recognized OPEB expense of \$(7,245). The City reported deferred outflows resources and deferred inflows of resources related to OPEB from the following sources:

|                                                    | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|----------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between:                               |                                   |                                  |
| Expected and actual experience                     | \$ 5,862                          | \$ -                             |
| Changes in assumptions*                            | 25,542                            | (13,720)                         |
| Contributions subsequent to the measurement date** | 3,000                             | -                                |
| Total                                              | \$ 34,404                         | \$ (13,720)                      |

\*Related to the change in discount rate from 3.23% to 3.68%.

\*\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the total OPEB liability for the year ending December 31, 2020.

Amounts reported as deferred outflows related to OPEB will be recognized as OPEB expense during the years ending December 31 as follows:

|              |           |
|--------------|-----------|
| Year ending: |           |
| 2020         | \$ 1,404  |
| 2021         | 1,404     |
| 2022         | 1,404     |
| 2023         | 1,404     |
| 2024         | 1,404     |
| Thereafter   | 10,664    |
| Total        | \$ 17,684 |

### 13. JOINT VENTURE

On August 5, 1981, the City agreed to a joint partnership with City of Lake Ozark of a Sewage Treatment Plant (STP). The Board administering the STP consists of eight members, four from each city. Amounts to be billed to each city are based upon usage billed at identical rate structures. Costs of operation and maintenance are split proportionately between the two cities. For the year ended December 31, 2019, the City paid \$476,016 for its share of STP expenses. A separate audit is performed on this entity, and a copy may be reviewed at the City of Lake Ozark or City of Osage Beach City Hall.

### 14. ASSESSED VALUE OF PROPERTY

Assessed valuation is established by the County Assessor. The City does not levy property taxes. A property tax is levied by Miller County for property located within the Prewitt's Point Project, part of the component unit. The Tax Increment Financing Fund receives 75% of incremental property tax collected. This revenue is pledged toward the repayment of the Tax Increment Financing revenue bonds pursuant to the bond indenture.

Assessed valuation and tax levy for the property located in the Tax Increment Financing District as of September 10, 2019, was as follows:

|                                         | <u>For the 2019<br/>Calendar Year</u> |
|-----------------------------------------|---------------------------------------|
| Assessed valuation for Miller County:   |                                       |
| Tax Increment Financing                 | <u>\$ 9,681,890</u>                   |
| Tax rates per \$100 assessed valuation: |                                       |
| General Fund                            | <u>\$ 0.005020</u>                    |

### 15. TAX ABATEMENTS

Pursuant to the Real Property Tax Increment Allocation Act, Sections 99.800 through 99.865, RSMo, as amended (the TIF Act), cities and counties (governments) may adopt a redevelopment plan (TIF plan) that provides for the redevelopment of a "blighted area," "conservation area" or "economic development area" located within the boundaries of the government to encourage increased property valuations. The Osage Beach Tax Increment Financing District (TIF District), a component unit of the City, recommends the designation of blighted areas, the redevelopment plan, and the developer, and the City has final approval. All of the TIF plans approved to date have been for the development of retail centers in blighted areas within the City by approved developers.

In general, once approved, the City enters into a development contract with the developer covering the development project, including ad valorem tax (sales tax) and property tax abatements. There are no provisions for recapture since the taxes abated are for property development and used to fund the project and service debt. Under these contracts, the governments in the TIF District grant two types of tax abatements:

- Sales tax abatements of 50 percent of the total additional revenue from taxes, penalties and interest which are imposed by the City or taxing districts and which are generated by economic activities within the areas of the TIF over the amount generated in the year before the TIF plan was adopted. Total sales taxes abated under the agreements totaled approximately \$2,311,003 in 2019.
- Property tax abatements attributable to the increase in assessed value of the property of property in the TIF district over the assessed value of the property before the development. Total property taxes abated under the agreements totaled approximately \$561,224 in 2019.



## **REQUIRED SUPPLEMENTARY INFORMATION**

**City of Osage Beach**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2019**

|                                                              | <u>Budgeted Amounts</u> |                     |                           |                                       |
|--------------------------------------------------------------|-------------------------|---------------------|---------------------------|---------------------------------------|
|                                                              | <u>Original</u>         | <u>Final</u>        | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget</u> |
| <b>REVENUES</b>                                              |                         |                     |                           |                                       |
| Taxes:                                                       |                         |                     |                           |                                       |
| Sales                                                        | \$ 4,900,000            | \$ 4,900,000        | \$ 4,796,239              | \$ (103,761)                          |
| Franchise                                                    | 1,001,000               | 1,001,000           | 982,803                   | (18,197)                              |
| Licenses, fines, permits and fees                            | 477,450                 | 477,450             | 529,578                   | 52,128                                |
| Intergovernmental                                            | 93,175                  | 93,175              | 29,905                    | (63,270)                              |
| Interest                                                     | 53,308                  | 53,308              | 88,645                    | 35,337                                |
| Contributions                                                | 15,000                  | 15,000              | 10,569                    | (4,431)                               |
| Charges for services                                         | 299,500                 | 299,500             | 300,000                   | 500                                   |
| Miscellaneous                                                | 84,100                  | 84,100              | 108,829                   | 24,729                                |
| Total revenues                                               | <u>6,923,533</u>        | <u>6,923,533</u>    | <u>6,846,568</u>          | <u>(76,965)</u>                       |
| <b>EXPENDITURES</b>                                          |                         |                     |                           |                                       |
| Current:                                                     |                         |                     |                           |                                       |
| General government                                           | 2,563,337               | 2,584,837           | 2,433,719                 | 151,118                               |
| Public safety                                                | 3,162,463               | 3,187,330           | 3,058,748                 | 128,582                               |
| Park and recreation                                          | 393,699                 | 393,699             | 388,854                   | 4,845                                 |
| Information technology                                       | 517,975                 | 527,975             | 442,920                   | 85,055                                |
| Capital outlay:                                              |                         |                     |                           |                                       |
| Projects and equipment                                       | <u>388,875</u>          | <u>421,346</u>      | <u>285,310</u>            | <u>136,036</u>                        |
| Total expenditures                                           | <u>7,026,349</u>        | <u>7,115,187</u>    | <u>6,609,551</u>          | <u>505,636</u>                        |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>(102,816)</u>        | <u>(191,654)</u>    | <u>237,017</u>            | <u>428,671</u>                        |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                     |                           |                                       |
| Transfers in                                                 | 219,475                 | 219,475             | 112,566                   | (106,909)                             |
| Transfers out                                                | (290,000)               | (290,000)           | (290,000)                 | -                                     |
| Sale of capital assets                                       | <u>5,000</u>            | <u>5,000</u>        | <u>-</u>                  | <u>(5,000)</u>                        |
| Total other financing (uses)                                 | <u>(65,525)</u>         | <u>(65,525)</u>     | <u>(177,434)</u>          | <u>(111,909)</u>                      |
| Net change in fund balance                                   | <u>(168,341)</u>        | <u>(257,179)</u>    | <u>59,583</u>             | <u>316,762</u>                        |
| Fund balance - beginning                                     | <u>2,801,992</u>        | <u>2,801,992</u>    | <u>2,801,992</u>          | <u>-</u>                              |
| Fund balance - ending                                        | <u>\$ 2,633,651</u>     | <u>\$ 2,544,813</u> | <u>\$ 2,861,575</u>       | <u>\$ 316,762</u>                     |

**City of Osage Beach**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Transportation Fund**  
**For the Year Ended December 31, 2019**

|                                                              | <u>Budgeted Amounts</u> |                     |                           |                                       |
|--------------------------------------------------------------|-------------------------|---------------------|---------------------------|---------------------------------------|
|                                                              | <u>Original</u>         | <u>Final</u>        | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget</u> |
| <b>REVENUES</b>                                              |                         |                     |                           |                                       |
| Taxes:                                                       |                         |                     |                           |                                       |
| Sales                                                        | \$ 2,450,000            | \$ 2,450,000        | \$ 2,361,467              | \$ (88,533)                           |
| Motor vehicle fuel and license                               | 176,500                 | 176,500             | 177,206                   | 706                                   |
| County road taxes                                            | 70,000                  | 70,000              | 70,500                    | 500                                   |
| Licenses, fines, permits and fees                            | -                       | -                   | 90                        | 90                                    |
| Intergovernmental                                            | 850,000                 | 850,000             | 410,442                   | (439,558)                             |
| Interest                                                     | 47,376                  | 47,376              | 79,202                    | 31,826                                |
| Miscellaneous                                                | 100                     | 100                 | 53,246                    | 53,146                                |
| Total revenues                                               | <u>3,593,976</u>        | <u>3,593,976</u>    | <u>3,152,153</u>          | <u>(441,823)</u>                      |
| <b>EXPENDITURES</b>                                          |                         |                     |                           |                                       |
| Current:                                                     |                         |                     |                           |                                       |
| Streets and highways                                         | 1,902,116               | 1,966,858           | 1,858,479                 | 108,379                               |
| Capital outlay:                                              |                         |                     |                           |                                       |
| Streets and highways                                         | <u>2,713,908</u>        | <u>3,156,817</u>    | <u>1,467,796</u>          | <u>1,689,021</u>                      |
| Total expenditures                                           | <u>4,616,024</u>        | <u>5,123,675</u>    | <u>3,326,275</u>          | <u>1,797,400</u>                      |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>(1,022,048)</u>      | <u>(1,529,699)</u>  | <u>(174,122)</u>          | <u>1,355,577</u>                      |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                     |                           |                                       |
| Transfers out                                                | (321,000)               | (321,000)           | (321,000)                 | -                                     |
| Sale of capital assets                                       | <u>22,000</u>           | <u>22,000</u>       | <u>-</u>                  | <u>(22,000)</u>                       |
| Total other financing (uses)                                 | <u>(299,000)</u>        | <u>(299,000)</u>    | <u>(321,000)</u>          | <u>(22,000)</u>                       |
| Net change in fund balance                                   | <u>(1,321,048)</u>      | <u>(1,828,699)</u>  | <u>(495,122)</u>          | <u>1,333,577</u>                      |
| Fund balance - beginning                                     | <u>5,556,787</u>        | <u>5,556,787</u>    | <u>5,556,787</u>          | <u>-</u>                              |
| Fund balance - ending                                        | <u>\$ 4,235,739</u>     | <u>\$ 3,728,088</u> | <u>\$ 5,061,665</u>       | <u>\$ 1,333,577</u>                   |

**City of Osage Beach**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Capital Improvement Sales Tax Fund**  
**For the Year Ended December 31, 2019**

|                                                              | <u>Budgeted Amounts</u>    |                            |                            |                                       |
|--------------------------------------------------------------|----------------------------|----------------------------|----------------------------|---------------------------------------|
|                                                              | <u>Original</u>            | <u>Final</u>               | <u>Actual<br/>Amounts</u>  | <u>Variance with<br/>Final Budget</u> |
| <b>REVENUES</b>                                              |                            |                            |                            |                                       |
| Taxes:                                                       |                            |                            |                            |                                       |
| Sales                                                        | \$ 2,450,000               | \$ 2,450,000               | \$ 2,361,275               | \$ (88,725)                           |
| Interest                                                     | 11,000                     | 11,000                     | 14,679                     | 3,679                                 |
| Total revenues                                               | <u>2,461,000</u>           | <u>2,461,000</u>           | <u>2,375,954</u>           | <u>(85,046)</u>                       |
| <b>EXPENDITURES</b>                                          |                            |                            |                            |                                       |
| Current:                                                     |                            |                            |                            |                                       |
| Capital improvements                                         | <u>342,857</u>             | <u>342,857</u>             | <u>334,188</u>             | <u>8,669</u>                          |
| Total expenditures                                           | <u>342,857</u>             | <u>342,857</u>             | <u>334,188</u>             | <u>8,669</u>                          |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>2,118,143</u>           | <u>2,118,143</u>           | <u>2,041,766</u>           | <u>(76,377)</u>                       |
| <b>OTHER FINANCING USES</b>                                  |                            |                            |                            |                                       |
| Transfers out                                                | <u>(1,619,475)</u>         | <u>(1,619,475)</u>         | <u>(1,512,566)</u>         | <u>106,909</u>                        |
| Total other financing uses                                   | <u>(1,619,475)</u>         | <u>(1,619,475)</u>         | <u>(1,512,566)</u>         | <u>106,909</u>                        |
| Net change in fund balance                                   | 498,668                    | 498,668                    | 529,200                    | (30,532)                              |
| Fund balance - beginning                                     | <u>901,714</u>             | <u>901,714</u>             | <u>901,714</u>             | <u>-</u>                              |
| Fund balance - ending                                        | <u><u>\$ 1,400,382</u></u> | <u><u>\$ 1,400,382</u></u> | <u><u>\$ 1,430,914</u></u> | <u><u>\$ (30,532)</u></u>             |

**CITY OF OSAGE BEACH**  
**Required Supplementary Information**  
**Notes to the Budgetary Comparison Schedules**  
  
**For the Year Ended December 31, 2019**

**Budgetary Information**

The City's policy is to prepare the operating budgets in accordance with U.S. generally accepted accounting principles. The City prepared budgets for all governmental fund types for the year ended December 31, 2019.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) Prior to January 1, the City Administrator submits to the Board of Aldermen a proposed operating budget for the fiscal period commencing January 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) The City utilizes multiple public budget workshops that the public is invited to attend and make comments. The proposed budget is available for public inspection prior to the budget workshops.
- 3) Prior to December 31, the budget is legally enacted through passage of an ordinance.
- 4) The City Administrator is authorized to transfer budgeted amounts within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Aldermen.
- 5) All appropriations lapse at year-end.

The primary basis of budgetary control is at the fund level. The budget was amended during the year.

**CITY OF OSAGE BEACH**  
**Required Supplementary Information – OPEB Plan**

**Schedule of Changes in Total OPEB Liability**  
**For the Year Ended December 31, 2019**

|                                                   | 2019              | 2018              |
|---------------------------------------------------|-------------------|-------------------|
| Total OPEB liability                              |                   |                   |
| Service cost                                      | \$ 25,801         | \$ 21,414         |
| Interest                                          | 9,639             | 8,865             |
| Benefit changes                                   | (41,089)          | -                 |
| Difference between expected and actual experience | 6,281             | -                 |
| Assumption changes                                | (14,699)          | 29,473            |
| Contributions - employer                          | (2,000)           | (1,000)           |
| Net change in total OPEB liability                | (16,067)          | 58,752            |
| Total OPEB liability - beginning                  | 273,611           | 214,859           |
| Total OPEB liability - ending                     | <u>\$ 257,544</u> | <u>\$ 273,611</u> |

*Note: This schedule will ultimately contain ten years of data.*

**Schedule of OPEB Contributions**  
**For the Year Ended December 31, 2019**

|                                                  | 2019            | 2018            |
|--------------------------------------------------|-----------------|-----------------|
| Expected retiree claims and administrative costs | \$ 7,000        | \$ 4,000        |
| Expected retiree premium contributions           | (5,000)         | (3,000)         |
| Employer contributions                           | <u>\$ 2,000</u> | <u>\$ 1,000</u> |
| Covered payroll                                  | \$ 4,162,388    | \$ 4,162,388    |
| Contributions as a percentage of covered payroll | 0.05%           | 0.02%           |

*Note: This schedule will ultimately contain ten years of data.*

## **STATISTICAL SECTION**

## **Statistical Section**

This section of the City of Osage Beach's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

### **Financial Trends (Tables 1-4)**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

### **Revenue Capacity (Tables 5-6)**

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its sales taxes.

### **Debt Capacity (Tables 7-11)**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

### **Demographic and Economic Information (Tables 12-13)**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

### **Operating Information (Tables 14-16)**

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant fiscal year.



**CITY OF OSAGE BEACH, MISSOURI**

TABLE 1

NET ASSETS BY COMPONENT  
LAST TEN FISCAL YEARS  
*(accrual basis of accounting)*

|                                           | FISCAL YEAR          |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|-------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                           | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 |
| Governmental Activities:                  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets          | \$ 27,894,023        | \$ 28,345,590        | \$ 29,136,972        | \$ 40,750,125        | \$ 39,307,279        | \$ 37,653,615        | \$ 37,500,016        | \$ 36,556,436        | \$ 34,915,470        | \$ 33,323,963        |
| Restricted                                | 6,760,655            | 5,420,281            | 4,824,565            | 5,499,168            | 6,010,852            | 6,931,150            | 6,502,607            | 6,927,365            | 6,476,810            | 6,468,528            |
| Unrestricted                              | 3,597,054            | 3,787,573            | 3,288,366            | 3,308,811            | 3,530,536            | 3,231,106            | 3,113,136            | 2,371,532            | 2,497,536            | 2,657,049            |
| Total governmental activities net assets  | <u>\$ 38,251,732</u> | <u>\$ 37,553,444</u> | <u>\$ 37,249,903</u> | <u>\$ 49,558,104</u> | <u>\$ 48,848,667</u> | <u>\$ 47,815,871</u> | <u>\$ 47,115,759</u> | <u>\$ 45,855,333</u> | <u>\$ 43,889,816</u> | <u>\$ 42,449,540</u> |
| Business-type activities:                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets          | \$ 33,970,840        | \$ 34,151,316        | \$ 33,596,269        | \$ 34,434,359        | \$ 35,337,942        | \$ 36,016,361        | \$ 36,440,536        | \$ 38,703,040        | \$ 39,492,176        | \$ 41,716,841        |
| Restricted                                | 2,586,902            | 2,697,627            | 2,727,651            | 2,806,768            | 2,895,805            | 2,945,442            | 3,004,278            | 3,211,266            | 3,256,225            | 4,049,043            |
| Unrestricted                              | 6,200,856            | 5,480,505            | 6,667,923            | 5,537,936            | 5,791,462            | 5,448,395            | 5,415,198            | 4,989,257            | 5,493,317            | 4,427,973            |
| Total business-type activities net assets | <u>\$ 42,758,598</u> | <u>\$ 42,329,448</u> | <u>\$ 42,991,843</u> | <u>\$ 42,779,063</u> | <u>\$ 44,025,209</u> | <u>\$ 44,410,198</u> | <u>\$ 44,860,012</u> | <u>\$ 46,903,563</u> | <u>\$ 48,241,718</u> | <u>\$ 50,193,857</u> |
| Primary government:                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets          | \$ 61,864,863        | \$ 62,496,906        | \$ 62,733,241        | \$ 75,184,484        | \$ 74,645,221        | \$ 73,669,976        | \$ 73,940,552        | \$ 75,259,476        | \$ 74,407,646        | \$ 75,040,804        |
| Restricted                                | 9,347,557            | 8,117,908            | 7,552,216            | 8,305,936            | 8,906,657            | 9,876,592            | 9,506,885            | 10,138,631           | 9,733,035            | 10,517,571           |
| Unrestricted                              | 9,797,910            | 9,268,078            | 9,956,289            | 8,846,747            | 9,321,998            | 8,679,501            | 8,528,334            | 7,360,789            | 7,990,853            | 7,085,022            |
| Total primary government net assets       | <u>\$ 81,010,330</u> | <u>\$ 79,882,892</u> | <u>\$ 80,241,746</u> | <u>\$ 92,337,167</u> | <u>\$ 92,873,876</u> | <u>\$ 92,226,069</u> | <u>\$ 91,975,771</u> | <u>\$ 92,758,896</u> | <u>\$ 92,131,534</u> | <u>\$ 92,643,397</u> |

Note: The City implemented GASB 65 for the fiscal year ending December 31, 2013. As a result, beginning net position for the business-type activities was reduced by \$427,771. However, prior years were not restated. The City implemented GASB 75 for the fiscal year ending December 31, 2018. As a result, beginning net position for the governmental activities was increased by \$22,510 and the net position for the business-type activities was reduced by \$11,924. However, prior years were not restated.

## CITY OF OSAGE BEACH, MISSOURI

TABLE 2

CHANGES IN NET ASSETS  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

## FISCAL YEAR

|                                                 | 2010          | 2011          | 2012          | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          |
|-------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Expenses</b>                                 |               |               |               |               |               |               |               |               |               |               |
| Governmental Activities:                        |               |               |               |               |               |               |               |               |               |               |
| General government                              | \$ 2,836,549  | \$ 2,728,669  | \$ 2,634,466  | \$ 2,795,702  | \$ 2,652,546  | \$ 2,780,408  | \$ 2,908,660  | \$ 2,986,937  | \$ 2,934,961  | \$ 3,046,105  |
| Public safety                                   | 3,122,315     | 3,057,360     | 3,023,822     | 3,091,649     | 2,978,236     | 3,052,006     | 3,143,046     | 3,081,476     | 3,141,925     | 3,151,724     |
| Parks and recreation                            | 420,349       | 456,627       | 510,657       | 458,198       | 529,212       | 494,456       | 610,252       | 614,335       | 669,858       | 703,750       |
| Information technology                          | 255,380       | 262,973       | 379,314       | 331,982       | 328,665       | 429,671       | 381,851       | 527,030       | 492,477       | 497,578       |
| Streets and highways                            | 2,705,865     | 3,018,295     | 2,911,893     | 2,967,447     | 3,613,537     | 3,354,035     | 3,536,724     | 3,679,606     | 4,296,076     | 4,462,090     |
| Interest on long-term debt                      | 15,360        | 175           | -             | -             | -             | -             | -             | -             | -             | -             |
| Total governmental activities expenses          | 9,355,818     | 9,524,099     | 9,460,152     | 9,644,978     | 10,102,196    | 10,110,576    | 10,580,533    | 10,889,384    | 11,535,297    | 11,861,247    |
| Business-type activities:                       |               |               |               |               |               |               |               |               |               |               |
| Water/Sewer                                     | 6,201,919     | 6,353,915     | 6,308,541     | 6,384,114     | 6,005,376     | 6,510,125     | 6,684,891     | 6,452,884     | 6,020,462     | 6,195,699     |
| Ambulance                                       | 530,342       | 508,179       | 502,076       | 549,256       | 550,425       | 559,263       | 599,568       | 585,358       | 584,394       | 565,495       |
| Airports                                        | 1,222,842     | 1,298,290     | 1,453,944     | 1,267,451     | 1,152,138     | 1,136,262     | 1,217,135     | 1,147,180     | 1,555,938     | 1,343,250     |
| Total business-type activities expenses         | 7,955,103     | 8,160,384     | 8,264,561     | 8,200,821     | 7,707,939     | 8,205,650     | 8,501,594     | 8,185,422     | 8,160,794     | 8,104,444     |
| Total primary government expenses               | \$ 17,310,921 | \$ 17,684,483 | \$ 17,724,713 | \$ 17,845,799 | \$ 17,810,135 | \$ 18,316,226 | \$ 19,082,127 | \$ 19,074,806 | \$ 19,696,091 | \$ 19,965,691 |
| <b>Program Revenues</b>                         |               |               |               |               |               |               |               |               |               |               |
| Governmental Activities:                        |               |               |               |               |               |               |               |               |               |               |
| Charges for services:                           |               |               |               |               |               |               |               |               |               |               |
| General government                              | \$ 230,490    | \$ 182,720    | \$ 177,475    | \$ 287,269    | \$ 193,175    | \$ 196,614    | \$ 188,250    | \$ 251,529    | \$ 272,851    | \$ 242,430    |
| Public safety                                   | 241,182       | 248,011       | 207,181       | 231,185       | 243,122       | 252,439       | 210,874       | 203,491       | 200,900       | 217,882       |
| Parks and recreation                            | -             | -             | 13,969        | 4,059         | 7,122         | 18,650        | 32,749        | 33,735        | 40,009        | 69,266        |
| Streets and highways                            | -             | -             | 6,260         | 7             | -             | -             | -             | -             | -             | 90            |
| Operating grants and contributions              | 27,658        | 28,289        | 13,961        | 80,180        | 10,588        | 21,004        | 25,322        | 54,362        | 21,630        | 40,474        |
| Capital grants and contributions                | 848,628       | 191,983       | 710,078       | 13,134,610    | 663,157       | 177,439       | 709,092       | 362,027       | 297,555       | 467,738       |
| Total governmental activities program revenues  | 1,347,958     | 651,003       | 1,128,924     | 13,737,310    | 1,117,164     | 666,146       | 1,166,287     | 905,144       | 832,945       | 1,037,880     |
| Business-type activities:                       |               |               |               |               |               |               |               |               |               |               |
| Charges for services:                           |               |               |               |               |               |               |               |               |               |               |
| Water/Sewer                                     | 3,473,822     | 3,462,061     | 3,701,841     | 3,813,025     | 4,040,992     | 3,926,031     | 4,202,405     | 4,341,405     | 4,440,524     | 4,608,839     |
| Ambulance                                       | 163,800       | 195,689       | 169,359       | 178,696       | 213,254       | 221,469       | 235,158       | 253,263       | 278,392       | 287,692       |
| Airports                                        | 887,587       | 1,030,363     | 944,568       | 916,094       | 921,421       | 935,702       | 899,751       | 863,039       | 1,029,284     | 1,015,032     |
| Operating grants and contributions              | 862,516       | 808,004       | 762,814       | 712,858       | 661,112       | 622,627       | 537,637       | 487,820       | 428,331       | 365,840       |
| Capital grants and contributions                | 624,873       | 57,020        | 739,451       | 429,451       | 706,897       | 372,655       | 622,107       | 1,782,273     | 582,118       | 1,541,717     |
| Total business-type activities program revenues | 6,012,598     | 5,553,137     | 6,318,033     | 6,050,124     | 6,543,676     | 6,078,484     | 6,497,058     | 7,727,800     | 6,758,649     | 7,819,120     |
| Total primary government program revenues       | \$ 7,360,556  | \$ 6,204,140  | \$ 7,446,957  | \$ 19,787,434 | \$ 7,660,840  | \$ 6,744,630  | \$ 7,663,345  | \$ 8,632,944  | \$ 7,591,594  | \$ 8,857,000  |

**CITY OF OSAGE BEACH, MISSOURI**

TABLE 2

CHANGES IN NET ASSETS  
LAST TEN FISCAL YEARS  
(*accrual basis of accounting*)  
FISCAL YEAR

|                                                           | 2010                  | 2011                   | 2012                   | 2013                 | 2014                   | 2015                   | 2016                   | 2017                   | 2018                   | 2019                   |
|-----------------------------------------------------------|-----------------------|------------------------|------------------------|----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Net (expense)/revenue                                     |                       |                        |                        |                      |                        |                        |                        |                        |                        |                        |
| Governmental activities                                   | \$ (8,007,860)        | \$ (8,873,096)         | \$ (8,331,228)         | \$ 4,092,332         | \$ (8,985,032)         | \$ (9,444,430)         | \$ (9,414,246)         | \$ (9,984,240)         | \$ (10,702,352)        | \$ (10,823,367)        |
| Business-type activities                                  | (1,942,505)           | (2,607,247)            | (1,946,528)            | (2,150,697)          | (1,164,263)            | (2,127,166)            | (2,004,536)            | (457,622)              | (1,402,145)            | (285,324)              |
| Total primary government net expenses                     | <u>\$ (9,950,365)</u> | <u>\$ (11,480,343)</u> | <u>\$ (10,277,756)</u> | <u>\$ 1,941,635</u>  | <u>\$ (10,149,295)</u> | <u>\$ (11,571,596)</u> | <u>\$ (11,418,782)</u> | <u>\$ (10,441,862)</u> | <u>\$ (12,104,497)</u> | <u>\$ (11,108,691)</u> |
| <b>General Revenues and Other Changes in Net Position</b> |                       |                        |                        |                      |                        |                        |                        |                        |                        |                        |
| Governmental Activities:                                  |                       |                        |                        |                      |                        |                        |                        |                        |                        |                        |
| Taxes                                                     |                       |                        |                        |                      |                        |                        |                        |                        |                        |                        |
| County road taxes                                         | \$ 67,842             | \$ 67,859              | \$ 67,752              | \$ 69,622            | \$ 67,902              | \$ 69,887              | \$ 70,833              | \$ 70,477              | \$ 70,470              | \$ 70,500              |
| Sales taxes                                               | 8,388,738             | 8,553,918              | 8,765,944              | 8,745,521            | 9,065,925              | 9,157,986              | 9,424,674              | 9,428,003              | 9,476,784              | 9,518,981              |
| Franchise taxes                                           | 832,706               | 848,634                | 851,346                | 941,599              | 952,678                | 993,059                | 943,737                | 938,888                | 1,063,470              | 982,803                |
| Motor vehicle fuel & license                              | 140,107               | 138,790                | 155,949                | 157,635              | 164,069                | 170,674                | 172,097                | 175,551                | 175,814                | 177,206                |
| Payments from enterprise funds                            | 465,145               | 390,300                | 459,400                | 479,312              | 194,600                | 212,000                | 271,500                | 290,000                | 314,600                | 300,000                |
| Unrestricted investment earnings                          | 72,809                | 69,197                 | 52,263                 | 50,401               | 36,444                 | 22,338                 | 38,010                 | 55,480                 | 112,734                | 182,526                |
| Other income                                              | 44,042                | 208,145                | 68,815                 | 79,236               | 63,338                 | 156,215                | 118,731                | 168,335                | 99,593                 | 162,075                |
| Gain on sale of capital assets                            | 16,840                | 9,632                  | 11,218                 | 543                  | 85,639                 | 14,475                 | 10,052                 | 28,080                 | 2,861                  | -                      |
| Transfers                                                 | (2,643,001)           | (2,111,667)            | (2,405,000)            | (2,308,000)          | (2,355,000)            | (2,385,000)            | (2,335,500)            | (2,431,000)            | (2,602,000)            | (2,011,000)            |
| Total governmental activities                             | <u>7,385,228</u>      | <u>8,174,808</u>       | <u>8,027,687</u>       | <u>8,215,869</u>     | <u>8,275,595</u>       | <u>8,411,634</u>       | <u>8,714,134</u>       | <u>8,723,814</u>       | <u>8,714,326</u>       | <u>9,383,091</u>       |
| Business-type activities                                  |                       |                        |                        |                      |                        |                        |                        |                        |                        |                        |
| Unrestricted investment earnings                          | 56,534                | 55,486                 | 49,697                 | 49,346               | 32,889                 | 20,061                 | 28,409                 | 55,940                 | 120,127                | 170,154                |
| Other income                                              | (24,980)              | 10,944                 | 130,000                | 4,460                | 13,620                 | 51,013                 | 87,415                 | 12,174                 | 27,610                 | 56,309                 |
| Gain on sale of capital assets                            | 7,367                 | -                      | 24,226                 | 3,883                | 8,900                  | 56,081                 | 3,026                  | 2,059                  | 2,487                  | -                      |
| Transfers                                                 | 2,643,001             | 2,111,667              | 2,405,000              | 2,308,000            | 2,355,000              | 2,385,000              | 2,335,500              | 2,431,000              | 2,602,000              | 2,011,000              |
| Total business-type activities                            | <u>2,681,922</u>      | <u>2,178,097</u>       | <u>2,608,923</u>       | <u>2,365,689</u>     | <u>2,410,409</u>       | <u>2,512,155</u>       | <u>2,454,350</u>       | <u>2,501,173</u>       | <u>2,752,224</u>       | <u>2,237,463</u>       |
| Total primary government                                  | <u>\$ 10,067,150</u>  | <u>\$ 10,352,905</u>   | <u>\$ 10,636,610</u>   | <u>\$ 10,581,558</u> | <u>\$ 10,686,004</u>   | <u>\$ 10,923,789</u>   | <u>\$ 11,168,484</u>   | <u>\$ 11,224,987</u>   | <u>\$ 11,466,550</u>   | <u>\$ 11,620,554</u>   |
| <b>Change in net position</b>                             |                       |                        |                        |                      |                        |                        |                        |                        |                        |                        |
| Governmental activities                                   | \$ (622,632)          | \$ (698,288)           | \$ (303,541)           | \$ 12,308,201        | \$ (709,437)           | \$ (1,032,796)         | \$ (700,112)           | \$ (1,260,426)         | \$ (1,988,026)         | \$ (1,440,276)         |
| Business-type activities                                  | 739,417               | (429,150)              | 662,395                | 214,992              | 1,246,146              | 384,989                | 449,814                | 2,043,551              | 1,350,079              | 1,952,139              |
| Total primary government                                  | <u>\$ 116,785</u>     | <u>\$ (1,127,438)</u>  | <u>\$ 358,854</u>      | <u>\$ 12,523,193</u> | <u>\$ 536,709</u>      | <u>\$ (647,807)</u>    | <u>\$ (250,298)</u>    | <u>\$ 783,125</u>      | <u>\$ (637,947)</u>    | <u>\$ 511,863</u>      |

Note: The City implemented GASB 65 for the fiscal year ending December 31, 2013. As a result, beginning net position for the business-type activities was reduced by \$427,771. However, prior years were not restated. The City implemented GASB 75 for the fiscal year ending December 31, 2018. As a result, beginning net position for the governmental activities was increased by \$22,510 and the net position for the business-type activities was reduced by \$11,924. However, prior years were not restated.

**CITY OF OSAGE BEACH, MISSOURI**

TABLE 3

**FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)**

|                                    | FISCAL YEAR   |              |              |              |              |               |              |              |              |              |
|------------------------------------|---------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|
|                                    | 2010          | 2011         | 2012         | 2013         | 2014         | 2015          | 2016         | 2017         | 2018         | 2019         |
| General Fund                       |               |              |              |              |              |               |              |              |              |              |
| Nonspendable                       | \$ -          | \$ -         | \$ -         | \$ -         | \$ 71,107    | \$ 95,007     | \$ 134,056   | \$ 140,773   | \$ 188,793   | \$ 189,502   |
| Unassigned                         | 3,750,291     | 3,967,259    | 3,488,474    | 3,467,352    | 3,274,396    | 3,295,348     | 3,116,070    | 2,496,023    | 2,613,199    | 2,672,073    |
| Total General Fund                 | 3,750,291     | 3,967,259    | 3,488,474    | 3,467,352    | 3,345,503    | 3,390,355     | 3,250,126    | 2,636,796    | 2,801,992    | 2,861,575    |
| All Other Governmental Funds       |               |              |              |              |              |               |              |              |              |              |
| Nonspendable                       | -             | -            | -            | -            | 5,726        | 6,548         | 30,811       | 18,243       | 39,691       | 24,051       |
| Restricted                         | 6,760,655     | 5,420,281    | 4,824,565    | 2,499,168    | 6,010,852    | 6,931,150     | 6,502,607    | 6,927,365    | 6,488,943    | 6,468,528    |
| Unassigned                         | -             | -            | -            | -            | -            | -             | -            | -            | (58,000)     | -            |
| Total all other governmental funds | 6,760,655     | 5,420,281    | 4,824,565    | 2,499,168    | 6,016,578    | 6,937,698     | 6,533,418    | 6,945,608    | 6,470,634    | 6,492,579    |
| Total governmental funds           | \$ 10,510,946 | \$ 9,387,540 | \$ 8,313,039 | \$ 5,966,520 | \$ 9,362,081 | \$ 10,328,053 | \$ 9,783,544 | \$ 9,582,404 | \$ 9,272,626 | \$ 9,354,154 |

**Note:** GASB 54 was implemented during fiscal year 2011.

**CITY OF OSAGE BEACH, MISSOURI**

TABLE 4

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)**

|                                                            | FISCAL YEAR  |                |                |              |               |               |               |               |               |               |
|------------------------------------------------------------|--------------|----------------|----------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                                            | 2010         | 2011           | 2012           | 2013         | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          |
| <b>Revenues</b>                                            |              |                |                |              |               |               |               |               |               |               |
| Taxes                                                      | \$ 9,429,393 | \$ 9,609,201   | \$ 9,840,991   | \$ 9,914,377 | \$ 10,250,574 | \$ 10,391,606 | \$ 10,611,341 | \$ 10,612,919 | \$ 10,798,671 | \$ 10,749,490 |
| Licenses, fines, permits                                   | 471,672      | 430,731        | 404,885        | 522,520      | 443,419       | 467,703       | 431,873       | 488,755       | 513,760       | 529,668       |
| Intergovernmental                                          | 659,184      | 216,422        | 459,077        | 209,925      | 322,940       | 522,477       | 690,410       | 528,690       | 317,141       | 440,347       |
| Interest                                                   | 72,809       | 65,297         | 52,263         | 50,401       | 36,444        | 22,338        | 38,010        | 55,480        | 112,734       | 182,526       |
| Contributions                                              |              |                |                |              |               |               |               |               | 2,044         | 10,569        |
| Charges for services                                       | 465,145      | 390,300        | 459,400        | 479,312      | 194,600       | 212,000       | 271,500       | 290,000       | 314,600       | 300,000       |
| Miscellaneous                                              | 44,042       | 208,145        | 68,815         | 79,236       | 63,338        | 162,765       | 133,939       | 174,545       | 99,593        | 162,075       |
| Total Revenues                                             | 11,142,245   | 10,920,096     | 11,285,431     | 11,255,771   | 11,311,315    | 11,778,889    | 12,177,073    | 12,150,389    | 12,158,543    | 12,374,675    |
| <b>Expenditures</b>                                        |              |                |                |              |               |               |               |               |               |               |
| General government                                         | 2,571,390    | 2,503,170      | 2,457,491      | 2,517,947    | 2,397,258     | 2,457,995     | 2,314,939     | 2,433,501     | 2,318,283     | 2,433,719     |
| Public safety                                              | 2,901,521    | 2,898,977      | 2,809,445      | 2,973,390    | 2,859,619     | 2,885,675     | 2,941,372     | 2,942,362     | 3,011,840     | 3,058,748     |
| Parks and recreation                                       | 198,755      | 211,405        | 248,085        | 250,501      | 253,983       | 253,021       | 300,587       | 300,815       | 372,684       | 388,854       |
| Information technology                                     | 254,128      | 258,651        | 264,122        | 272,124      | 282,989       | 333,231       | 319,004       | 455,477       | 443,009       | 442,920       |
| Streets and highways                                       | 1,046,961    | 1,064,677      | 1,160,715      | 919,711      | 1,152,841     | 797,661       | 939,140       | 1,109,614     | 1,943,542     | 1,858,479     |
| Capital outlay                                             | 2,008,876    | 2,722,098      | 3,026,290      | 1,364,162    | 1,707,908     | 1,716,624     | 3,581,775     | 2,710,928     | 1,781,789     | 2,087,294     |
| Debt service                                               |              |                |                |              |               |               |               |               |               |               |
| Interest and fees                                          | 17,310       | 2,489          | -              | -            | -             | -             | -             | -             | -             | -             |
| Principal                                                  | 270,000      | 280,000        | -              | -            | -             | -             | -             | -             | -             | -             |
| Total Expenditures                                         | 9,268,941    | 9,941,467      | 9,966,148      | 8,297,835    | 8,654,598     | 8,444,207     | 10,396,817    | 9,952,697     | 9,871,147     | 10,270,014    |
| Excess of revenues<br>over expenditures                    | 1,873,304    | 978,629        | 1,319,283      | 2,957,936    | 2,656,717     | 3,334,682     | 1,780,256     | 2,197,692     | 2,287,396     | 2,104,661     |
| <b>Other financing sources (uses)</b>                      |              |                |                |              |               |               |               |               |               |               |
| Transfers in                                               | -            | -              | -              | -            | 150,000       | 175,000       | 34,000        | -             | -             | 112,566       |
| Transfers out                                              | (2,643,001)  | (2,111,667)    | (2,405,000)    | (2,308,000)  | (2,505,000)   | (2,560,000)   | (2,369,500)   | (2,431,000)   | (2,602,000)   | (2,123,566)   |
| Sale of capital assets                                     | 23,985       | 9,632          | 11,216         | 3,545        | 93,844        | 16,290        | 10,735        | 32,168        | 4,826         | -             |
| Total other fin. sources                                   | (2,619,016)  | (2,102,035)    | (2,393,784)    | (2,304,455)  | (2,261,156)   | (2,368,710)   | (2,324,765)   | (2,398,832)   | (2,597,174)   | (2,011,000)   |
| Net Change in Fund Bal.                                    | \$ (745,712) | \$ (1,123,406) | \$ (1,074,501) | \$ 653,481   | \$ 395,561    | \$ 965,972    | \$ (544,509)  | \$ (201,140)  | \$ (309,778)  | \$ 93,661     |
| Debt service as a percentage of<br>noncapital expenditures | 3.81%        | 3.66%          | 0.00%          | 0.00%        | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |

**CITY OF OSAGE BEACH, MISSOURI**

TABLE 5

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE  
LAST TEN YEARS  
*(accrual basis of accounting)*

| FISCAL<br>YEAR | COUNTY<br>ROAD<br>TAX | SALES<br>TAX | FRANCHISE<br>TAX | MOTOR<br>VEHICLE<br>FUEL & LICENSE<br>TAX | TOTAL         |
|----------------|-----------------------|--------------|------------------|-------------------------------------------|---------------|
| 2010           | \$ 67,842             | \$ 8,388,738 | \$ 832,706       | \$ 140,107                                | \$ 9,429,393  |
| 2011           | \$ 67,859             | \$ 8,553,918 | \$ 848,634       | \$ 138,790                                | \$ 9,609,201  |
| 2012           | \$ 67,752             | \$ 8,765,944 | \$ 851,346       | \$ 155,949                                | \$ 9,840,991  |
| 2013           | \$ 69,622             | \$ 8,745,521 | \$ 941,599       | \$ 157,635                                | \$ 9,914,377  |
| 2014           | \$ 67,902             | \$ 9,065,925 | \$ 952,678       | \$ 164,069                                | \$ 10,250,574 |
| 2015           | \$ 69,887             | \$ 9,157,986 | \$ 993,059       | \$ 170,674                                | \$ 10,391,606 |
| 2016           | \$ 70,833             | \$ 9,424,674 | \$ 943,737       | \$ 172,097                                | \$ 10,611,341 |
| 2017           | \$ 70,477             | \$ 9,428,003 | \$ 938,888       | \$ 175,551                                | \$ 10,612,919 |
| 2018           | \$ 70,470             | \$ 9,488,917 | \$ 1,063,470     | \$ 175,814                                | \$ 10,798,671 |
| 2019           | \$ 70,500             | \$ 9,518,981 | \$ 982,803       | \$ 177,206                                | \$ 10,749,490 |

**CITY OF OSAGE BEACH, MISSOURI**

TABLE 6

**DIRECT AND OVERLAPPING SALES TAX RATES  
LAST TEN YEARS**

| <b>FISCAL<br/>YEAR</b> | <b>CITY<br/>DIRECT<br/>RATE</b> | <b>STATE<br/>SALES TAX<br/>RATE</b> | <b>CAMDEN<br/>COUNTY<br/>RATE</b> | <b>MILLER<br/>COUNTY<br/>RATE</b> | <b>MILLER CO.<br/>AMBULANCE<br/>RATE</b> | <b>TDD<br/>PREWITT<br/>RATE</b> | <b>TDD<br/>OSAGE STAT.<br/>RATE</b> | <b>TDD<br/>DIERBERGS<br/>RATE</b> | <b>CID<br/>ARROWHEAD<br/>RATE</b> |
|------------------------|---------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|------------------------------------------|---------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|
| 2010                   | 2%                              | 4.225%                              | 1.25%                             | 1%                                | 0.5%                                     | 1%                              | 0.75%                               | 0%                                | 0%                                |
| 2011                   | 2%                              | 4.225%                              | 1.25%                             | 1%                                | 0.5%                                     | 1%                              | 0.75%                               | 0%                                | 0%                                |
| 2012                   | 2%                              | 4.225%                              | 1.25%                             | 1%                                | 0.5%                                     | 1%                              | 0.75%                               | 0%                                | 0%                                |
| 2013                   | 2%                              | 4.225%                              | 1.25%                             | 1%                                | 0.5%                                     | 1%                              | 0.75%                               | 1%                                | 0%                                |
| 2014                   | 2%                              | 4.225%                              | 1.25%                             | 1%                                | 0.5%                                     | 1%                              | 0.75%                               | 1%                                | 0%                                |
| 2015                   | 2%                              | 4.225%                              | 1.25%                             | 1%                                | 0.5%                                     | 1%                              | 0.75%                               | 1%                                | 0%                                |
| 2016                   | 2%                              | 4.225%                              | 1.25%                             | 1%                                | 0.5%                                     | 1%                              | 0.75%                               | 1%                                | 1%                                |
| 2017                   | 2%                              | 4.225%                              | 1.25%                             | 1%                                | 0.5%                                     | 1%                              | 0.75%                               | 1%                                | 1%                                |
| 2018                   | 2%                              | 4.225%                              | 1.25%                             | 1%                                | 0.5%                                     | 1%                              | 0.75%                               | 1%                                | 1%                                |
| 2019                   | 2%                              | 4.225%                              | 1.25%                             | 1%                                | 0.5%                                     | 1%                              | 0.75%                               | 1%                                | 1%                                |

**CITY OF OSAGE BEACH, MISSOURI**

TABLE 7

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS

| FISCAL<br>YEAR | GOVERNMENTAL<br>ACTIVITIES  |         | BUSINESS-TYPE<br>ACTIVITIES  |            | TOTAL<br>PRIMARY<br>GOVERNMENT | POPULATION | PER<br>CAPITA | % OF PER CAPITA<br>INCOME OF OSAGE<br>BEACH RESIDENTS<br>WITHIN CAMDEN CTY | % OF PER CAPITA<br>INCOME OF OSAGE<br>BEACH RESIDENTS<br>WITHIN MILLER CTY |
|----------------|-----------------------------|---------|------------------------------|------------|--------------------------------|------------|---------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|
|                | GENERAL OBLIGATION<br>BONDS |         | WATER/SEWER<br>REVENUE BONDS |            |                                |            |               |                                                                            |                                                                            |
| 2010           | \$                          | 280,000 | \$                           | 31,361,272 | \$ 31,641,272                  | 4,351      | \$ 7,272      | 6%                                                                         | 6%                                                                         |
| 2011           | \$                          | -       | \$                           | 29,534,059 | \$ 29,534,059                  | 4,355      | \$ 6,782      | 5%                                                                         | 6%                                                                         |
| 2012           | \$                          | -       | \$                           | 27,626,850 | \$ 27,626,850                  | 4,386      | \$ 6,299      | 5%                                                                         | 5%                                                                         |
| 2013           | \$                          | -       | \$                           | 26,577,951 | \$ 26,577,951                  | 4,396      | \$ 6,046      | 4%                                                                         | 4%                                                                         |
| 2014           | \$                          | -       | \$                           | 24,195,839 | \$ 24,195,839                  | 4,431      | \$ 5,461      | 4%                                                                         | 4%                                                                         |
| 2015           | \$                          | -       | \$                           | 22,123,728 | \$ 22,123,728                  | 4,465      | \$ 4,955      | 3%                                                                         | 3%                                                                         |
| 2016           | \$                          | -       | \$                           | 19,751,616 | \$ 19,751,616                  | 4,482      | \$ 4,407      | 3%                                                                         | 3%                                                                         |
| 2017           | \$                          | -       | \$                           | 17,269,504 | \$ 17,269,504                  | 4,534      | \$ 3,809      | 2%                                                                         | 2%                                                                         |
| 2018           | \$                          | -       | \$                           | 14,692,394 | \$ 14,692,394                  | 4,570      | \$ 3,215      | 2%                                                                         | 2%                                                                         |
| 2019           | \$                          | -       | \$                           | 12,000,281 | \$ 12,000,281                  | 4,570      | \$ 2,626      | 1%                                                                         | 2%                                                                         |

**Notes:**

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See Schedule of Demographic and Economic Statistics for personal income and population data.

Personal income and per capita personal income not available for the City of Osage Beach; county information was utilized.

Osage Beach population is in both Camden and Miller County but the exact division of population is unknown.

Population data listed is based on estimates from the U.S. Census Bureau.



**CITY OF OSAGE BEACH, MISSOURI**

TABLE 8

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN YEARS**

| <u>FISCAL<br/>YEAR</u> | <u>GENERAL<br/>OBLIGATION<br/>BONDS</u> | <u>PERCENTAGE OF<br/>SALES TAX<br/>RECEIVED</u> | <u>PER<br/>CAPITA</u> |
|------------------------|-----------------------------------------|-------------------------------------------------|-----------------------|
| 2010                   | \$ 280,000                              | 3.31%                                           | \$ 59                 |
| 2011                   | -                                       |                                                 |                       |
| 2012                   | -                                       |                                                 |                       |
| 2013                   | -                                       |                                                 |                       |
| 2014                   | -                                       |                                                 |                       |
| 2015                   | -                                       |                                                 |                       |
| 2016                   | -                                       |                                                 |                       |
| 2017                   | -                                       |                                                 |                       |
| 2018                   | -                                       |                                                 |                       |
| 2019                   | -                                       |                                                 |                       |

**Note:**

Details regarding the City's outstanding debt can be found in the notes to the financial statements. See Schedule of Demographic and Economic Statistics for personal income and population data.

Sales tax received for each year is in the schedule Governmental Activities Tax Revenue by source for the City.

**CITY OF OSAGE BEACH, MISSOURI**

TABLE 9

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

As of December 31, 2019

| NAME OF GOVERNMENTAL UNIT            | LONG-TERM DEBT<br>OUTSTANDING | PERCENTAGE<br>APPLICABLE TO<br>CITY OF OSAGE BEACH <sup>1</sup> | AMOUNT<br>APPLICABLE TO<br>CITY OF OSAGE BEACH |
|--------------------------------------|-------------------------------|-----------------------------------------------------------------|------------------------------------------------|
| Camdenton R-III School District      | \$ 60,310,000                 | 16%                                                             | \$ 9,649,600                                   |
| School of the Osage R-II             | 57,400,000                    | 4%                                                              | 2,525,600                                      |
| Osage Beach Fire Protection District | 550,000                       | 53%                                                             | 291,500                                        |
| Total direct and overlapping debt    |                               |                                                                 | <u>\$ 12,466,700</u>                           |

**Sources:** Debt outstanding data provided by Camden County, Miller County, Camdenton School District, School of the Osage School District and the Osage Beach Fire Protection District.

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Osage Beach. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt, of each overlapping government.

<sup>1</sup> The percentage of overlapping debt applicable is estimated using student population of both of the school districts and land area located inside or out of the Osage Beach Fire District.

**CITY OF OSAGE BEACH, MISSOURI**

TABLE 10

**LEGAL DEBT MARGIN INFORMATION  
LAST TEN YEARS**

|                                                                     | 2010         | 2011         | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         |
|---------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Debt Limit                                                          | \$55,846,465 | \$55,111,829 | \$54,718,090 | \$55,091,515 | \$57,307,294 | \$57,728,809 | \$57,258,506 | \$57,153,052 | \$58,416,054 | \$58,575,726 |
| Total Net debt applicable to limit                                  | 280,000      | 0            | -            | -            | -            | -            | -            | -            | -            | -            |
| Legal debt margin                                                   | \$55,566,465 | \$55,111,829 | \$54,718,090 | \$55,091,515 | \$57,307,294 | \$57,728,809 | \$57,258,506 | \$57,153,052 | \$58,416,054 | \$58,575,726 |
| Total net debt applicable to limit<br>as a percentage of debt limit | 0.50%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        |

**Legal Debt Margin Calculation for Fiscal Year 2019**

|                                          |                            |
|------------------------------------------|----------------------------|
| Total Assessed Value                     | \$292,878,630              |
| Debt limit (20% of total assessed value) | 58,575,726                 |
| Debt applicable to limit:                | <u>-</u>                   |
| Legal debt margin                        | <u><u>\$58,575,726</u></u> |

Under Article VI, Sections 26 (b) and 26 © of the Missouri Constitution, the City by a vote of 2/3 of the qualified electors thereof, may incur general obligation bonded indebtedness for City purposes in an amount not to exceed 10% of the assessed valuation of taxable intangible property within the City as asserted by the last complete assessment for state or county purposes. Under Section 26 (d) of said Article VI, the city may incur general obligation indebtedness not exceeding in the aggregate an additional 10% of the aforesaid assessed valuation for the purpose of acquiring rights of way, constructing and improving sanitary or storm sewer systems; and under Section 26 (e) of said article VI, additional general obligation indebtedness may be incurred for purchasing or constructing water-works electric or other light plants to be owned exclusively by the City, provided that the general obligation indebtedness of the City shall not exceed 20% of the assessed valuation.

**CITY OF OSAGE BEACH, MISSOURI**

TABLE 11

WATER/SEWER FUND  
PLEDGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS

| FISCAL<br>YEAR | OPERATING<br>REVENUE <sup>2</sup> | DIRECT<br>OPERATING<br>EXPENSE <sup>3</sup> | NET<br>REVENUE<br>AVAILABLE<br>FOR DEBT<br>SERVICE | DEBT SERVICE REQUIREMENTS |             |             | COVERAGE<br>RATIO | CAPT. IMPROV.<br>TRANSFER <sup>1</sup> |
|----------------|-----------------------------------|---------------------------------------------|----------------------------------------------------|---------------------------|-------------|-------------|-------------------|----------------------------------------|
|                |                                   |                                             |                                                    | PRINCIPAL <sup>4</sup>    | INTEREST    | TOTAL       |                   |                                        |
| 2010           | \$4,392,279                       | \$2,302,711                                 | \$2,089,568                                        | \$1,745,000               | \$1,511,165 | \$3,256,165 | 0.64              | \$1,910,001                            |
| 2011           | \$4,336,457                       | \$2,501,602                                 | \$1,834,855                                        | \$1,815,000               | \$1,433,717 | \$3,248,717 | 0.56              | \$1,800,000                            |
| 2012           | \$4,660,931                       | \$2,449,339                                 | \$2,211,592                                        | \$1,865,000               | \$1,341,017 | \$3,206,017 | 0.69              | \$1,855,000                            |
| 2013           | \$4,583,572                       | \$2,615,319                                 | \$1,968,253                                        | \$1,945,000               | \$1,243,608 | \$3,188,608 | 0.62              | \$1,925,000                            |
| 2014           | \$4,763,887                       | \$2,312,994                                 | \$2,450,893                                        | \$2,030,000               | \$1,134,410 | \$3,164,410 | 0.77              | \$1,925,000                            |
| 2015           | \$4,568,719                       | \$2,698,936                                 | \$1,869,783                                        | \$2,200,000               | \$1,049,403 | \$3,249,403 | 0.58              | \$1,935,000                            |
| 2016           | \$4,740,042                       | \$3,003,538                                 | \$1,736,504                                        | \$2,300,000               | \$893,275   | \$3,193,275 | 0.54              | \$1,935,000                            |
| 2017           | \$4,829,225                       | \$2,883,252                                 | \$1,945,973                                        | \$2,410,000               | \$786,633   | \$3,196,633 | 0.61              | \$1,935,000                            |
| 2018           | \$4,868,855                       | \$2,581,076                                 | \$2,287,779                                        | \$2,505,000               | \$828,256   | \$3,333,256 | 0.69              | \$2,200,000                            |
| 2019           | \$4,974,679                       | \$2,909,989                                 | \$2,064,690                                        | \$2,620,000               | \$519,658   | \$3,139,658 | 0.66              | \$1,400,000                            |

<sup>1</sup> The Water/Sewer Fund Deficit is subsidized by Capital Improvement Fund transfers.

<sup>2</sup> Operating Revenue includes investment income & DNR interest subsidy.

<sup>3</sup> Excludes depreciation expense.

<sup>4</sup> Principal balance found in notes of audit.

# CITY OF OSAGE BEACH, MISSOURI

TABLE 12

## DEMOGRAPHIC STATISTICS LAST TEN YEARS

| FISCAL<br>YEAR | Population <sup>1</sup> | Personal Income <sup>2</sup><br>of Osage Beach<br>Residents within<br>Camden County* | Personal Income <sup>2</sup><br>of Osage Beach<br>Residents within<br>Miller County * | Per Capita<br>Personal Income <sup>2</sup><br>Camden County | Per Capita<br>Personal Income <sup>2</sup><br>Miller County | Unemployment<br>Rate <sup>3</sup><br>Camden County | Unemployment<br>Rate <sup>3</sup><br>Miller County |
|----------------|-------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| 2010           | 4,351                   | 125,868                                                                              | 115,419                                                                               | 28,878                                                      | 26,558                                                      | 12.0%                                              | 12.9%                                              |
| 2011           | 4,355                   | 131,998                                                                              | 121,589                                                                               | 30,310                                                      | 27,919                                                      | 11.2%                                              | 11.5%                                              |
| 2012           | 4,386                   | 136,458                                                                              | 129,352                                                                               | 31,112                                                      | 29,492                                                      | 9.6%                                               | 9.0%                                               |
| 2013           | 4,396                   | 139,579                                                                              | 134,616                                                                               | 31,751                                                      | 30,622                                                      | 9.3%                                               | 8.8%                                               |
| 2014           | 4,431                   | 146,530                                                                              | 142,933                                                                               | 33,069                                                      | 32,258                                                      | 8.2%                                               | 7.7%                                               |
| 2015           | 4,465                   | 154,425                                                                              | 149,969                                                                               | 34,586                                                      | 33,588                                                      | 6.6%                                               | 6.0%                                               |
| 2016           | 4,482                   | 158,069                                                                              | 151,855                                                                               | 35,268                                                      | 33,881                                                      | 5.9%                                               | 5.2%                                               |
| 2017           | 4,534                   | 168,120                                                                              | 156,887                                                                               | 37,080                                                      | 34,602                                                      | 4.8%                                               | 4.4%                                               |
| 2018           | 4,570                   | 177,290                                                                              | 162,450                                                                               | 38,794                                                      | 35,547                                                      | 4.3%                                               | 3.7%                                               |
| 2019           | 4,570                   | 177,290                                                                              | 162,450                                                                               | 38,794                                                      | 35,547                                                      | 4.5%                                               | 3.7%                                               |

### Sources:

<sup>1</sup>U.S. Census Bureau (estimates updated July 1st of each year)

<sup>2</sup> U.S. Department of Commerce Bureau of Economic Analysis

<sup>3</sup> U.S. Department of Labor Bureau of Labor Statistics (percentage calculated on an annual average)

Reflects revised inputs, estimations, and new statewide controls

### Notes:

\* Denotes numbers expressed in thousands

Personal income and per capita personal income not available for the City of Osage Beach so county information was utilized.

Osage Beach population is in both Camden and Miller Counties but the exact division of population is unknown.

Population data listed is based on estimates from the U.S. Census Bureau.

**CITY OF OSAGE BEACH, MISSOURI**

TABLE 13

PRINCIPAL EMPLOYERS  
CURRENT AND NINE YEARS AGO

| <u>Employer</u>                                           | 2019             |             |                                                  | 2010             |             |                                                  |
|-----------------------------------------------------------|------------------|-------------|--------------------------------------------------|------------------|-------------|--------------------------------------------------|
|                                                           | <u>Employees</u> | <u>Rank</u> | Percentage<br>of Total City<br><u>Employment</u> | <u>Employees</u> | <u>Rank</u> | Percentage<br>of Total City<br><u>Employment</u> |
| <sup>1</sup> Lake Regional Health System                  | 1009             | 1           | 22.08%                                           | 1100             | 2           | 25.28%                                           |
| <sup>3</sup> Camdenton R-III School District              | 715              | 2           | 15.65%                                           | 575              | 3           | 13.22%                                           |
| <sup>2</sup> Osage Beach Outlet Marketplace               | 400              | 3           | 8.75%                                            | 800-1200         | 1           | 27.58%                                           |
| <sup>4</sup> Margaritaville Resort (previously Tan-Tar-A) | 351              | 4           | 7.68%                                            | 560              | 4           | 12.87%                                           |
| <sup>3</sup> School of the Osage R-II School District     | 304              | 5           | 6.65%                                            | 250              | 7           | 5.75%                                            |
| Wal-Mart Supercenter                                      | 260              | 6           | 5.69%                                            | 430              | 6           | 9.88%                                            |
| Hy-Vee                                                    | 196              | 7           | 4.29%                                            | 435              | 5           | 10.00%                                           |
| <sup>5</sup> Central Bank of Lake of the Ozarks           | 136              | 8           | 2.98%                                            | 102              |             | 2.34%                                            |
| City of Osage Beach                                       | 123              | 9           | 2.69%                                            | 104              | 10          | 2.39%                                            |
| Target                                                    | 85               | 10          | 1.86%                                            | 148              | 8           | 3.40%                                            |
| Lowe's Home Improvement                                   | 75               |             | 1.64%                                            | 143              | 9           | 3.29%                                            |

**Sources:**

Lake of the Ozarks Council of Local Governments and employer representatives

**Notes:**

All numbers include both full time and part time employment.

<sup>1</sup>Employee totals represent hospital and clinics which include clinics outside Osage Beach city limits.

<sup>2</sup>Employee totals are estimates comprised from the various stores within the mall.

<sup>3</sup>Employee totals represent entire School District which includes schools outside Osage Beach city limits.

<sup>4</sup>Employer is not located within Osage Beach city limits.

<sup>5</sup>Employee totals represent all Central Bank locations of which three locations are within Osage Beach city limits.

**CITY OF OSAGE BEACH, MISSOURI**

TABLE 14

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

| Function/Program                    | 2010       | 2011       | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       | 2018       | 2019       |
|-------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>General Government</b>           |            |            |            |            |            |            |            |            |            |            |
| City Administrator                  | 2          | 2          | 2          | 2          | 3          | 3          | 3          | 3          | 3          | 3          |
| City Clerk <sup>4</sup>             | 4          | 4          | 3          | 3          | 3          | 3          | 3          | 4          | 2.5        | 2.5        |
| City Treasurer <sup>4</sup>         | 4          | 4          | 4          | 4          | 4          | 4          | 4          | 4          | 5          | 5          |
| Municipal Court                     | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          |
| City Attorney                       | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          |
| Building Inspection <sup>1</sup>    | 3.5        | 3.5        | 3          | 3          | 3          | 3          | 2.5        | 3.5        | 3.5        | 3.5        |
| Building Maintenance <sup>3</sup>   | 0          | 0          | 0          | 0          | 0          | 0          | 0.5        | 0.5        | 0.5        | 0.5        |
| Parks & Recreation                  | 3          | 3          | 3          | 3          | 3          | 3          | 4          | 4          | 4.8        | 5.3        |
| Human Resources                     | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          |
| Planning Department <sup>1</sup>    | 2.5        | 2.5        | 2.5        | 2.25       | 2          | 2          | 1.5        | 1.5        | 1.5        | 1.5        |
| Information Technology              | 2          | 2          | 2          | 2          | 2          | 2          | 2.5        | 3          | 3          | 2          |
| Engineering Department <sup>2</sup> | 4          | 4          | 4.5        | 4.75       | 0          | 0          | 0          | 0          | 0          | 0          |
| <b>Police</b>                       |            |            |            |            |            |            |            |            |            |            |
| Law Enforcement                     | 30         | 29         | 29         | 29         | 30         | 30         | 30         | 29.5       | 28         | 28         |
| 911 Center                          | 11         | 11         | 11         | 11         | 11         | 11         | 11         | 11         | 11         | 11         |
| <b>Public Works</b>                 |            |            |            |            |            |            |            |            |            |            |
| Transportation <sup>1</sup>         | 8.3        | 8.3        | 10.3       | 10.3       | 10         | 10         | 10         | 10         | 10.5       | 10.8       |
| Water <sup>1</sup>                  | 5.3        | 5.3        | 5.3        | 5.3        | 7          | 7          | 7          | 7          | 7.2        | 7          |
| Sewer <sup>1</sup>                  | 8.4        | 8.4        | 8.4        | 8.4        | 10         | 10         | 10         | 10         | 10.2       | 9.8        |
| <b>Ambulance</b>                    | 7          | 7          | 6          | 6          | 6          | 7          | 8          | 9.5        | 8.5        | 9.4        |
| <b>Airport</b>                      |            |            |            |            |            |            |            |            |            |            |
| Lee C. Fine <sup>1</sup>            | 3.4        | 3.4        | 3.4        | 3.6        | 3.6        | 3.6        | 3.6        | 4          | 4.3        | 4.2        |
| Grand Glaize <sup>1</sup>           | 2.6        | 2.6        | 2.6        | 2.4        | 2.4        | 2.4        | 2.4        | 2.5        | 2.5        | 2.5        |
| <b>Total</b>                        | <b>104</b> | <b>103</b> | <b>103</b> | <b>103</b> | <b>103</b> | <b>104</b> | <b>106</b> | <b>110</b> | <b>109</b> | <b>109</b> |

**Source:** Annual Budget

**Note:**

<sup>1</sup>Some employees' wages are split between different departments

<sup>2</sup>In 2014, the City of Osage Beach integrated the Engineering Department into Public Works

<sup>3</sup>In 2016, a part-time building maintenance position was added.

<sup>4</sup>In 2018, a full-time position was moved from the City Clerk to the City Treasurer

**CITY OF OSAGE BEACH, MISSOURI**

TABLE 15

**OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

| <b>Function</b>                                          | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    |
|----------------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Police</b>                                            |         |         |         |         |         |         |         |         |         |         |
| Incident Reports                                         | 1,975   | 1,727   | 1,644   | 1,464   | 1,660   | 1,832   | 1,851   | 1,752   | 1,554   | 1,615   |
| Traffic Violations                                       | 1,793   | 1,712   | 1,290   | 1,783   | 1,856   | 2,145   | 1,975   | 1,968   | 1,748   | 1,612   |
| Traffic Warnings                                         | 2,561   | 2,430   | 2,169   | 2,507   | 2,099   | 2,307   | 2,348   | 2,547   | 2,349   | 2,019   |
| <b>911 Center</b>                                        |         |         |         |         |         |         |         |         |         |         |
| Number of Calls Answered <sup>1</sup>                    | 19,927  | 20,420  | 23,133  | 21,160  | 21,458  | 20,859  | 21,463  | 44,459  | 42,913  | 40,640  |
| <b>Ambulance</b>                                         |         |         |         |         |         |         |         |         |         |         |
| Calls for service                                        | 887     | 888     | 825     | 812     | 777     | 1,000   | 995     | 1,024   | 1,014   | 1,102   |
| <b>Building</b>                                          |         |         |         |         |         |         |         |         |         |         |
| Permits                                                  |         |         |         |         |         |         |         |         |         |         |
| Residential                                              | 76      | 57      | 86      | 67      | 77      | 70      | 49      | 75      | 80      | 99      |
| Commercial                                               | 79      | 97      | 92      | 72      | 73      | 71      | 76      | 81      | 86      | 92      |
| <b>Water</b>                                             |         |         |         |         |         |         |         |         |         |         |
| Total Water Sold<br>(thousands of gallons)               | 300,688 | 305,915 | 329,769 | 306,699 | 318,395 | 314,987 | 333,138 | 330,431 | 340,759 | 316,825 |
| <b>Wastewater</b>                                        |         |         |         |         |         |         |         |         |         |         |
| Average Daily Sewage Treatment<br>(thousands of gallons) | 1,093   | 987     | 1,030   | 1,006   | 1,176   | 1,320   | 1,304   | 1,358   | 1,364   | 1,381   |
| <b>Airports</b>                                          |         |         |         |         |         |         |         |         |         |         |
| Lee C. Fine Airport                                      |         |         |         |         |         |         |         |         |         |         |
| Number of Take Offs & Landings                           | 5,667   | 5,030   | 5,147   | 4,721   | 4,522   | 5,023   | 4,863   | 4,971   | 5,342   | 5,261   |
| Grand Glaize Airport                                     |         |         |         |         |         |         |         |         |         |         |
| Number of Take Offs & Landings                           | 3,196   | 3,059   | 2,587   | 2,348   | 2,129   | 2,431   | 2,768   | 3,130   | 2,794   | 3,029   |
| <b>Recycling</b>                                         |         |         |         |         |         |         |         |         |         |         |
| Waste Oil (gallons)                                      | 2,138   | 1,750   | 951     | 551     | 634     | 1,029   | 2,427   | 863     | 1,330   | 2,618   |
| White Goods (pounds) <sup>2</sup>                        |         | 15,080  | 9,420   | 8,500   | 5,168   | 5,620   | 7,860   | 9,080   | 2,740   | 2,800   |

**Sources:** Various City Government Departments

**Notes:**

<sup>1</sup>Number of Calls represents both emergency and non-emergency calls. In 2005, the Osage Beach 911 Center was extended to include calls for Lake Ozark Fire & Ambulance. Due to contract expiration in early 2016, Osage Beach 911 ceased taking calls for Lake Ozark Fire & Ambulance.

<sup>2</sup>Prior to 2011, White Goods were not tracked.



**CITY OF OSAGE BEACH, MISSOURI**

TABLE 16

**CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

| <b>Function</b>             | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Public Safety</b>        |        |        |        |        |        |        |        |        |        |        |
| Police:                     |        |        |        |        |        |        |        |        |        |        |
| Stations                    | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Patrol Units                | 22     | 21     | 21     | 21     | 21     | 21     | 22     | 22     | 22     | 21     |
| Ambulance Protection:       |        |        |        |        |        |        |        |        |        |        |
| Number of Vehicles          | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| <b>Highways and Streets</b> |        |        |        |        |        |        |        |        |        |        |
| Miles of Streets Paved      | 37.78  | 37.78  | 38.08  | 44.65  | 44.65  | 45.45  | 45.92  | 45.92  | 45.92  | 46.20  |
| Miles of Sidewalks          | 6.09   | 6.09   | 6.87   | 6.87   | 7.33   | 7.33   | 8.83   | 9.59   | 9.59   | 9.79   |
| Number of Street Lights     | 517    | 538    | 628    | 638    | 638    | 640    | 640    | 671    | 671    | 675    |
| <b>Parks and Recreation</b> |        |        |        |        |        |        |        |        |        |        |
| Park Acreage                | 106    | 106    | 106    | 106    | 106    | 106    | 106    | 106    | 106    | 106    |
| Number of Parks             | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| <b>Water</b>                |        |        |        |        |        |        |        |        |        |        |
| Water Mains (miles)         | 241.84 | 245.80 | 246.84 | 246.84 | 246.84 | 248.15 | 249.00 | 249.00 | 249.00 | 249.21 |
| Fire Hydrants               | 930    | 969    | 983    | 983    | 983    | 994    | 994    | 994    | 994    | 998    |
| Wells                       | 10     | 10     | 10     | 10     | 10     | 10     | 7      | 7      | 7      | 7      |
| Water Towers                | 4      | 4      | 4      | 4      | 4      | 4      | 4      | 4      | 4      | 4      |
| <b>Sewer</b>                |        |        |        |        |        |        |        |        |        |        |
| Sanitary Sewers (miles)     | 143.96 | 148.30 | 149.71 | 149.95 | 150.95 | 151.94 | 152.02 | 152.39 | 152.96 | 153.01 |
| Pump Stations               | 1,178  | 1,186  | 1,218  | 1,224  | 1,229  | 1,239  | 1,242  | 1,237  | 1,240  | 1,242  |

**Sources:** Various City Government Departments

## **SINGLE AUDIT REPORTS**

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

To the Honorable Mayor and Board of Aldermen  
of the City of Osage Beach, Missouri

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the City of Osage Beach, Missouri (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 4, 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

*William K. Kapers UC*

May 4, 2020

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and Board of Aldermen  
of the City of Osage Beach, Missouri

**Report on Compliance for Each Major Federal Program**

We have audited the City of Osage Beach, Missouri (the City's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2019. The City's major federal program is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on the Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

## Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*William Kapers UC*

May 4, 2020

## CITY OF OSAGE BEACH

### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2019

|                                                                             | Federal<br>CFDA<br>Number | Pass-Through<br>Number                          | Passed<br>Through to<br>Subrecipients | Expenditures |
|-----------------------------------------------------------------------------|---------------------------|-------------------------------------------------|---------------------------------------|--------------|
| U.S. Department of Transportation                                           |                           |                                                 |                                       |              |
| Passed through Missouri Department of Transportation:                       |                           |                                                 |                                       |              |
| Alcohol Open Container Requirements - DWI Overtime<br>Enforcement Wave      | 20.607                    | 19-154-AL-074, 19-154-<br>AL-019, 20-154-AL-017 | \$ -                                  | \$ 4,295     |
| Alcohol Open Container Requirements - Hazardous Moving<br>Violation Project | 20.600                    | 19-PT-02-070, 19-PT-02-067                      | -                                     | 4,416        |
| Airport Improvement Program - Lee C. Fine Airport                           | 20.106                    | 15-046B-1, 17-046B-1                            | -                                     | 1,533,887    |
| Airport Improvement Program - Grand Glaize Airport                          | 20.106                    | 17-045A-1                                       | -                                     | 14,441       |
| U.S. National Park Service                                                  |                           |                                                 |                                       |              |
| Passed through Missouri Department of Natural Resources:                    |                           |                                                 |                                       |              |
| Outdoor Recreation Project                                                  | 15.916                    | 29-01659                                        | -                                     | 85,960       |
| Total expenditures of federal awards                                        |                           |                                                 | \$ -                                  | \$ 1,642,999 |

#### 1. BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes only the current year federal grant activity of the City and is presented on the accrual basis of accounting. This information is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Amounts presented in this schedule as expenditures may differ from amounts presented in, or used in the preparation of, the basic financial statements, although such differences are not material.

#### 2. INDIRECT COST RATES

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

## CITY OF OSAGE BEACH

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2019

#### A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of the City were prepared in accordance with U.S. GAAP.
2. No deficiencies related to the audit of the financial statements are reported in the "Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."
3. No instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No deficiencies relating to the audit of the major federal award programs were reported in the "Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance."
5. The auditors' report on compliance for the major federal award programs for the City expresses an unmodified opinion on the major federal program.
6. No audit findings relative to the major federal award programs for the City, that are required to be reported in accordance with 2 CFR section 200.516(a), are reported in Part C of this Schedule.
7. The program tested as a major program includes:

|                                                    | Federal<br>CFDA<br>Number |
|----------------------------------------------------|---------------------------|
| Airport Improvement Program - Lee C. Fine Airport  | 20.106                    |
| Airport Improvement Program - Grand Glaize Airport | 20.106                    |

8. The dollar threshold used to distinguish between Type A and B programs was \$750,000.
9. The City did not qualify as a low risk auditee for the year ended December 31, 2019.



**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

None.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None.

**CITY OF OSAGE BEACH**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For the Year Ended December 31, 2019**

There were no audit findings in the prior year.