

CITY OF GRAIN VALLEY, MISSOURI

**FINANCIAL STATEMENTS
TOGETHER WITH THE INDEPENDENT
AUDITOR'S REPORT THEREON**

**FOR THE YEAR ENDED
DECEMBER 31, 2020**

CITY OF GRAIN VALLEY, MISSOURI

TABLE OF CONTENTS

INTRODUCTORY SECTION

PRINCIPAL OFFICIALS iii

MANAGEMENT’S DISCUSSION AND ANALYSIS..... v

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT 1

BASIC FINANCIAL STATEMENTS:

Government-Wide Financial Statements:

Statement of Net Position..... 4

Statement of Activities 5

Government Fund Financial Statements:

Balance Sheet..... 6

Reconciliation of the Governmental Funds Balance Sheet to the Statement
of Net Position..... 8

Statement of Revenues, Expenditures, and Changes in Fund Balance 10

Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities 12

Proprietary Fund Financial Statements:

Statement of Net Position..... 13

Statement of Revenues, Expenses, and Changes in Fund Net Position 14

Statement of Cash Flows 15

Notes to Financial Statements 19

REQUIRED SUPPLEMENTAL INFORMATION OTHER THAN MD&A:

Schedule of Changes in Net Position Liability and Related Ratios..... 55

Schedule of Contributions..... 56

Schedules of Revenues, Expenditures, and Changes in Fund Balance --

Actual and Budget -- Major Funds:

General Fund 57

Park..... 58

Transportation 59

2012 IDA TIF..... 60

CITY OF GRAIN VALLEY, MISSOURI

TABLE OF CONTENTS

SUPPLEMENTAL INFORMATION:

Combining Statements of Non-Major Governmental Funds:

| | |
|--|----|
| Combining Balance Sheet | 62 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balance | 64 |
| Budgetary Comparison Schedules -- Major Governmental Funds | 66 |
| Budgetary Comparison Schedules -- Non-Major Governmental Funds | 67 |

CITY OF GRAIN VALLEY, MISSOURI

PRINCIPAL OFFICIALS

Mayor & Board of Aldermen

Chuck Johnston Mayor
Jayci Stratton Ward 1
Tom Cleaver Ward 1
Darren Mills Ward 2
Rick Knox Ward 2
Bob Headley Ward 3
Shea Bass Ward 3

Administration & Department Heads

Ken Murphy City Administrator
Theresa Osenbaugh Deputy City Administrator
Khalilah Holland Human Resources Administrator
Sara Nadeau Public Information Officer
James Beale Police Chief
Steven Craig Finance Director
Shannon Davies Director of Parks & Recreation
Mark Trosen Community Development Director
Jamie Logan City Clerk

City Attorney Joe Lauber
Independent Certified Public Accountants Troutt, Beeman & Co., P.C.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of The City of Grain Valley's Annual Financial Report provides readers with a narrative overview and analysis of the City's financial performance during the fiscal year that ended on December 31, 2020. We encourage readers to consider the information presented here in conjunction with the letter of transmittal at the front of this report, the City's basic financial statements, and notes to the financial statements, to enhance their understanding of the activities and financial health of The City of Grain Valley.

FINANCIAL HIGHLIGHTS

- Total City debt was reduced by \$209,224 or 1.6% in 2020.
- Net assets of the City increased \$2,455,187 or 5.9% during fiscal 2020. A portion of the increase was in cash from capital projects that were not completed. Funds for these projects were reallocated in 2021 budget. Several 2020 projects were completed and recorded as capital assets along with the purchase of capital assets.
- Unrestricted net position increased \$2,064,523 in 2020. \$1,310,412 of this amount is attributed to Governmental Activities and \$754,111 in Business-type Activities.
- During fiscal 2020, the City's governmental funds expenditures of \$12,937,995 appears to be \$646,922 greater than the \$12,291,073 generated in taxes and other revenues for governmental programs. This excess in expenditures relates to the refunding of the General Obligation Bonds Series 2011 and the refunding of the 2012 IDA TIF Bonds.

This discussion and analysis is intended to serve as an introduction to the City's *Basic Financial Statements*. The Basic Financial Statements consists of three components: government-wide financial statements, fund financial statements (including component unit statements), and notes to the financial statements. In addition, this report contains other *Required Supplementary Information*, a *Supplemental Information* section that presents *combining statements* for non-major governmental funds (along with actual and budget comparison schedules), and a *Statistical Section* which includes supplemental disclosure information.

The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
 - *Governmental Fund* statements tell how *general government* services like public safety, public works, health and welfare, parks, and storm water were financed in the short-term as well as what remains for future spending.
 - *Proprietary Fund* statements offer short-term and long-term financial information about the activities the City government operates similar to a private business.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. In addition to these required components, a section is included with combining statements that provide further detail about our non-major governmental funds, each of which are added together and presented in single columns in each of the basic financial statements.

Government-Wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies.

The statement of net position includes all the government's assets, deferred outflows/inflows and liabilities. All the current year's revenues and expenses are accounted for in the statement of activities regardless of when and how they have changed. Net position, the difference between the City's assets, and deferred inflow/outflows, is one way to measure the City's financial position.

- Over time, increases or decreases in the City's net position is an indicator of whether its financial condition is improving or deteriorating, respectively.
- To assess the overall condition of the City, consideration should be given to additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads and other infrastructure.

The government-wide financial statements of the City are divided into three categories:

- *Governmental activities*: Most of the City's basic services are included here, such as public safety, roads and bridges, parks and recreation, and general administration. Sales taxes, property taxes, charges for services, and State and Federal grants finance most of these activities.

- *Business-type activities:* The City charges fees to customers to help cover the costs of certain services it provides. The City's only Enterprise Fund is the Water/Sewer Fund.
- *Component units:* The City currently has no situations or relationships which would be classified as component units.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant *funds*, not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure compliance with finance-related legal requirements. These funds are divided into two categories: governmental and proprietary funds.

- *Governmental funds:* Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets can readily be converted to cash flow in and out, and (2) the balances left at year-end are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided on the subsequent page of the governmental funds statement that explains the relationship (or differences) between the two types of statements.
- *Proprietary funds:* Services, for which the City charges customers a fee, are generally reported in proprietary funds. Proprietary funds report the functions presented as business-type activities in the government-wide statements.
 - The City's *Enterprise Funds* are classified as a business-type activity on the government-wide statements, but more detailed information is provided in the Proprietary Fund Statements, such as its cash flows.
- *Notes to the financial statements:* The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financials.

Government-Wide Financial Analysis

Net Position. As discussed earlier, net position may serve as a useful indicator of a government's financial position. As of December 31, 2020, the City's net assets were \$43,864,508. Table A provides a summary of the City's governmental and business-type net assets for fiscal 2020 and 2019.

Table A
Combined Statement of Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|---|----------------------------|---------------|-----------------------------|---------------|---------------|---------------|
| | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 |
| Assets | | | | | | |
| Cash and other assets | \$ 12,911,219 | \$ 15,381,469 | \$ 8,148,537 | \$ 8,487,591 | \$ 21,059,756 | \$ 23,869,060 |
| Total capital assets | 26,227,662 | 26,427,839 | 12,147,890 | 11,869,201 | 38,375,552 | 38,297,040 |
| Total assets | \$ 39,138,881 | \$ 41,809,308 | \$ 20,296,427 | \$ 20,356,792 | \$ 59,435,308 | \$ 62,166,100 |
| Deferred outflows/inflows | | | | | | |
| Pension | \$ 225,603 | \$ 747,678 | \$ 98,181 | \$ 245,641 | \$ 323,784 | 993,319 |
| Total assets and deferred outflows of resources | \$ 39,364,484 | \$ 42,556,986 | \$ 20,394,608 | \$ 20,602,433 | \$ 59,759,092 | \$ 63,159,419 |
| Liabilities | | | | | | |
| Current and other liabilities | \$ 2,414,232 | \$ 3,922,491 | \$ 1,198,246 | \$ 784,483 | 3,612,478 | \$ 4,706,974 |
| Long-term debt outstanding | 11,724,487 | 11,656,770 | 42,378 | 73,902 | 11,766,865 | 11,730,672 |
| Total liabilities | \$ 14,138,719 | \$ 15,579,261 | \$ 1,240,624 | \$ 858,385 | \$ 15,379,343 | \$ 16,437,646 |
| Deferred Inflows | | | | | | |
| Property Taxes | \$ 2,197,992 | 2,369,807 | - | - | 2,197,992 | \$ 2,369,807 |
| Debt Refunding | 213,161 | 170,593 | - | - | 213,161 | \$ 170,593 |
| Intergovernmental grants | - | 30,913 | - | - | - | \$ 30,913 |
| Pension | 437,215 | 231,116 | 122,060 | 54,836 | 559,275 | \$ 285,952 |
| Total deferred inflows | \$ 2,848,368 | \$ 2,802,429 | \$ 122,060 | \$ 54,836 | \$ 2,970,428 | \$ 2,857,265 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | \$ 18,660,095 | \$ 17,981,101 | \$ 11,839,826 | \$ 11,830,793 | \$ 30,499,921 | \$ 29,811,894 |
| Restricted: | | | | | | |
| Capital projects & Other | 4,860,700 | 4,839,039 | - | - | 4,860,700 | 4,839,039 |
| Debt Service | 795,636 | 1,983,778 | 475,640 | 387,850 | 1,271,276 | 2,371,628 |
| Unrestricted | (1,939,034) | (628,622) | 6,716,458 | 7,470,569 | 4,777,424 | 6,841,947 |
| Total net Position | \$ 22,377,397 | \$ 24,175,296 | \$ 19,031,924 | \$ 19,689,212 | \$ 41,409,321 | \$ 43,864,508 |
| Total net position, liabilities, and deferred inflows | \$ 39,364,484 | \$ 42,556,986 | \$ 20,394,608 | \$ 20,602,433 | \$ 59,759,092 | \$ 63,159,419 |

Total net position for the City at December 31, 2020, was \$43,864,508 with \$19,689,212 attributed to business-type activities and \$24,175,296 attributable to governmental activities.

At the end of fiscal 2020 the City had \$38,297,040, net of accumulated depreciation, invested in a variety of capital assets, including land, buildings, construction in progress, law enforcement equipment, heavy equipment for the maintenance of roads and bridges, as well as, the addition of infrastructure. This was a decrease of \$78,512 over 2019 attributed to the accumulated depreciation recorded for the capital assets and the disposal of some assets.

The largest portion of the City's net position represents the net investment in capital assets, (e.g. land, buildings, machinery, equipment); less any related outstanding debt used to acquire the assets. These capital assets are used for the purpose of providing services to the City of Grain Valley citizens; therefore, they are not available for future spending.

Although the City's net investment in 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.

\$4,713,951 of restricted assets represents deposits on hand from TIF, CID and NID activity, future capital projects, court and prepaid expenses while the \$1,983,778 restricted for debt service are funds collected and being held to pay off bonds and restricted for that use.

Governmental Activities. Table B (see next page) presents fiscal 2019 and 2020 revenues and expenditures for the primary government as they are reported in the Statement of Activities in the basic financial statements. The revenues and expenditures include the Governmental Funds (General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds) and Enterprise Funds (Water and Sewer Fund).

Sales taxes increased 10.9% which indicates economic conditions continued to improve in retail activity. New businesses in the Interchange TIF attributed a large portion. Improved vehicle sales, new taxes from telecommunication companies and other businesses that opened also contributed. Permits for residential and commercial growth also showed an increase reflective of general economic conditions which correspond directly with the small growth in sales tax revenue. Sales taxes were 30.2% of revenue in the governmental funds.

Property taxes for the General Fund had a slight increase in 2020. The continued moderate growth in new construction and increased assessed value contributed to the increase.

Economic Development activity within the TIF project area #2 has continued to improve. The businesses located within the project area have been meeting revenue projections. The new grocery store began generating revenue in 2018 along with additional small businesses that opened in the district. A fast food restaurant opened in 2020. TIF project

1A has a fast food restaurant and an auto parts store that produces additional sales taxes. Activity began for TIF projects 3 and 4 with a convenience store opening in both areas.

Parks and recreation expenses increased as a result of continued trail improvements and capital purchases.

Business-type Activities: Overall revenues including charges for service, interest income, miscellaneous income, transfers in/out, and gain/loss on disposal had an increase of \$483,501, or 8.1% compared to 2019. The increase is a result of increased building permits and developer fees. There were no rate increases in 2020. Expenses including operating and interest expenses increased \$442,613 or 8.3% over 2019 from an increase in cost of water purchased, line maintenance and treatment costs.

Water and Sewer revenues and expenses are affected by the number of new houses and businesses as well as the weather being wet or dry.

Table B
City of Grain Valley, Missouri - Changes in Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 |
| Revenues | | | | | | |
| <u>Program Revenues</u> | | | | | | |
| Charges for Services | \$ 764,087 | \$ 742,319 | \$ 5,877,217 | \$ 6,321,566 | \$ 6,641,304 | \$ 7,063,885 |
| Operating Grants and Contributions | 828,504 | 1,643,285 | - | - | 828,504 | 1,643,285 |
| <u>General Revenues</u> | | | | | | |
| Taxes: | | | | | | |
| Property Taxes-general purposes | 1,111,709 | 1,162,264 | - | - | 1,111,709 | 1,162,264 |
| Property Taxes-specific purposes | 2,709,052 | 3,146,143 | - | - | 2,709,052 | 3,146,143 |
| Franchise Taxes | 1,664,025 | 1,666,916 | - | - | 1,664,025 | 1,666,916 |
| Sales Taxes | 3,353,221 | 3,719,557 | - | - | 3,353,221 | 3,719,557 |
| Unrestricted Investment Earnings | 193,649 | 80,313 | 95,504 | 38,897 | 289,153 | 119,210 |
| Transfer in (out) | 159,670 | - | (159,670) | - | - | - |
| Miscellaneous | 188,749 | 142,290 | 86,698 | 22,787 | 275,447 | 165,077 |
| Total Revenues | 10,972,666 | 12,303,087 | 5,899,749 | 6,383,250 | 16,872,415 | 18,686,337 |
| Expenses | | | | | | |
| General Government | 1,051,047 | 1,252,798 | - | - | 1,051,047 | 1,252,798 |
| Municipal Court | 164,687 | 152,937 | - | - | 164,687 | 152,937 |
| Public Safety | 2,456,575 | 2,552,303 | - | - | 2,456,575 | 2,552,303 |
| Planning & Engineering | 392,371 | 401,017 | - | - | 392,371 | 401,017 |
| Economic Development Projects | 1,130,740 | 1,208,827 | - | - | 1,130,740 | 1,208,827 |
| Public Works | 1,534,511 | 1,548,825 | - | - | 1,534,511 | 1,548,825 |
| Parks and Recreation | 1,299,969 | 1,134,592 | - | - | 1,299,969 | 1,134,592 |
| Public Health | 51,540 | 42,907 | - | - | 51,540 | 42,907 |
| Bond Costs | 8,809 | 212,682 | - | - | 8,809 | 212,682 |
| Interest on Long-term Debt | 843,217 | 1,998,300 | - | - | 843,217 | 1,998,300 |
| Business-type Activities | - | - | 5,283,349 | 5,725,962 | 5,283,349 | 5,725,962 |
| Total Expenses | 8,933,466 | 10,505,188 | 5,283,349 | 5,725,962 | 14,216,815 | 16,231,150 |
| Changes in net position | 2,039,200 | 1,797,899 | 616,400 | 657,288 | 2,655,600 | 2,455,187 |
| Net Position at beginning of year | 20,338,197 | 22,377,397 | 18,415,524 | 19,031,924 | 38,753,721 | 41,409,321 |
| Net Position at end of year | \$ 22,377,397 | \$ 24,175,296 | \$ 19,031,924 | \$ 19,689,212 | \$ 41,409,321 | \$ 43,864,508 |

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds Overview. The City of Grain Valley uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As described earlier, the City's governmental funds provide information on short-term inflows and outflows, as well as what remains for future spending. Such information is useful in assessing the City's financing requirements. For example, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The following information is supplemental to the information presented in the previous section (Table B).

At the end of fiscal 2020, the City of Grain Valley reported a combined fund balance of \$11,119,838 in the Governmental Funds. Of the total combined fund balance, 27.5% is unassigned fund balance. This is the portion of fund balance which serves as a measure of current available financial resources. This share of the fund balance is further divided into General Fund, Special Revenue Funds, Capital Projects Fund, and Debt Service Funds. Total fund balance significantly increased \$1,680,837 in fiscal year 2020.

The restricted fund balance represents resources not available for spending or those on which legal restrictions have been placed.

The General Fund, Park Fund, Transportation Fund, 2012 IDA TIF and the Debt Service Fund are the City's five major governmental funds.

General Fund. The General Fund of the City of Grain Valley accounts for all transactions not required to be accounted for in other funds. As the City's major operating fund, the General Fund accounts for ordinary operating expenditures financed primarily by property taxes, sales tax and charges for services. The General Fund completed the year with a fund balance of \$4,295,383, increasing \$1,008,943 from 2019. The fund balance is 71.4% unassigned while the remaining 28.6% is non-spendable, restricted or committed.

Park Fund. The Park Fund accounts for Parks and Recreation property tax, sales tax, and user fees collected for the purpose of providing parks services for the City. This includes land purchasing, parks projects, equipping, maintaining, and operating the parks and recreation facilities. The Park Fund ending fund balance was \$767,595; a decrease of \$364,502 from the prior year's ending balance.

Transportation Fund. The Transportation Fund accounts for the operations and maintenance of roads and bridges within the City. Financing is provided primarily by a ½ cent transportation sales tax and other intergovernmental revenues from the State. The Transportation Fund ended with a restricted fund balance of \$1,481,648. \$12,051 of the balance is non-spendable.

2012 IDA TIF Fund. The IDA TIF Bond Fund was set up according to the bond ordinance to track the activity within the TIF District project area #2. It accounts for the bond proceeds and revenue from the project activity. The outstanding debt on the project was refunded in November 2020.

Debt Service Fund. The Debt Service Fund accounts for revenue generated by property tax levy for payment of general obligation bonds. The City reduced its General Obligation Bond debt by refunding the 2011 GO Bonds. The fund has a restricted fund balance of \$1,601,800.

The following funds are non-major governmental funds:

Grain Valley Marketplace Neighborhood Improvement District (NID). The NID Fund was established to record the bond proceeds and revenues from special assessments within the NID. It tracks the eligible expenses for NID improvements.

Public Health Fund. The Public Health Fund is a special revenue fund supported by property tax levy to provide health related programs. The fund has a restricted fund balance of \$75,516

Tourism Fund. This fund is a special revenue fund that records the hotel/motel taxes collected. The revenues are used to promote the city and economic development. The fund balance at the end of 2020 was \$24,005.

General Fund Budgetary Highlights

The Board of Aldermen revised the budget of the General Fund two times throughout the year. The amendments increased expenditures for capital projects and transfers from the TIF funds.

Actual revenues were \$97,855 more than the final budgeted revenues. The major areas accounting for this difference were:

- Property and Sales Taxes were \$59,476 more than budgeted.
- Intergovernmental and Investment revenues were less than budgeted.
- Fees and Fines were \$70,311 more than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City of Grain Valley's investment in capital assets for governmental and business-type activities is \$38,297,040, net of accumulated depreciation. This includes land, buildings, improvements, equipment, roads, bridges, and construction in progress. Major capital asset and projects funded this year are as follows:

- General Fund – Three Police Department vehicles and equipment, Fleet Services Chevy Colorado, and software upgrades.
- Parks Fund – Blue Branch Creek Bridge, Dillingham Trail improvements, and a Chevrolet Equinox.
- Public Works – Water meters for replacement program, Ford F-550, fixed based meter reading system, valve exerciser, and skid steer.

Additional information on the City’s capital assets can be found in Note 4 on pages 29 to 31 of this report.

Debt Administration. The City of Grain Valley had various forms of debt during fiscal 2020. The Series 2011 General Obligation Bonds and the 2012 TIF IDA Bonds were refunded in 2020.

Table C below shows the City’s outstanding debt by type for 2019 and 2020.

| | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 |
|-------------------------------|----------------------|----------------------|-------------------|------------------|----------------------|----------------------|
| General Obligation Bonds | 7,486,180 | 7,976,166 | - | - | 7,486,180 | 7,976,166 |
| Certificates of Participation | 430,000 | - | - | - | 430,000 | - |
| TIF Bonds | 2,290,000 | 2,095,000 | - | - | 2,290,000 | 2,095,000 |
| NID Bonds | 2,785,000 | 2,655,000 | - | - | 2,785,000 | 2,655,000 |
| Sewerage Revenue Bonds | - | - | 300,000 | - | 300,000 | - |
| Bond Premium | 89,744 | 330,615 | 8,064 | - | 97,808 | 330,615 |
| Capital Leases | 59,466 | 144,041 | - | 38,408 | 59,466 | 182,449 |
| Total | <u>\$ 13,140,390</u> | <u>\$ 13,200,822</u> | <u>\$ 308,064</u> | <u>\$ 38,408</u> | <u>\$ 13,448,454</u> | <u>\$ 13,239,230</u> |

The City’s debt for governmental activities increased in fiscal 2020 from \$13,140,390 to \$13,200,822. All principal and interest payments were made according to schedule.

Outstanding debt for business-type activities decreased by \$269,656. Payments on all outstanding debt made according to existing amortization schedules.

Total debt decreased a net of \$209,224 or 1.6%.

Additional information on the City’s long-term debt can be found in Note 6 on pages 36 to 41 of this report.

ECONOMIC FACTORS, 2019 BUDGET AND TAX RATES

- The City's fiscal 2020 General Fund budgeted revenues increased 26.0% from the fiscal 2019 budget. The increase is due to an increase in sales taxes, property taxes, intergovernmental revenue, and other revenue sources. Budgeted expenditures increased 7.9%. This is the result of an increase in capital purchases, full employment in the Police Department and changes in personnel allocations. Revenue received in the governmental funds increased 25.2% as a result of increase in franchise, sales taxes, property taxes, and operating grants and contributions.
- The City has a 1 cent general sales tax as well as ½ cent sales tax for Park, ½ cent for Transportation, and ½ cent for capital improvement. Sales tax revenue increased 10.9% as a result of new and expanded businesses and a continued increase in local shopping and vehicle sales.
- The City's 2020 property tax levies have been adopted by the Board of Alderman and approved by the State Auditor's Office. The levies total \$1.5994 per \$100 of assessed value. This is a voluntary decrease of \$0.03 enacted by the Mayor and Board of Aldermen.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for our citizens, taxpayers, customers, investors, creditors, and other interested parties, and to show our accountability for the monies entrusted to our care. If you have questions about this report or need additional financial information, contact Director of Finance, The City of Grain Valley, 711 Main Street, Grain Valley, Missouri 64029.

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
and Members of the
Board of Aldermen
City of Grain Valley, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grain Valley, Missouri (the City), as of the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grain Valley, Missouri, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Missouri Local Government Employees Retirement System, and Budgetary Comparison Information on pages v through xv and 55 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grain Valley, Missouri's basic financial statements. The combining and individual non-major fund financial statements and other budgetary schedules, listed in the table of contents as supplemental information, are presented for purposes of additional analysis, and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. We have applied certain limited procedures to the supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Troutt, Beeman & Co., P.C.

Harrisonville, Missouri

June 7, 2021

CITY OF GRAIN VALLEY, MO
STATEMENT OF NET POSITION
DECEMBER 31, 2020

| | Primary Government | | |
|--|---------------------------|----------------------|----------------------|
| | Governmental | Business-type | Total |
| | Activities | Activities | |
| ASSETS | | | |
| Pooled cash and cash equivalents | \$ 13,350,208 | \$ 6,900,916 | \$ 20,251,124 |
| Cash and investments-restricted | 1,018,752 | 387,850 | 1,406,602 |
| Taxes receivable, net | 699,809 | - | 699,809 |
| Accrued interest | - | 692 | 692 |
| Accounts receivable, net | 33,541 | 566,879 | 600,420 |
| Capacity charges, net of amortization | - | 509,812 | 509,812 |
| Inventories | - | 57,096 | 57,096 |
| Prepaid expenses | 279,159 | 64,346 | 343,505 |
| Capital assets: | | | |
| Land and construction in progress | 5,258,392 | 497,519 | 5,755,911 |
| Buildings and improvements | 5,714,543 | 314,479 | 6,029,022 |
| Land improvements | 2,603,684 | 54,168 | 2,657,852 |
| Furniture and equipment | 1,610,059 | 663,919 | 2,273,978 |
| Vehicles | 1,076,932 | 526,206 | 1,603,138 |
| Distribution system | 26,515,184 | 21,184,597 | 47,699,781 |
| Less: accumulated depreciation | <u>(16,350,955)</u> | <u>(11,371,687)</u> | <u>(27,722,642)</u> |
| Total capital assets | <u>26,427,839</u> | <u>11,869,201</u> | <u>38,297,040</u> |
| Total assets | <u>41,809,308</u> | <u>20,356,792</u> | <u>62,166,100</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension | <u>747,678</u> | <u>245,641</u> | <u>993,319</u> |
| Total assets and deferred outflows of resources | <u>\$ 42,556,986</u> | <u>\$ 20,602,433</u> | <u>\$ 63,159,419</u> |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ 1,236,935 | \$ 319,793 | \$ 1,556,728 |
| Unearned revenues | - | 20,115 | 20,115 |
| Customer deposits | 17,020 | 385,790 | 402,810 |
| Liabilities payable from restricted assets | 486,154 | - | 486,154 |
| Net pension liability | 186,942 | 36,229 | 223,171 |
| Long-term liabilities: | | | |
| Due within one year: | | | |
| Bonds, capital leases, and contracts | 1,734,222 | 10,946 | 1,745,168 |
| Compensated absences | 47,543 | 11,610 | 59,153 |
| Accrued interest | 213,675 | - | 213,675 |
| Due in more than one year: | | | |
| Bonds, capital leases, and contracts | 11,466,600 | 27,462 | 11,494,062 |
| Compensated absences | <u>190,170</u> | <u>46,440</u> | <u>236,610</u> |
| Total liabilities | <u>15,579,261</u> | <u>858,385</u> | <u>16,437,646</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property taxes | 2,369,807 | - | 2,369,807 |
| Debt refunding | 170,593 | - | 170,593 |
| Intergovernmental grants | 30,913 | - | 30,913 |
| Pension | <u>231,116</u> | <u>54,836</u> | <u>285,952</u> |
| Total deferred inflows of resources | <u>2,802,429</u> | <u>54,836</u> | <u>2,857,265</u> |
| NET POSITION | | | |
| Net investment in capital assets | 17,981,101 | 11,830,793 | 29,811,894 |
| Restricted for: | | | |
| Capital projects | 2,240,079 | - | 2,240,079 |
| Parks | 713,042 | - | 713,042 |
| Road and street | 1,461,664 | - | 1,461,664 |
| Debt service | 1,983,778 | 387,850 | 2,371,628 |
| Public health | 75,516 | - | 75,516 |
| Economic development | 69,579 | - | 69,579 |
| Prepaid items | 279,159 | - | 279,159 |
| Unrestricted | <u>(628,622)</u> | <u>7,470,569</u> | <u>6,841,947</u> |
| Total net position | <u>24,175,296</u> | <u>19,689,212</u> | <u>43,864,508</u> |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 42,556,986</u> | <u>\$ 20,602,433</u> | <u>\$ 63,159,419</u> |

See accompanying notes.

CITY OF GRAIN VALLEY, MO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

| Functions/Programs | Net (Expense) Revenue and Changes in Net Position | | | | | |
|--|---|----------------------|--|----------------------------------|--------------------|-------------------------|
| | Primary Government | | Business-type | | Total | |
| | Expenses | Charges for Services | Program Revenue Operating Grants and Contributions | Capital Grants and Contributions | | Governmental Activities |
| Primary government: | | | | | | |
| Governmental activities: | | | | | | |
| General government | \$ 1,252,798 | \$ 43,390 | \$ 75,439 | \$ - | \$ (1,133,969) | \$ (1,133,969) |
| Municipal court | 152,937 | 90,163 | - | - | (62,774) | (62,774) |
| Public safety | 2,552,303 | 8,408 | 933,636 | - | (1,610,259) | (1,610,259) |
| Planning and engineering | 401,017 | 421,205 | - | - | 20,188 | 20,188 |
| Economic development | 1,208,827 | - | 35,212 | - | (1,173,615) | (1,173,615) |
| Street | 1,548,825 | - | 598,998 | - | (949,827) | (949,827) |
| Parks and recreation | 1,134,592 | 179,153 | - | - | (955,439) | (955,439) |
| Public health | 42,907 | - | - | - | (42,907) | (42,907) |
| Bond costs | 212,682 | - | - | - | (212,682) | (212,682) |
| Interest on long-term debt | 1,998,300 | - | - | - | (1,998,300) | (1,998,300) |
| Total governmental activities | 10,505,188 | 742,319 | 1,643,285 | - | (8,119,584) | (8,119,584) |
| Business-type activities: | | | | | | |
| Water and sewer | 5,725,962 | 6,321,566 | - | - | 595,604 | 595,604 |
| Total business-type activities | 5,725,962 | 6,321,566 | - | - | 595,604 | 595,604 |
| Total primary government | \$ 16,231,150 | \$ 7,063,885 | \$ 1,643,285 | \$ - | (8,119,584) | (7,523,980) |
| General revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes, levied for general purposes | | | | | 1,162,264 | 1,162,264 |
| Property taxes, levied for specific purposes | | | | | 3,146,143 | 3,146,143 |
| Franchise taxes and other taxes | | | | | 1,666,916 | 1,666,916 |
| Sales taxes | | | | | 3,719,557 | 3,719,557 |
| Investment earnings | | | | | 80,313 | 80,313 |
| Miscellaneous revenue (expense) | | | | | 142,290 | 142,290 |
| Total general revenues, special items, and transfers | | | | | 9,917,483 | 9,917,483 |
| Change in net position | | | | | 1,797,899 | 1,797,899 |
| Net position - beginning | | | | | 22,377,397 | 22,377,397 |
| Net position - ending | | | | | \$ 24,175,296 | \$ 24,175,296 |

See accompanying notes.

**CITY OF GRAIN VALLEY, MO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

| | General | Park | Transportation |
|--|----------------|--------------|-----------------------|
| ASSETS | | | |
| Pooled cash and cash equivalents | \$ 5,085,898 | \$ 899,988 | \$ 2,137,507 |
| Cash and investments-restricted | 18,170 | 2,455 | 227 |
| Taxes receivable, net | 325,371 | 96,588 | 181,262 |
| Due from other funds | 3,456 | - | - |
| Other receivables | 33,541 | - | - |
| Prepays | 129,154 | 17,152 | 12,051 |
| Total assets | \$ 5,595,590 | \$ 1,016,183 | \$ 2,331,047 |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ 61,909 | \$ 85,964 | \$ 834,113 |
| Customer deposits | - | 55 | - |
| Due to other funds | - | - | - |
| Other liabilities | 470,868 | - | 15,286 |
| Total liabilities | 532,777 | 86,019 | 849,399 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Intergovernmental grants | 30,913 | - | - |
| Advances of tax revenue | 736,062 | 162,569 | - |
| Total deferred inflows of resources | 766,975 | 162,569 | - |
| FUND BALANCES | | | |
| Nonspendable: | | | |
| Prepaid items | 129,154 | 17,152 | 12,051 |
| Interfund advances | 3,456 | - | - |
| Restricted: | | | |
| Capital projects | - | - | - |
| Parks and recreation | - | 750,443 | - |
| Economic development | - | - | - |
| Debt service | - | - | - |
| Road and street | - | - | 1,469,597 |
| Public health | - | - | - |
| Police and court | 12,040 | - | - |
| Committed for: | | | |
| Emergency reserve | 650,282 | - | - |
| Budget stabilization reserve | 433,521 | - | - |
| Bond payments | - | - | - |
| Unassigned | 3,067,385 | - | - |
| Total fund balances | 4,295,838 | 767,595 | 1,481,648 |
| Total liabilities, deferred inflows, and fund balances | \$ 5,595,590 | \$ 1,016,183 | \$ 2,331,047 |

See accompanying notes.

| <u>2012 IDA TIF</u> | <u>Debt Service</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---------------------|---------------------|---|---|
| \$ - | \$ 3,008,280 | \$ 2,221,571 | \$ 13,353,244 |
| 49,219 | - | 948,681 | 1,018,752 |
| - | - | 96,588 | 699,809 |
| - | - | - | 3,456 |
| - | - | - | 33,541 |
| - | - | - | 158,357 |
| <u>\$ 49,219</u> | <u>\$ 3,008,280</u> | <u>\$ 3,266,840</u> | <u>\$ 15,267,159</u> |
| | | | |
| \$ 3,645 | \$ - | \$ 254,340 | \$ 1,239,971 |
| - | - | 16,965 | 17,020 |
| - | - | 3,456 | 3,456 |
| - | - | - | 486,154 |
| <u>3,645</u> | <u>-</u> | <u>274,761</u> | <u>1,746,601</u> |
| | | | |
| - | - | - | 30,913 |
| - | 1,406,480 | 64,696 | 2,369,807 |
| - | 1,406,480 | 64,696 | 2,400,720 |
| | | | |
| - | - | - | 158,357 |
| - | - | - | 3,456 |
| - | - | 2,244,163 | 2,244,163 |
| - | - | - | 750,443 |
| 45,574 | - | 24,005 | 69,579 |
| - | 1,601,800 | - | 1,601,800 |
| - | - | - | 1,469,597 |
| - | - | 75,516 | 75,516 |
| - | - | - | 12,040 |
| - | - | - | 650,282 |
| - | - | - | 433,521 |
| - | - | 594,345 | 594,345 |
| - | - | (10,646) | 3,056,739 |
| <u>45,574</u> | <u>1,601,800</u> | <u>2,927,383</u> | <u>11,119,838</u> |
| <u>\$ 49,219</u> | <u>\$ 3,008,280</u> | <u>\$ 3,266,840</u> | <u>\$ 15,267,159</u> |

See accompanying notes.

**CITY OF GRAIN VALLEY, MO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

Fund balances - total governmental funds \$11,119,838

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 this fund financial statement, but are reported in the governmental activities of the Statement of Net Position. 26,427,839

Certain other long-term liabilities are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position,

Net pension liability (186,942)

Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. (213,675)

Deferred pension inflows and outflows are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position:

| | |
|----------|----------------|
| Inflows | (231,116) |
| Outflows | <u>747,678</u> |
| | <u>516,562</u> |

Deferred debt refunding is not included in the fund financial statement, but is included in the governmental activities of the Statement of Net Position: (170,593)

Expenditures benefiting future periods are not reported in the governmental funds, yet are reflected as prepaid items in the Statement of Net Position. 120,802

Long-term liabilities are not due and payable in the current period and are not included in the fund financial statement, but are included in the government-wide statements:

| | |
|--------------------------|---------------------|
| Bonds and capital leases | (13,200,822) |
| Compensated absences | <u>(237,713)</u> |
| | <u>(13,438,535)</u> |

Net Position of Governmental Activities in the Statement of Net Position \$ 24,175,296

See accompanying notes.

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CITY OF GRAIN VALLEY, MO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE --
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

| | <u>General Fund</u> | <u>Park</u> | <u>Transportation</u> |
|---|---------------------|-------------------|-----------------------|
| REVENUES | | | |
| Taxes | \$ 3,463,476 | \$ 824,800 | \$ 530,700 |
| Intergovernmental | 1,091,768 | - | 503,796 |
| Charges for services | 2,500 | 176,653 | - |
| Fees and fines | 563,166 | - | - |
| Investment earnings | 26,489 | 8,055 | 9,166 |
| Other | 48,117 | 380 | 82,400 |
| | <u>5,195,516</u> | <u>1,009,888</u> | <u>1,126,062</u> |
| Total revenues | | | |
| | <u>5,195,516</u> | <u>1,009,888</u> | <u>1,126,062</u> |
| EXPENDITURES | | | |
| Current expenditures: | | | |
| General government | 1,130,036 | - | - |
| Municipal court | 152,937 | - | - |
| Public safety | 2,423,931 | - | - |
| Planning and engineering | 256,922 | - | - |
| Street | - | - | 578,592 |
| Parks and recreation | - | 899,556 | - |
| Public health | - | - | - |
| Economic development | - | - | - |
| Capital outlay | 276,309 | 338,154 | 935,285 |
| Debt service: | | | |
| Principal | 44,169 | 430,000 | 2,687 |
| Bond issue costs | - | - | - |
| Interest and other charges | 2,362 | 23,885 | 366 |
| | <u>4,286,666</u> | <u>1,691,595</u> | <u>1,516,930</u> |
| Total expenditures | | | |
| | <u>4,286,666</u> | <u>1,691,595</u> | <u>1,516,930</u> |
| Excess (deficiency) of revenues over expenditures | <u>908,850</u> | <u>(681,707)</u> | <u>(390,868)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Refunding bonds | - | - | - |
| Proceeds from capital lease | 119,143 | - | 12,288 |
| Payments to escrow | - | - | - |
| Premium on bond refunding | - | - | - |
| Sale of assets | 5,950 | 17,205 | 1,933 |
| Transfers in | - | 300,000 | - |
| Transfers out | (25,000) | - | (25,000) |
| | <u>100,093</u> | <u>317,205</u> | <u>(10,779)</u> |
| Total other financing sources and uses | | | |
| | <u>100,093</u> | <u>317,205</u> | <u>(10,779)</u> |
| Net change in fund balances | 1,008,943 | (364,502) | (401,647) |
| Fund balances - beginning | <u>3,286,895</u> | <u>1,132,097</u> | <u>1,883,295</u> |
| Fund balances - ending | <u>\$ 4,295,838</u> | <u>\$ 767,595</u> | <u>\$ 1,481,648</u> |

See accompanying notes.

| <u>2012 IDA TIF</u> | <u>Debt Service</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---------------------|---------------------|-------------------------------------|-------------------------------------|
| \$ - | \$ 2,315,618 | \$ 2,560,286 | \$ 9,694,880 |
| - | - | 35,212 | 1,630,776 |
| - | - | - | 179,153 |
| - | - | - | 563,166 |
| 1,074 | 30,290 | 5,239 | 80,313 |
| - | - | 11,888 | 142,785 |
| <u>1,074</u> | <u>2,345,908</u> | <u>2,612,625</u> | <u>12,291,073</u> |
| - | - | - | 1,130,036 |
| - | - | - | 152,937 |
| - | - | - | 2,423,931 |
| - | - | - | 256,922 |
| - | - | - | 578,592 |
| - | - | - | 899,556 |
| - | - | 42,907 | 42,907 |
| - | - | 1,207,513 | 1,207,513 |
| - | - | 187,184 | 1,736,932 |
| 2,290,000 | 877,469 | 130,000 | 3,774,325 |
| 136,654 | 76,028 | - | 212,682 |
| <u>119,585</u> | <u>287,530</u> | <u>87,934</u> | <u>521,662</u> |
| <u>2,546,239</u> | <u>1,241,027</u> | <u>1,655,538</u> | <u>12,937,995</u> |
| <u>(2,545,165)</u> | <u>1,104,881</u> | <u>957,087</u> | <u>(646,922)</u> |
| 2,095,000 | 4,630,000 | - | 6,725,000 |
| - | - | - | 131,431 |
| - | (4,800,481) | - | (4,800,481) |
| - | 246,721 | - | 246,721 |
| - | - | - | 25,088 |
| 190,700 | - | 5,818 | 496,518 |
| - | - | (446,518) | (496,518) |
| <u>2,285,700</u> | <u>76,240</u> | <u>(440,700)</u> | <u>2,327,759</u> |
| (259,465) | 1,181,121 | 516,387 | 1,680,837 |
| <u>305,039</u> | <u>420,679</u> | <u>2,410,996</u> | <u>9,439,001</u> |
| <u>\$ 45,574</u> | <u>\$ 1,601,800</u> | <u>\$ 2,927,383</u> | <u>\$ 11,119,838</u> |

See accompanying notes.

CITY OF GRAIN VALLEY, MO
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, 2020

Net change in fund balances - total governmental funds: \$ 1,680,837

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. This is the amount by which capital outlays, which are over the capitalization threshold, exceeded depreciation in the current period:

| | |
|---------------------------------------|--------------------|
| Capital outlay | 1,736,932 |
| Gain on disposal of assets | 12,014 |
| Proceeds from sales of capital assets | (25,088) |
| Capital outlay expensed | (73,637) |
| Depreciation expense | <u>(1,450,044)</u> |
| | 200,177 |

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Net Position reports repayment as a reduction to long-term liabilities. This is the amount by which proceeds exceed repayments:

| | |
|---|------------------|
| Proceeds from capital lease | (131,431) |
| Issuance of debt | (6,971,721) |
| Repayment of principal including the payment to bond escrow agent | <u>7,036,870</u> |
| | (66,282) |

Governmental funds report premiums and discounts as other financing sources. In contrast, those items are capitalized on the Statement of Net Position and amortized over the life of the bonds on the Statement of Activities. This is the net amount of premiums, discounts, and amortization:

| | |
|------------------------------------|---------------|
| Amortization of debt refundings | 20,102 |
| Amortization of premiums/discounts | <u>28,316</u> |
| | 48,418 |

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:

| | |
|--|-----------------|
| Prepaid expense | (3,809) |
| Pension expense | (65,354) |
| Accrued interest not reflected on governmental funds | 12,880 |
| Compensated absences | <u>(8,968)</u> |
| | <u>(65,251)</u> |

Change in net position of governmental activities \$ 1,797,899

See accompanying notes.

**CITY OF GRAIN VALLEY, MO
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2020**

| | Water and Sewer |
|--|------------------------|
| ASSETS: | |
| Current assets: | |
| Pooled cash and cash equivalents | \$ 6,900,916 |
| Cash and investments-restricted | 387,850 |
| Receivables, net: | |
| Billed | 265,337 |
| Unbilled | 301,542 |
| Interest | 692 |
| Inventories | 57,096 |
| Prepaid expenses | 64,346 |
| Total current assets | 7,977,779 |
| Non-current assets: | |
| Deferred charges, net of amortization | 509,812 |
| Capital assets, net | 11,869,201 |
| Total non-current assets | 12,379,013 |
| Total assets | 20,356,792 |
| DEFERRED OUTFLOWS OF RESOURCES, | |
| Pension | 245,641 |
| Total assets and deferred outflows of resources | \$ 20,602,433 |
| LIABILITIES: | |
| Current liabilities: | |
| Accounts payable and accrued expenses | \$ 319,793 |
| Unapplied payments | 20,115 |
| Customer deposits | 385,790 |
| Compensated absences | 11,610 |
| Bonds, notes, and loans payable | 10,946 |
| Total current liabilities | 748,254 |
| Non-current liabilities: | |
| Compensated absences | 46,440 |
| Net pension liability | 36,229 |
| Bonds, notes, and loans payable | 27,462 |
| Total non-current liabilities | 110,131 |
| Total liabilities | 858,385 |
| DEFERRED INFLOWS OF RESOURCES, | |
| Pension | 54,836 |
| NET POSITION: | |
| Net investment in capital assets | 11,830,793 |
| Restricted for debt service | 387,850 |
| Unrestricted | 7,470,569 |
| Total net position | 19,689,212 |
| Total liabilities, deferred inflows of resources, and net position | \$ 20,602,433 |

See accompanying notes.

CITY OF GRAIN VALLEY, MO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION --
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

| | Water and Sewer |
|---|------------------------|
| REVENUES, | |
| Charges for services | \$ 6,321,566 |
| OPERATING EXPENSES: | |
| Personnel services | 1,411,183 |
| Contractual services | 193,459 |
| Materials and supplies | 194,019 |
| Maintenance and repairs | 279,462 |
| Insurance | 32,764 |
| Utilities | 64,646 |
| Water purchases | 1,481,158 |
| Sewer services | 1,268,573 |
| Depreciation and amortization | 780,322 |
| Bad debts | 13,928 |
| | 5,719,514 |
| Operating income | 602,052 |
| NON-OPERATING REVENUES (EXPENSES): | |
| Interest income | 38,897 |
| Miscellaneous income | 41,976 |
| Interest expense | (6,448) |
| Loss on disposal of assets | (19,189) |
| Net nonoperating revenue | 55,236 |
| Increase in net position | 657,288 |
| Total net position - beginning | 19,031,924 |
| Total net position - ending | \$ 19,689,212 |

See accompanying notes.

CITY OF GRAIN VALLEY, MISSOURI

**STATEMENT OF CASH FLOWS -- PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

| | Water and Sewer |
|---|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Received from customers | \$ 6,376,654 |
| Payments to employees and fringe benefits | (1,396,474) |
| Payments for operations | (3,699,730) |
| Other receipts | 11,320 |
| Net cash provided by operating activities | 1,291,770 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES, | |
| Non-operating revenues | 41,976 |
| Net cash provided by noncapital financing activities | 41,976 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | |
| Proceeds from capital debt | 49,154 |
| Proceeds from sale of capital assets | 9,446 |
| Acquisition and construction of capital assets | (445,300) |
| Principal paid on capital debt and leases | (310,746) |
| Interest paid on capital debt and leases | (7,948) |
| Net cash used by capital and related financing activities | (705,394) |
| CASH FLOWS FROM INVESTING ACTIVITIES, | |
| Investment income received | 30,142 |
| Net cash provided by investing activities | 30,142 |
| Net increase in cash and cash equivalents | 658,494 |
| Cash and cash equivalents, Beginning of the year | 6,630,272 |
| Cash and cash equivalents, End of the year | \$ 7,288,766 |
| Reconciliation of operating income to net cash provided by operating activities, | |
| Operating income | \$ 602,052 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Depreciation and amortization expense | 780,322 |
| Changes in current assets and liabilities: | |
| Receivables, net | 49,296 |
| Inventories | 15,394 |
| Pension related deferrals and assets | 18,389 |
| Prepaid items | (26,371) |
| Accounts payable and accrued expenses | (169,502) |
| Deferred revenue | 5,792 |
| Customer deposits | 11,320 |
| Compensated absences | 5,078 |
| Total adjustments | 689,718 |
| Net cash provided by operating activities | \$ 1,291,770 |
| Noncash investing, capital, and financing activities: | |
| Assets acquired through assumption of a note payable | \$ 49,154 |
| Capital asset write-offs | 159,481 |
| Amortization of bond premium/discount | 8,064 |
| Increase in receivables related to nonoperating income | 692 |
| | \$ 217,391 |

See accompanying notes.

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NOTES TO FINANCIAL STATEMENTS

The Notes to the Financial Statements include a summary of the accounting policies followed and information used by the City that are judged to be most appropriate for full disclosure in the preparation of the financial statements.

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CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the City of Grain Valley, Missouri (the City), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

Reporting Entity: The City of Grain Valley, Missouri, was incorporated in 1945 and is located in Jackson County, Missouri. Grain Valley is a fourth class city and operates under the board of aldermen-administrator form of government and provides services to its residents in many areas, including law enforcement, water and sewer services, community enrichment, and various social services. The City Administrator is the chief administrative officer of the City. The accompanying financial statements present the City's primary government and any component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). Management has considered all potential component units and has determined there are no entities outside of the primary government that should be blended into or discretely presented with the City's financial statements.

Government-Wide and Fund Financial Statements: The government-wide financial statements include the statement of net assets and the statement of activities. Government-wide statements report information on all of the activities of the City and its component units. *Governmental activities*, which are normally supported by taxes and governmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Government-Wide and Fund Financial Statements (Continued):

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 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 as general revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and the major enterprise fund are reported as separate columns in the respective fund financial statements. Non-major funds include other Special Revenue and Capital Projects funds. The combined amounts for these funds are reflected in a single column in the Governmental fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Detailed statements for non-major funds are presented with Combining and Individual Fund Statements and Schedules.

Measurement Focus, Basis of Accounting, and Basis of Presentation: The 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 recognized when they occur and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon 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 recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, claims, and judgments are reported only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued):

Property taxes that are not available for current year operations are shown as deferred inflows of resources in the Governmental Funds Balance Sheet. Property taxes are levied each year on all taxable real and personal property in the City. The City's property tax is levied each September 1 on the assessed value as of the prior January 1. Property taxes are billed in total by November 1 following the levy date and considered delinquent after January 1. On January 1, a lien attaches to all property for which taxes are unpaid.

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Charges for sales and services (other than utility) and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received.

The City reports the following major governmental funds:

The General Fund is the main operating fund. Expenditures from this fund provide basic City services, such as police protection, planning, inspection, engineering, animal control, civil defense, municipal court, and overall basic services such as finance and data processing, personnel, and general administration of the City.

Revenue sources include taxes, which include property taxes, sales taxes, franchise taxes, and cigarette taxes. Other revenues include other fees and licenses, and revenue gathered from the municipal court and investment earnings.

The Park Fund accounts for taxes collected and expended for operations and improvements to the City's parks, community center, and pool.

The Transportation Fund accounts for sales tax collected and other resources to be used for road and bridge projects within the City and operation and maintenance of the City's streets, curbs, etc.

The 2012 IDA TIF Fund accounts for bond proceeds and other financial resources segregated for the construction of capital improvements in economic development.

The Debt Service Fund accounts for property taxes collected and expended for the servicing of general long-term debt not being financed by proprietary funds.

The City reports the following non-major governmental funds:

The Tourism Fund accounts for the taxes collected from hotels, motels, and campgrounds to be used to finance economic development.

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued):

The Public Health Fund accounts for property taxes levied for health related programs.

The Old Towne TIF Fund accounts for incremental property and sales taxes to be used to finance improvements in the special district.

The Capital Improvements Fund accounts for sales tax collected to be used for acquiring capital equipment and improving City facilities and infrastructure.

The Grain Valley Marketplace TIF Fund accounts for the activity in the special district approved in 2010, including any amounts due from the developer, future incremental tax revenues, and the issuance of any TIF bonds to finance eligible improvements made in the District.

The Grain Valley Marketplace TIF Reserve Fund accumulates resources and uncaptured TIF sales tax in the event there is a revenue shortfall. A three year reserve will be accumulated in this fund.

The Grain Valley Marketplace TIF Special Fund accounts for revenue collected within project #2, Grain Valley Marketplace. Funds are transferred to the Trustee.

The Grain Valley Marketplace NID Fund accounts for the amounts due from the developer and future special assessment tax revenues to service any bonds issued to finance eligible improvements made in the NID district.

The Grain Valley Marketplace CID Sales Fund accounts for the amounts due from the developer and future incremental sales tax revenues to service any bonds issued to finance eligible improvements made in the CID district.

The Interchange Mercado CID Project #3 Fund accounts for the amounts due from the developer and future incremental sales tax revenues to service any bonds issued to finance eligible improvements made in the CID district.

The Interchange Village of Grain Valley CID TIF Project #3 Fund accumulates CID taxes and expenses for the new development activity on the NW corner of the TIF.

The Grain Valley Interchange TIF Project #1A Fund accounts for the expenses for the remaining three projects within the TIF. These areas were renamed the Interchange TIF when the plan was amended to split project 1 into 1A and 1B.

The Grain Valley Interchange TIF Project #3 Fund accumulates the TIF PILOTS and EATS for the new development activity on the NW corner of the TIF.

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued):

The Interchange TIF Project #4 Fund accumulates the TIF PILOTS and EATS for the new development activity on the SE corner of the TIF.

Proprietary fund financial statements are used to account for activities, which are similar to those found in the private-sector. The measurement focus is upon determination of net income, financial position, and cash flows. The City reports the following major enterprise fund:

The Water and Sewer 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, billing, collection, and related debt service.

On the proprietary fund financial statements, operating revenues are those that flow directly from the operations of the activity, i.e., charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

Net Position - Government-Wide Statements: Net Position is displayed in three components:

- (1) Net investment in capital assets component of net position: Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- (2) Restricted component of net position: Consists of restricted assets, reduced by liabilities and deferred inflows of resources related to those assets, with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
- (3) Unrestricted component of net position: Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of "net investment in capital assets" or the "restricted" component of net position.

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Net Position - Government-Wide Statements (Continued):

It is the City's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Equity: In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Aldermen—the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Aldermen removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Aldermen and the City Administrator have the authority to assign amounts to be used for specific purposes. Assigned fund balance include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in that order as needed.

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Budgets: The reported budgetary data represents the final approved budget after amendments as adopted by the Board of Aldermen. Annual operating budgets are adopted for the General Fund, Special Revenue Funds, Capital Projects Funds, and Proprietary Funds. Missouri law requires budgets to be adopted for all governmental funds. The City prepares its budgets on the modified accrual basis of accounting for its governmental funds and the accrual basis for its proprietary funds. The Board of Aldermen has amended the budget at various times during the year and has performed the following procedures in establishing the City's budget:

- (1) Prior to November 30, the City Administrator submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to January 1, the budget is legally enacted through the passage of an ordinance.
- (4) The City Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Aldermen. This constitutes the City's legal level of budgetary control.
- (5) Appropriations lapse at year-end, but may be reappropriated in the following fiscal year.

Pooled Cash, Investments, and Restricted Assets: State statutes authorize the City to invest in banking institutions and obligations of municipalities, repurchase agreements, U.S. government agency obligations, and obligations of the U.S. Treasury. Cash resources of the individual governmental fund types are combined to form a pool of cash and investments. At December 31, 2020, the City's cash was deposited in demand accounts, certificates of deposit, and money markets. Investments with maturities of less than one year are stated at cost, which approximates fair value. All investments are stated at fair value, which approximates cost. Interest income on pooled cash and investments is allocated based upon each fund's respective average cash balance.

Assets are also restricted for court bonds, debt service reserve requirements, health and flex plan requirements, tax deposits and refunding customer meter deposits.

Statement of Cash Flows: A statement of cash flows has been presented in accordance with GASB Statement 9 for the Proprietary Fund. For purposes of the statement of cash flows all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Accounts Receivable: Accounts receivable for water and sewer services are accounted for in the Water and Sewer Fund and include billed amounts as well as an accrual for the earned but unbilled services from the previous billing date through December 31, 2020. Accounts receivable in the General Fund represents charges for sales and franchise taxes. All accounts receivable are stated net of allowances for uncollectible amounts.

Interfund Receivables and Payables: Transactions between funds that are representative of cash overdrafts from pooled cash and investing are reported as interfund receivables or payables.

Interfund Activity: During the course of normal operations, the City has transactions between funds, including expenditures and transfers of resources to provide services and construct assets. Legally authorized transfers are treated as transfers and are included in the results of operations of both Governmental and Proprietary Funds.

Inventory: Inventory, which consists principally of maintenance supplies, gasoline, and oil, is valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund inventories are recorded as expenditures when purchased.

Capital Assets: Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets (e.g., roads and bridges), are reported in the applicable government or business-type activities columns in the government-wide statements. Capital assets are defined as assets with a cost of \$5,000 or more and expected useful lives in excess of one year. Capital assets are recorded at historical cost if purchased or constructed, or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following estimated lives:

Major Assets

| | |
|-----------------------------|-------------|
| Buildings | 40 years |
| Plant, structure, and lines | 50-60 years |
| Infrastructure | 50 years |
| Equipment and vehicles | 3-10 years |

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position will sometimes report a separate element for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources, or expenses/expenditures, until then. The City has deferred changes in proportion dealing with pensions and contributions made after the measurement date. These represent a consumption of net assets that applies to future periods and is not recognized as an outflow of resources until then.

In addition to liabilities, the statement of net position will sometimes report a separate element for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources, or revenues, until that time. The City has non-exchange revenue transactions where a receivable has been recorded because property taxes were levied, but the resources cannot be used until a future period. This item has been reported as a deferred inflow on the government-wide statement of net position. The City also has deferred charges on refunding debt. The debt refunding will be expensed as the debt matures. A deferred inflow of resources dealing with pension is reported for the differences between expected and actual experience, the net difference between projected and actual earnings on pension investments, and changes of assumptions. The City has deferred inflows of resources related to an intergovernmental grant proceeds that have been received, but not yet earned or disbursed. The City will recognize the revenue once the grant proceeds have been disbursed in accordance with the grant agreement.

Compensated Absences: Accumulated vacation and sick leave, that is expected to be liquidated with expendable available financial resources, is reported as an expenditure and a fund liability of the governmental fund that will pay it. Accumulated vacation and sick leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements. The liability for compensated absences has been calculated using the vesting method, which leaves amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Unearned Revenues: Governmental funds report deferred inflows when resources are received by the City before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when government has a legal claim to the resources, revenue is recognized. Proprietary funds report unearned revenues when resources are received by the City before services are provided. In subsequent periods when services have been provided, revenue is recognized.

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Long-Term Obligations: Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Encumbrances: Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary control. Encumbrances outstanding at year-end, if any, are reported as reservations of fund balance for subsequent year expenditures. When expenditures are incurred in subsequent years relating to amounts previously encumbered, such amounts are, if material, reappropriated in the year expended.

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

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. DEPOSITS AND INVESTMENTS:

At December 31, 2020, the carrying amount of the City's cash on hand, demand deposits, and certificates of deposit in financial institutions was \$1,000, \$18,756,096, and \$1,902,700, respectively. The bank balances of demand deposits were fully covered with a combination of FDIC insurance and pledged collateral held in the name of the City. All deposits were held by a qualified depository.

At December 31, 2020, the City's investments consisted of the following:

| | <u>Carrying Amount</u> | <u>Fair Value</u> | <u>Investment Rating</u> |
|--------------|----------------------------|-----------------------|------------------------------|
| Money Market | <u>\$ 997,900</u> | <u>\$ 997,900</u> | NA |

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

2. DEPOSITS AND INVESTMENTS (Continued):

Interest Rate Risk:

Interest rate risk is the risk that changes interest rates that will adversely affect the fair value of an investment. The City does not have a formal policy for interest rate risk. However, the City does manage its exposure to fair value loss arising from interest rate changes on internally invested funds by reviewing the portfolio on an ongoing basis for changes in effective yield amounts. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

Custodial Credit Risk:

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk of investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize demand deposits with securities held by the financial institution's agent and in the City's name.

At December 31, 2020, the City had the following investments and maturities:

| | Investment maturities (in years) | | | |
|----------------------------------|----------------------------------|------------------|------|------|
| | Value | Less than one | 1-5 | > 5 |
| Investment type, Money Market | \$ 997,900 | \$ 997,900 | \$ - | \$ - |

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. Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer.

Missouri State Statutes authorize the City, with certain restrictions, to deposit funds in open accounts, time deposits, and certificates of deposit. Statutes also require that collateral pledged have a fair market value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the City or a disinterested third party and must be of the kind prescribed by statutes and approved by the State. The City may purchase any investments allowed by the State Treasurer.

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

2. DEPOSITS AND INVESTMENTS (Continued):

These include (a) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (b) repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

The City's general credit risk policy is to apply to prudent person rule: Investments shall be made with the exercise of that judgment and care, under circumstances then prevailing, which individuals of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probability safety of their capital, as well as the probable income to be derived.

At December 31, 2020, the carrying value of deposits and investments are summarized as follows:

| | |
|------------------------------|----------------------|
| Investments, Money Market | \$ 997,900 |
| Certificates of deposit | 1,902,700 |
| Cash on hand | 1,000 |
| Deposits | <u>18,756,126</u> |
| | <u>20,659,826</u> |
| Total | <u>\$ 21,657,726</u> |

Deposits and investments of the City are reflected in the government-wide financial statements as follows:

| | |
|--|----------------------|
| Government-wide statement of net assets: | |
| Pooled cash and cash equivalents | \$ 20,251,124 |
| Restricted cash and investments | <u>1,406,602</u> |
| Total | <u>\$ 21,657,726</u> |

3. ACCOUNTS RECEIVABLE:

As a result of providing water and sewer services to its citizens, the City has extended credit to them. Accounts receivable are presented net of allowance for doubtful accounts of \$59,731 for the Water & Sewer fund.

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS:

Capital asset activity for the year ended December 31, 2020, consisted of the following:

| | Balance 1/1/2020 | Additions | Retirements | Balance 12/31/2020 |
|---|----------------------|-------------------|------------------|-----------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 3,375,771 | \$ - | \$ - | \$ 3,375,771 |
| Construction in progress | 1,609,030 | 273,591 | - | 1,882,621 |
| Total capital assets not being depreciated | <u>4,984,801</u> | <u>273,591</u> | <u>-</u> | <u>5,258,392</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 5,712,823 | 1,720 | - | 5,714,543 |
| Infrastructure | 25,605,249 | 909,935 | - | 26,515,184 |
| Furniture and equipment | 1,530,664 | 86,000 | 6,605 | 1,610,059 |
| Land improvements | 2,367,881 | 235,803 | - | 2,603,684 |
| Vehicles | 985,752 | 156,246 | 65,066 | 1,076,932 |
| Total capital assets being depreciated | <u>36,202,369</u> | <u>1,389,704</u> | <u>71,671</u> | <u>37,520,402</u> |
| Less: Accumulated depreciation | | | | |
| Buildings and improvements | 2,534,595 | 151,656 | - | 2,686,251 |
| Infrastructure | 9,248,465 | 996,444 | - | 10,244,909 |
| Furniture and equipment | 1,175,435 | 103,896 | 6,605 | 1,272,726 |
| Land improvements | 1,235,974 | 98,322 | - | 1,334,296 |
| Vehicles | 765,039 | 99,726 | 51,992 | 812,773 |
| Total accumulated depreciation | <u>14,959,508</u> | <u>1,450,044</u> | <u>58,597</u> | <u>16,350,955</u> |
| Total capital assets being depreciated, net | <u>21,242,861</u> | <u>(60,340)</u> | <u>13,074</u> | <u>21,169,447</u> |
| Total governmental activities capital assets, net | <u>\$ 26,227,662</u> | <u>\$ 213,251</u> | <u>\$ 13,074</u> | <u>\$ 26,427,839</u> |

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS (Continued):

Capital asset activity for the year ended December 31, 2020, consisted of the following (Continued):

| | Balance 1/1/2020 | Additions | Retirements | Balance 12/31/2020 |
|--|----------------------|--------------------|-------------------|-----------------------|
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 405,336 | \$ - | \$ - | \$ 405,336 |
| Construction in progress | 108,936 | 163,171 | 179,924 | 92,183 |
| Total capital assets not being depreciated | <u>514,272</u> | <u>163,171</u> | <u>179,924</u> | <u>497,519</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 307,599 | 6,880 | - | 314,479 |
| Distribution system | 20,961,525 | 382,553 | 159,481 | 21,184,597 |
| Furniture and equipment | 615,785 | 48,134 | - | 663,919 |
| Land improvements | 54,168 | - | - | 54,168 |
| Vehicles | 555,740 | 24,486 | 54,020 | 526,206 |
| Total capital assets being depreciated | <u>22,494,817</u> | <u>462,053</u> | <u>213,501</u> | <u>22,743,369</u> |
| Less: Accumulated depreciation: | | | | |
| Buildings and improvements | 94,050 | 6,793 | - | 100,843 |
| Distribution system | 9,874,905 | 610,455 | 134,750 | 10,350,610 |
| Furniture and equipment | 367,471 | 41,527 | - | 408,998 |
| Land improvements | 46,772 | 1,206 | - | 47,978 |
| Vehicles | 478,001 | 35,372 | 50,115 | 463,258 |
| Total accumulated depreciation | <u>10,861,199</u> | <u>695,353</u> | <u>184,865</u> | <u>11,371,687</u> |
| Total capital assets being depreciated, net | <u>11,633,618</u> | <u>(233,300)</u> | <u>28,636</u> | <u>11,371,682</u> |
| Total business-type activities capital assets, net | <u>\$ 12,147,890</u> | <u>\$ (70,129)</u> | <u>\$ 208,560</u> | <u>\$ 11,869,201</u> |

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS (Continued):

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

| | |
|--|---------------------|
| Governmental activities: | |
| General government | \$ 86,709 |
| Economic development | 1,314 |
| Public safety | 79,057 |
| Planning | 144,095 |
| Streets and highways | 922,369 |
| Parks and recreation | <u>216,500</u> |
| | |
| Total depreciation expense, governmental | <u>\$ 1,450,044</u> |
| | |
| Business-type activities, | |
| Water and sewer | <u>\$ 695,353</u> |

5. PENSION PLAN:

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

Benefits provided: LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

| | |
|-----------------------|----------------|
| | 2020 Valuation |
| Benefit Multiplier: | 1.5% |
| Final Average Salary: | 5 years |
| Member Contributions: | 0% |

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. PENSION PLAN (Continued):

Benefit terms provide for annual post retirement adjustments to each member’s retirement allowance subsequent to the member’s retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees covered by benefit terms: At June 30, 2020, the following number of employees by category were covered by the benefit terms:

| | |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefits | 22 |
| Inactive employees entitled to but not yet receiving benefits | 44 |
| Active employees | 60 |
| | 126 |
| | 126 |

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

Changes in the Net Pension Liability (Asset)

| | Increase (Decrease) | | |
|---|----------------------------|--------------------------------|--------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| | (a) | (b) | (a) - (b) |
| Balances at 6/30/2019 | \$ 6,346,785 | \$ 7,150,215 | \$ (803,430) |
| Changes for the year: | | | |
| Service Cost | 254,986 | | 254,986 |
| Interest | 464,608 | | 464,608 |
| Difference between expected and actual experience | 635,935 | | 635,935 |
| Change in assumptions | - | | - |
| Contributions - employer | | 262,189 | (262,189) |
| Contributions - employee | | - | - |
| Net investment income | | 93,174 | (93,174) |
| Benefit payments, including refunds | (129,590) | (129,590) | - |
| Administrative expense | | (14,125) | 14,125 |
| Other changes | | (12,310) | 12,310 |
| Net changes | 1,225,939 | 199,338 | 1,026,601 |
| Balances at 6/30/2020 | \$ 7,572,724 | \$ 7,349,553 | \$ 223,171 |

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. PENSION PLAN (Continued):

Sensitivity of the net pension liability to changes in the discount rate: The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower 6.25% or one percentage point higher 8.25% than the current rate.

| | 1% Decrease 6.25% | Current Single Discount Rate Assumption 7.25% | 1% Increase 8.25% |
|--------------------------------------|----------------------|---|----------------------|
| Total Pension Liability (TPL) | \$ 9,056,997 | \$ 7,572,724 | \$ 6,393,936 |
| Plan Fiduciary Net Position | <u>7,349,553</u> | <u>7,349,553</u> | <u>7,349,553</u> |
| Net Position Liability/(Asset) (NPL) | <u>\$ 1,707,444</u> | <u>\$ 223,171</u> | <u>\$ (955,617)</u> |

Contributions: The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 7.9% General and 8.3% Police of annual covered payroll.

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

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

| | | |
|---------------------------|---|----------------------|
| Inflation | 3.25% wage inflation | 2.5% price inflation |
| Salary Increase | 3.25% to 6.55% including wage inflation | |
| Investment rate of return | 7.25% | |

Mortality rates were based on the RP-2014 mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006.

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

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. PENSION PLAN (Continued):

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

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|--------------|----------------------|---|
| Equity | 39.00% | 4.16% |
| Fixed Income | 28.00% | 0.89% |
| Real Assets | 33.0% | 2.09% |

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

For the year ended December 31, 2020, the City recognized pension expense of \$363,119. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | | Deferred Inflows of Resources | | Net Deferred |
|--|-----------------------------------|----------------------|----------------------------------|----------------------|-----------------|
| | <u>Governmental</u> | <u>Business-type</u> | <u>Governmental</u> | <u>Business-type</u> | |
| Differences in experience | \$ 469,266 | \$ 131,328 | \$ (231,116) | \$ (54,836) | \$ 314,642 |
| Differences in assumptions | 45,047 | 2,154 | - | - | 47,201 |
| Excess (deficit) investment returns | 153,325 | 49,271 | | | 202,596 |
| Contributions subsequent to the measurement date* | 80,040 | 62,888 | - | - | 142,928 |
| Total | \$ 747,678 | \$ 245,641 | \$ (231,116) | \$ (54,836) | \$ 707,367 |

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending December 31, 2021.

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. PENSION PLAN (Continued):

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ending</u> | <u>Net Deferred Outflows of Resources</u> |
|--------------------|---|
| 2021 | \$ 66,353 |
| 2022 | 110,608 |
| 2023 | 166,787 |
| 2024 | 182,461 |
| 2025 | 38,230 |
| Thereafter | - |
| | <u>\$ 564,439</u> |

Payable to the Pension Plan

At December 31, 2020, the City reported a payable of \$0 for the outstanding amount of contributions due to the pension plan.

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

6. LONG-TERM DEBT:

Changes in long-term debt of the City for the year ended December 31, 2020, consisted of the following:

| Governmental Activities | | | | | |
|---|-------------------------------|--------------|--------------|---------------------------------|-----------------------------------|
| | Balance January 1, 2020 | Additions | Retirements | Balance December 31, 2020 | Amounts Due Within One Year |
| General obligation bonds | \$ 7,486,180 | \$ 4,630,000 | \$ 4,140,014 | \$ 7,976,166 | \$ 1,421,166 |
| Bond premium (discount) | 89,744 | 246,721 | 5,850 | 330,615 | 30,497 |
| Certificates of participation | 430,000 | - | 430,000 | - | - |
| NID Notes | 2,785,000 | - | 130,000 | 2,655,000 | 130,000 |
| TIF Bonds | 2,290,000 | 2,095,000 | 2,290,000 | 2,095,000 | 80,000 |
| Capital leases | 59,466 | 131,431 | 46,856 | 144,041 | 72,559 |
| | 13,140,390 | 7,103,152 | 7,042,720 | 13,200,822 | 1,734,222 |
| Other liabilities, Compensated absences * | 228,745 | 54,714 | 45,746 | 237,713 | 47,543 |
| | \$ 13,369,135 | \$ 7,157,866 | \$ 7,088,466 | \$ 13,438,535 | \$ 1,781,765 |

* Primarily liquidated by the General Fund

| Business-Type Activities | | | | | |
|---|-------------------------------|-----------|-------------|---------------------------------|-----------------------------------|
| | Balance January 1, 2020 | Additions | Retirements | Balance December 31, 2020 | Amounts Due Within One Year |
| Revenue bonds | \$ 300,000 | \$ - | \$ 300,000 | \$ - | \$ - |
| Bond premium (discount) | 8,064 | - | 8,064 | - | - |
| Capital lease | - | 49,154 | 10,746 | 38,408 | 10,946 |
| | 308,064 | 49,154 | 318,810 | 38,408 | 10,946 |
| Other liabilities, Compensated absences | 52,972 | 15,672 | 10,594 | 58,050 | 11,610 |
| | \$ 361,036 | \$ 64,826 | \$ 329,404 | \$ 96,458 | \$ 22,556 |

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

6. LONG-TERM DEBT (Continued):

Total City debt at December 31, 2020, consisted of the following:

Governmental activities:

General obligation bonds:

| | |
|---|------------------|
| \$3,380,000, Series 2018A, general obligation refunding bonds, issued for the refunding of Series 2008A general obligation bonds, due in annual installments of \$285,000 to \$395,000 through March 1, 2028, interest at 3% to 4% | \$ 2,780,000 |
| \$5,234,676, Series 2011, general obligation bonds, issued for construction of street infrastructure, due in annual installments of \$592,468 to \$154,382, through March 1, 2028, interest at 3.2% to 4.8% | 566,166 |
| \$4,630,000, Series 2020, general obligation refunding bonds, issued for the refunding of part of Series 2011 general obligation bonds, due in annual installments of \$555,000 to \$1,685,000, through March 1, 2024, interest at 3% | <u>4,630,000</u> |
| Total general obligation bonds | <u>7,976,166</u> |

Governmental fund revenue notes,

| | |
|--|------------------|
| \$3,035,000, Series 2016, neighborhood improvement district note, due in annual installments of \$125,000 to \$210,000 through March 1, 2036 interest at 2% to 3.15% | <u>2,655,000</u> |
|--|------------------|

Governmental fund revenue bonds,

| | |
|--|------------------|
| \$2,095,000, Series 2020, tax increment refunding revenue bonds, due in annual installments of \$80,000 to \$200,000, through April 15, 2033, interest at 3.1% | <u>2,095,000</u> |
|--|------------------|

Governmental fund capital leases:

| | |
|---|----------------|
| \$79,282, lease purchase of equipment for the Police department, due in annual installments of \$9,081 to \$27,003, through April 1, 2022, interest at 3.25% | 33,252 |
| \$12,288, lease purchase of equipment for the Street and Water/Sewer departments, due in annual installments of \$13,432 to \$34,327, through May 13, 2023, interest at 3.25% | 9,602 |
| \$119,143, lease purchase of equipment for the general government purposes, due in monthly installments of \$1,377 to \$3,732, through April 1, 2023, interest at 2.5% | <u>101,187</u> |
| Total capital leases | <u>144,041</u> |

| | |
|---------------------------|----------------|
| Governmental bond premium | <u>330,615</u> |
|---------------------------|----------------|

| | |
|--------------------------|----------------------|
| Total governmental funds | <u>\$ 13,200,822</u> |
|--------------------------|----------------------|

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

6. LONG-TERM DEBT (Continued):

Business-type activities:

\$49,154, lease purchase of equipment for the Street and Water/Sewer departments, due in annual installments of \$13,432 to \$34,327, through May 13, 2023, interest at 3.25%

\$ 38,408

Tax Incentive Revenue Bonds and Development Agreements:

The City's Tax Incentive Revenue Bonds are recorded as a liability of the City to match revenue streams to the related debt for which they have been pledged. The City and other taxing districts and governmental entities have pledged a portion of future property tax and sales tax revenues to repay the \$2,095,000 in Series 2020 Refunding Revenue Bonds issued to refund the 2012 Revenue Bonds, which were issued to finance redevelopment projects within the Grain Valley Marketplace Tax Increment Financing (TIF) project. The bonds are payable solely from the incremental increase in property taxes and sales taxes generated within the TIF plan as well as revenues pledged by other taxing districts through cooperative agreements. TIF revenues and other pledged revenues were projected to produce sufficient funds to meet debt service requirements over the life of the bonds. Should these revenues not be sufficient to meet the required debt service obligations, the City, subject to annual appropriation, is obligated to make such debt service payments from other sources of its revenues. However, the City intends to annually appropriate funds sufficient to make all payments required by the bonds for the next fiscal year. Management does not anticipate that any of the City's funds will be required to make up any deficiency in bond payments during the next fiscal year.

Additionally, the City has entered into certain developer agreements whereby developer financed project costs that have been certified by the City as eligible are reimbursed from tax increment financing revenues attributable to the project. Under tax increment financing plans, the developer may be reimbursed up to the certified cost amount from incremental taxes during a period not to exceed 23 years. TIF revenues were projected to produce sufficient funds to reimburse the developer for certified costs. The developer obligations are limited solely to the amount of incremental taxes received attributable to each respective project; any deficiencies are the sole responsibility of the developer and do not constitute an obligation of the Commission or of the City.

At December 31, 2020, total principal and interest remaining on the 2020 IDA TIF Refunding Bonds was \$2,095,000 and \$455,559, respectively. The bonds are scheduled to mature at varying amounts through 2033 and the developer obligations are payable to the extent incremental taxes are available for a period not to exceed 23 years.

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

6. LONG-TERM DEBT (Continued):

Aggregate annual principal and interest payments applicable to long-term debt are:

| <u>Years ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>NID Note</u> |
|--------------------------------------|---------------------|-------------------|---------------------|
| 2021 | \$ 130,000 | \$ 84,691 | \$ 214,691 |
| 2022 | 135,000 | 81,443 | 216,443 |
| 2023 | 140,000 | 77,796 | 217,796 |
| 2024 | 145,000 | 73,768 | 218,768 |
| 2025 | 145,000 | 69,445 | 214,445 |
| 2026 - 2030 | 800,000 | 273,517 | 1,073,517 |
| 2031 - 2035 | 950,000 | 126,365 | 1,076,365 |
| 2036 | <u>210,000</u> | <u>3,806</u> | <u>213,806</u> |
| | <u>\$ 2,655,000</u> | <u>\$ 790,831</u> | <u>\$ 3,445,831</u> |

| <u>Years ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>IDA TIF Refunding Bonds</u> |
|--------------------------------------|---------------------|-------------------|------------------------------------|
| 2021 | \$ 80,000 | \$ 57,752 | \$ 137,752 |
| 2022 | 140,000 | 60,295 | 200,295 |
| 2023 | 145,000 | 55,877 | 200,877 |
| 2024 | 150,000 | 51,305 | 201,305 |
| 2025 | 155,000 | 46,578 | 201,578 |
| 2026 - 2030 | 850,000 | 156,549 | 1,006,549 |
| 2031 - 2033 | <u>575,000</u> | <u>27,203</u> | <u>602,203</u> |
| | <u>\$ 2,095,000</u> | <u>\$ 455,559</u> | <u>\$ 2,550,559</u> |

| <u>Years ending December 31</u> | <u>Principal</u> | <u>Interest</u> | <u>General Obligation Bonds Payable</u> |
|-------------------------------------|---------------------|-------------------|---|
| 2021 | \$ 1,421,166 | \$ 396,748 | \$ 1,817,914 |
| 2022 | 1,610,000 | 187,975 | 1,797,975 |
| 2023 | 2,010,000 | 130,475 | 2,140,475 |
| 2024 | 1,435,000 | 75,475 | 1,510,475 |
| 2025 | 355,000 | 45,150 | 400,150 |
| 2026 - 2028 | <u>1,145,000</u> | <u>54,125</u> | <u>1,199,125</u> |
| | <u>\$ 7,976,166</u> | <u>\$ 889,948</u> | <u>\$ 8,866,114</u> |

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

6. LONG-TERM DEBT (Continued):

The Missouri State Constitution permits a city, by a vote of either two-thirds or four-sevenths of the voting electorate, depending on the date of the election, 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 sewer systems, and purchasing or constructing waterworks, electric, or other light plants, provided the total general obligation indebtedness does not exceed 20% of the assessed valuation of taxable property.

At December 31, 2020, the City’s general obligation debt limit was \$48,439,016 and the legal debt margin was \$42,064,650.

Advanced Refunding:

In November 2020, the City issued Series 2020 IDA TIF Refunding Bonds of \$2,095,000 to refund \$2,290,000 of outstanding 2012 IDA TIF Bonds. This refunding was undertaken to reduce the total debt service payments by \$632,581, which resulted in an economic gain of \$109,119.

In December 2020, the City issued Series 2020A General Obligation Refunding Bonds of \$4,630,000 to refund \$4,800,481 of outstanding Series 2011 Capital Appreciation Bonds. The City placed \$4,800,481 into an escrow account and the proceeds were used to purchase State and Local Government Securities. The refunding was undertaken to reduce the total debt service payments by \$5,755,000, which resulted in an economic gain of approximately \$807,447.

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

7. CAPITAL LEASES:

The City has entered into lease agreements for the financing of capital equipment. The lease agreements qualify as capital leases for accounting purposes, and therefore have been recorded as the present value of their future minimum lease payments as of the inception dates.

The assets acquired through the capital lease are as follows:

| Asset | |
|------------------------|------------|
| Governmental equipment | \$ 210,713 |
| Proprietary equipment | 49,154 |
| | \$ 259,867 |

The future minimum lease payments and the present value of the remaining minimum lease payments as of December 31, 2020, are as follows:

| Year Ending December 31, | Governmental Funds | Proprietary Funds |
|---|-----------------------|----------------------|
| 2021 | \$ 75,700 | \$ 12,212 |
| 2022 | 58,275 | 28,367 |
| 2023 | 14,539 | - |
| | 148,514 | 40,579 |
| Less: amount representing interest | 4,473 | 2,171 |
| Present value of future minimum lease payments | \$ 144,041 | \$ 38,408 |

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

8. RESTRICTED CASH:

Restricted cash and investments at December 31, 2020, consisted of the following:

| Account | General Fund | Special Revenue Funds | Water & Sewer Fund | Total |
|-------------------------------|------------------|-----------------------|--------------------|---------------------|
| Police | \$ 100 | \$ - | \$ - | \$ 100 |
| Municipal court | 11,940 | - | - | 11,940 |
| Customer deposits | - | - | 385,690 | 385,690 |
| Health plan and flex benefits | 6,130 | 2,682 | 2,160 | 10,972 |
| Tax deposits | - | 756,709 | - | 756,709 |
| Reserve for debt service | - | 241,191 | - | 241,191 |
| | <u>\$ 18,170</u> | <u>\$ 1,000,582</u> | <u>\$ 387,850</u> | <u>\$ 1,406,602</u> |

9. LEGAL MATTERS:

There are a number of claims or lawsuits to which the City is, or may be, a party as a result of certain law enforcement activities, injuries and various other matters and complaints arising in the ordinary course of activities. The City's management and legal counsel believe that the potential claims against the City not covered by insurance, if any, resulting from such matters, would not materially affect the financial position of the City.

10. TAX REVENUES:

The tax revenues, including interest and penalties collected thereon, for the year ended December 31, 2020, are as follows:

| Type | General Fund | Special Revenue Funds | Debt Service Fund |
|----------------------|---------------------|-----------------------|---------------------|
| Property | \$ 1,162,264 | \$ 902,796 | \$ 2,243,347 |
| Railroad | 21,984 | 6,785 | 42,655 |
| Franchise | 1,070,373 | - | - |
| Cigarette | - | 25,068 | - |
| City sales | 1,193,591 | 1,464,566 | - |
| Park sales | - | 530,700 | - |
| Transportation sales | - | 530,700 | - |
| Other | 15,264 | 455,171 | 29,616 |
| | <u>\$ 3,463,476</u> | <u>\$ 3,915,786</u> | <u>\$ 2,315,618</u> |

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

10. TAX REVENUES (Continued):

The assessed valuation of the tangible property for the purpose of local taxation as of July 2, 2019, was as follows:

| | |
|-------------------|-----------------------|
| Real estate | \$ 198,741,883 |
| Personal property | 37,650,904 |
| TIF | <u>4,500,370</u> |
| | <u>\$ 240,893,157</u> |

The tax levy per \$100 of assessed valuation of tangible real and personal property for the calendar year 2020 was as follows:

| | |
|---------------------------|------------------|
| General Fund | \$ 0.4923 |
| Parks and Recreation Fund | 0.0433 |
| Health Fund | 0.1087 |
| Debt Service Funds | <u>0.9551</u> |
| | <u>\$ 1.5994</u> |

Property taxes may attach as an enforceable lien on property as of January 1. Taxes are levied no later than November 1 and are due and payable at that time. All unpaid taxes levied by November 1 become delinquent January 1 of the following year.

11. INTERFUND BALANCES:

Interfund receivable and payable balances at December 31, 2020, were as follows:

| | <u>Receivable</u> | <u>Payable</u> |
|---|-------------------|-----------------|
| General Fund | \$ 3,456 | \$ - |
| Special Revenue Funds, Marketplace NID | <u>-</u> | <u>3,456</u> |
| | <u>\$ 3,456</u> | <u>\$ 3,456</u> |

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

11. INTERFUND BALANCES (Continued):

Transfers during the year ended December 31, 2020, were as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|-------------------------|-------------------------|--------------------------|
| General Fund | \$ - | \$ 25,000 |
| Special Revenue Funds: | | |
| Park | 300,000 | - |
| Transportation | - | 25,000 |
| 2012 IDA TIF | 190,700 | - |
| Public Health | - | 40,000 |
| Capital Improvement | - | 210,000 |
| Marketplace TIF Special | - | 111,022 |
| Marketplace CID Sales | - | 79,678 |
| | <u>\$ 490,700</u> | <u>\$ 490,700</u> |

In general, transfers are used to (1) move revenues from the fund that collects the money to the fund that expends the money, (2) move receipts restricted or earmarked for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in a fund to provide operating advances to other funds in accordance with budgetary authorizations.

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

12. INTERGOVERNMENTAL REVENUE:

Intergovernmental revenue during the year ended December 31, 2020, consisted of the following:

| | <u>General Fund</u> | <u>Other Governmental Funds</u> |
|------------------------------|-------------------------|---|
| Federal, | | |
| Department of Treasury, | | |
| CARES Act | \$ 834,815 | \$ - |
| State: | | |
| Department of Public Safety, | | |
| Police Grants | 163,180 | - |
| Department of Revenue: | | |
| Motor Vehicle Sales Tax | - | 121,824 |
| Motor Vehicle Fuel Tax | - | 323,792 |
| Motor Vehicle Fees | - | 58,180 |
| County, | | |
| Old Towne TIF | - | 35,212 |
| Local, | | |
| School District | <u>93,773</u> | <u>-</u> |
| | <u>\$ 1,091,768</u> | <u>\$ 539,008</u> |

13. 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; workers' compensation, and natural disasters for which the City carries commercial insurance. There have been no significant reductions in insurance coverage from the prior year and no significant losses in the past three fiscal years.

14. DEFERRED COMPENSATION PLAN:

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional.

Employees may contribute up to 25% of their annual base salary to a maximum limit of \$17,500 per year. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. Investments are managed by the plan's trustee, and the choice of the investment option(s) is made by the participants.

The City does not make a contribution for either full-time or part-time employees participating in the plan.

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

15. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

For the year ended December 31, 2020, in violation of Missouri state statutes and the City's budgetary process, the City had actual expenditures in excess of budget in the following funds:

| | |
|---|------------------|
| Debt Service Fund | \$ 11,468 |
| Special Revenue Funds, Interchange TIF | <u>11,738</u> |
| | <u>\$ 23,206</u> |

For the year ended December 31, 2020, in violation of Missouri state statutes and the City's budgetary process, the City had budgeted a deficit without adequate fund balance in the following funds:

| | |
|------------------------|-----------------|
| Special Revenue Funds: | |
| Marketplace NID | \$ 489 |
| Marketplace TIF | <u>4,269</u> |
| | <u>\$ 4,758</u> |

For the year ended December 31, 2020, in violation of Missouri state statutes and the City's budgetary process, the City had a fund balance deficit in the following funds:

| | |
|------------------------|------------------|
| Special Revenue Funds: | |
| Marketplace NID | \$ 2,148 |
| Marketplace TIF | <u>8,498</u> |
| | <u>\$ 10,646</u> |

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

16. COMMITMENTS:

In 2009, the City entered into an agreement with the City of Blue Springs, Missouri, for sewer services. The City agreed to finance a portion of the Sni-A-Bar Wastewater Treatment Plant improvements. After the expansion is complete the City will own 47.5% of the capacity within the expanded portion, and will be obligated for 47.5% of the debt service associated with the improvements. The City's portion of the total debt service of the plant expansion is approximately \$11.2 million. The City has budgeted for the debt service payments and will continue until the bonds are paid off in 2031.

In 2009, the City entered into an agreement with the Missouri Highways and Transportation Commission for the improvement of various roads within the City. The cost of the project is approximately \$3,500,000, and is to be funded by the Missouri Highways and Transportation Commission. If the project expenses are in excess of the cost estimates the City would be obligated to fund the rest. At this time the City does not anticipate the projects will cost more than the original estimates.

In 2010, the City entered into an agreement with a developer to redevelop portions of the City. The City agreed to issue Tax Increment Financing (TIF) bonds to reimburse the developer for eligible site development costs. The City has committed to issuing up to an additional \$3,500,000 in TIF bonds to reimburse the developer for eligible construction costs. The total costs of the projects are estimated at approximately \$25,000,000.

17. WATER AND SEWER SERVICE CONTRACTS:

On April 15, 1992, the City entered into a contract with the City of Independence to purchase water through the year 2012. The contract was renewed in 2013 to supply water through the year 2033. The contract provided the City the right to an increased water supply at a cost of \$708,840, representing a share of plant expansion costs. This cost has been capitalized as a deferred charge and is amortized over the estimated useful life of the expansion.

On October 15, 2004, the City entered into a contract with Tri-County Water Authority (Tri-County) which requires the City to purchase a minimum of 50,000 gallons of water per day through October 18, 2024. As part of this agreement, the City is also billed by Tri-County for the pro-rata portion of the debt service it incurred to construct the water tower and lines required to provide the necessary water capacity. It is the City's understanding that the pro-rata debt service billings are based on the total amount of bonds that were issued to finance other Tri-County projects. As a result, an adjustment is expected to be made by Tri-County to future debt service charges to reflect the City's actual pro-rata portion of the total project costs.

The City has contracted with the City of Blue Springs to provide sewerage disposal service through the year 2026 and share the costs of expanding the sewer treatment plant. The City's \$2,550,974 has been capitalized and is being amortized over the estimated useful life of the expansion. This agreement may be amended or terminated at any time upon mutual agreement of the two cities.

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

18. SEGMENT INFORMATION FOR ENTERPRISE FUNDS:

Water and sewer services are primarily financed by user charges and are accounted for in a combined enterprise fund. The City's estimate of the segmented financial data as of and for the year ended December 31, 2020, for these funds are as follows:

| | <u>Water</u> | <u>Sewer</u> | <u>Total</u> |
|--|--------------|--------------|--------------|
| Operating revenues | \$ 2,716,426 | \$ 3,605,140 | \$ 6,321,566 |
| Operating expenses | 3,134,314 | 2,585,200 | 5,719,514 |
| Depreciation and amortization | 536,657 | 243,665 | 780,322 |
| Operating income (loss) | (417,888) | 1,019,940 | 602,052 |
| Net income (loss) | (390,270) | 1,047,558 | 657,288 |
| Property, plant, and equipment additions | 625,224 | - | 625,224 |
| Working capital | 3,804,689 | 3,424,836 | 7,229,525 |
| Total capital assets, net of accumulated depreciation | 7,983,978 | 3,885,223 | 11,869,201 |

19. NET POSITION:

Net position is comprised of three categories: Net investment in capital assets; restricted; and unrestricted. The first category reflects the portion of net position which is associated with non-liquid, capital assets, less the outstanding debt (net) related to these capital assets. The related debt (net) is the debt less the outstanding liquid assets and any associated unamortized costs. Restricted net position is restricted assets, (usually cash) that must be spent for specific purposes. Net position, which is neither restricted nor related to capital assets, is reported as unrestricted net assets.

The City issued debt to finance the construction of infrastructure.

| | |
|---|-----------------------------|
| Capital assets, net | \$ 26,427,839 |
| Total debt | (13,200,822) |
| Debt related to assets not owned by City: | |
| 2016 neighborhood improvement district | 2,655,000 |
| 2012 IDA tax increment financing bond | <u>2,095,000</u> |
| | 4,750,000 |
| Unspent bond proceeds | <u>4,084</u> |
| Net investment in capital assets | <u><u>\$ 17,981,101</u></u> |

CITY OF GRAIN VALLEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

20. PLEDGED REVENUES:

In 2012, the City pledged sewer revenues to the City of Blue Springs, Missouri, to pay for the debt service of the Sni-A-Bar wastewater treatment plant improvements. The City of Grain Valley's portion of the City of Blue Springs debt service payments and administrative fees are approximately \$900,000 each year until 2031.

21. STABILIZATION AGREEMENT:

The City has adopted a stabilization agreement which sets aside 25% of budgeted General Fund expenditures of the prior fiscal year. The 25% stabilization is divided into two reserve categories, the Emergency Reserve and the Budget Stabilization Reserve. If the reserves are spent below the required levels, the City must develop and implement a plan to replenish those reserves. The progress of the replenishments shall be reported in the City's annual budget and quarterly financial reports.

22. EVALUATION OF SUBSEQUENT EVENTS:

The City evaluated its December 31, 2020 financial statements for subsequent events through the date the financial statements were available to be issued.

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REQUIRED SUPPLEMENTAY INFORMATION
OTHER THAN MD&A

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**CITY OF GRAIN VALLEY, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of Changes in Net Pension Liability and Related Ratios
Last 6 Fiscal Years**

Fiscal year ending June 30,

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total Pension Liability | | | | | | |
| Service Cost | \$ 254,986 | \$ 231,015 | \$ 227,473 | \$ 228,868 | \$ 224,490 | \$ 221,758 |
| Interest on the Total Pension Liability | 464,608 | 441,938 | 402,605 | 369,383 | 326,312 | 299,434 |
| Benefit Changes | - | - | - | - | - | - |
| Difference between expected and actual experience | 635,935 | (253,713) | 20,627 | (32,086) | (62,639) | (86,293) |
| Assumption Changes | - | - | - | - | 187,721 | - |
| Benefit Payments | (129,590) | (107,458) | (112,298) | (102,362) | (66,157) | (64,886) |
| Refunds | - | - | - | - | - | - |
| Net Change in Total Pension Liability | 1,225,939 | 311,782 | 538,407 | 463,803 | 609,727 | 370,013 |
| Total Pension Liability beginning | 6,346,785 | 6,035,003 | 5,496,596 | 5,032,793 | 4,423,066 | 4,053,053 |
| Total Pension Liability ending | \$ 7,572,724 | \$ 6,346,785 | \$ 6,035,003 | \$ 5,496,596 | \$ 5,032,793 | \$ 4,423,066 |
| Plan Fiduciary Net Position | | | | | | |
| Contributions-employer | \$ 262,189 | \$ 228,653 | \$ 229,051 | \$ 215,918 | \$ 230,740 | \$ 253,622 |
| Contributions-employee | - | - | - | - | - | - |
| Pension Plan Net Investment income | 93,174 | 442,351 | 718,706 | 621,049 | 790 | 90,757 |
| Benefit Payments | (129,590) | (107,458) | (112,298) | (102,362) | (66,157) | (64,886) |
| Refunds | - | - | - | - | - | - |
| Pension Plan Administrative expense | (14,125) | (11,719) | (7,941) | (7,671) | (7,154) | (8,203) |
| Other | (12,310) | (79,554) | 26,880 | 13,000 | (12,258) | 131,679 |
| Net Change in Plan Fiduciary Net Position | 199,338 | 472,273 | 854,398 | 739,934 | 145,961 | 402,969 |
| Plan Fiduciary Net Position beginning | 7,150,215 | 6,677,942 | 5,823,544 | 5,083,610 | 4,937,649 | 4,534,680 |
| Plan Fiduciary Net Position ending | \$ 7,349,553 | \$ 7,150,215 | \$ 6,677,942 | \$ 5,823,544 | \$ 5,083,610 | \$ 4,937,649 |
| Employer Net Pension Liability (Asset) | \$ 223,171 | \$ (803,430) | \$ (642,939) | \$ (326,948) | \$ (50,817) | \$ (514,583) |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 97.05% | 112.66% | 110.65% | 105.95% | 101.01% | 111.63% |
| Covered Employee Payroll | \$3,276,506 | \$2,572,063 | \$2,591,148 | \$2,538,666 | \$2,595,811 | \$2,583,131 |
| Employer's Net Pension Liability as a percentage of covered employee payroll | 6.81% | -31.24% | -24.81% | -12.88% | -1.96% | -19.92% |

Notes to schedule:

Only the last 6 years are being shown, as other years come available they will be included until 10 years of data is shown.

CITY OF GRAIN VALLEY, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Actuarially determined contribution | \$274,281 | \$247,488 | \$224,951 | \$230,845 | \$212,068 | \$243,943 | \$264,749 | \$243,134 | \$230,215 | \$221,440 |
| Contributions in relation to the | | | | | | | | | | |
| actuarially determined contribution | 274,281 | 247,489 | 224,951 | 225,831 | 212,068 | 243,943 | 264,749 | 243,134 | 230,215 | 221,440 |
| Contribution deficiency (excess) | \$ - | \$ (1) | \$ - | \$ 5,014 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered-employee payroll | \$3,403,895 | \$2,967,766 | \$2,611,415 | \$2,612,097 | \$2,586,197 | \$2,665,516 | \$2,691,986 | \$2,486,268 | \$2,325,626 | \$2,200,189 |
| Contributions as a percentage of covered-employee payroll | 8.06% | 8.34% | 8.61% | 8.65% | 8.20% | 9.15% | 9.83% | 9.78% | 9.9% | 10.06% |

Valuation date 2/29/2020

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

Methods and assumption used to determine contribution rates:

| | |
|-------------------------------|---|
| Actuarial cost method | Entry age normal and modified terminal funding |
| Amortization method | A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. |
| Remaining amortization period | 15 years |
| Asset valuation method | 5 year smoothed market; 20% corridor |
| Inflation | 3.25% wage inflation; 2.5% price inflation |
| Salary increases | 3.25% to 6.55% including wage inflation |
| Investment rate of return | 7.25%, net of investment expenses |
| Retirement age | Experience-based table of rate that are specific to the type of eligibility condition |
| Mortality | RP-2014 mortality tables for males and females, adjusted for improvement back to the observation period base year of 2006. The base year for males and females was established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale. |
| Other information | None |

**CITY OF GRAIN VALLEY, MO
BUDGETARY COMPARISON SCHEDULE --
GENERAL
FOR THE YEAR ENDED DECEMBER 31, 2020**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------------|--|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Taxes | \$ 3,404,000 | \$ 3,404,000 | \$ 3,463,476 | \$ 59,476 |
| Intergovernmental | 262,498 | 1,128,226 | 1,091,768 | (36,458) |
| Charges for services | - | - | 2,500 | 2,500 |
| Fees and fines | 492,835 | 492,835 | 563,166 | 70,331 |
| Investment earnings | 60,000 | 60,000 | 26,489 | (33,511) |
| Other | <u>12,600</u> | <u>12,600</u> | <u>48,117</u> | <u>35,517</u> |
| | <u>4,231,933</u> | <u>5,097,661</u> | <u>5,195,516</u> | <u>97,855</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 1,016,941 | 1,306,941 | 1,130,036 | 176,905 |
| Municipal court | 179,742 | 179,742 | 152,937 | 26,805 |
| Public safety | 2,475,410 | 2,537,544 | 2,423,931 | 113,613 |
| Planning and engineering | 281,222 | 281,222 | 256,922 | 24,300 |
| Capital outlay | 195,942 | 315,085 | 276,309 | 38,776 |
| Debt service: | | | | |
| Principal | 54,700 | 52,566 | 44,169 | 8,397 |
| Interest and other charges | <u>4,100</u> | <u>4,100</u> | <u>2,362</u> | <u>1,738</u> |
| | <u>4,208,057</u> | <u>4,677,200</u> | <u>4,286,666</u> | <u>390,534</u> |
| Revenues over expenditures | <u>23,876</u> | <u>420,461</u> | <u>908,850</u> | <u>488,389</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from capital lease | - | 119,143 | 119,143 | - |
| Proceeds from sale capital assets | 5,000 | 5,000 | 5,950 | 950 |
| Transfers out | <u>(25,000)</u> | <u>(25,000)</u> | <u>(25,000)</u> | <u>-</u> |
| | <u>(20,000)</u> | <u>99,143</u> | <u>100,093</u> | <u>950</u> |
| Net change in fund balances | 3,876 | 519,604 | 1,008,943 | 489,339 |
| Fund balances - beginning | <u>3,286,895</u> | <u>3,286,895</u> | <u>3,286,895</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 3,290,771</u> | <u>\$ 3,806,499</u> | <u>\$ 4,295,838</u> | <u>\$ 489,339</u> |

**CITY OF GRAIN VALLEY, MO
BUDGETARY COMPARISON SCHEDULE --
PARK
FOR THE YEAR ENDED DECEMBER 31, 2020**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--------------------------------------|-------------------------|---------------------|--|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Taxes | \$ 806,000 | \$ 806,000 | \$ 824,800 | \$ 18,800 |
| Intergovernmental | 119,210 | 119,210 | - | (119,210) |
| Charges for services | 824,942 | 824,942 | 176,653 | (648,289) |
| Investment earnings | 22,500 | 22,500 | 8,055 | (14,445) |
| Miscellaneous | <u>585</u> | <u>585</u> | <u>380</u> | <u>(205)</u> |
| | <u>1,773,237</u> | <u>1,773,237</u> | <u>1,009,888</u> | <u>(763,349)</u> |
| EXPENDITURES: | | | | |
| Current, | | | | |
| Parks and recreation | 1,043,388 | 1,043,387 | 899,556 | 143,831 |
| Capital outlay | 561,375 | 561,375 | 338,154 | 223,221 |
| Debt service: | | | | |
| Principal | 430,000 | 430,000 | 430,000 | - |
| Interest and other charges | <u>24,400</u> | <u>24,400</u> | <u>23,885</u> | <u>515</u> |
| | <u>2,059,163</u> | <u>2,059,162</u> | <u>1,691,595</u> | <u>367,567</u> |
| Revenues under expenditures | <u>(285,926)</u> | <u>(285,925)</u> | <u>(681,707)</u> | <u>(395,782)</u> |
| OTHER FINANCING SOURCES: | | | | |
| Proceeds from sale of capital assets | 500 | 500 | 17,205 | 16,705 |
| Transfers in | <u>300,000</u> | <u>300,000</u> | <u>300,000</u> | <u>-</u> |
| | <u>300,500</u> | <u>300,500</u> | <u>317,205</u> | <u>16,705</u> |
| Net change in fund balances | 14,574 | 14,575 | (364,502) | (379,077) |
| Fund balances - beginning | <u>1,132,097</u> | <u>1,132,097</u> | <u>1,132,097</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 1,146,671</u> | <u>\$ 1,146,672</u> | <u>\$ 767,595</u> | <u>\$ (379,077)</u> |

**CITY OF GRAIN VALLEY, MO
BUDGETARY COMPARISON SCHEDULE --
TRANSPORTATION
FOR THE YEAR ENDED DECEMBER 31, 2020**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------------|--|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Taxes | \$ 512,000 | \$ 512,000 | \$ 530,700 | \$ 18,700 |
| Intergovernmental | 520,000 | 520,000 | 503,796 | (16,204) |
| Investment earnings | 25,000 | 25,000 | 9,166 | (15,834) |
| Miscellaneous | <u>138,117</u> | <u>138,117</u> | <u>82,400</u> | <u>(55,717)</u> |
| | <u>1,195,117</u> | <u>1,195,117</u> | <u>1,126,062</u> | <u>(69,055)</u> |
| EXPENDITURES: | | | | |
| Current, | | | | |
| Street | 656,062 | 654,342 | 578,592 | 75,750 |
| Capital outlay | 426,631 | 978,351 | 935,285 | 43,066 |
| Debt Service: | | | | |
| Principal | - | - | 2,687 | (2,687) |
| Interest and other charges | <u>-</u> | <u>-</u> | <u>366</u> | <u>(366)</u> |
| | <u>1,082,693</u> | <u>1,632,693</u> | <u>1,516,930</u> | <u>115,763</u> |
| Revenues over (under) expenditures | <u>112,424</u> | <u>(437,576)</u> | <u>(390,868)</u> | <u>46,708</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from capital leases | - | - | 12,288 | 12,288 |
| Sale of assets | - | - | 1,933 | 1,933 |
| Transfers out | <u>(25,000)</u> | <u>(25,000)</u> | <u>(25,000)</u> | <u>-</u> |
| | <u>(25,000)</u> | <u>(25,000)</u> | <u>(10,779)</u> | <u>14,221</u> |
| Net change in fund balances | 87,424 | (462,576) | (401,647) | 60,929 |
| Fund balances - beginning | <u>1,883,295</u> | <u>1,883,295</u> | <u>1,883,295</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 1,970,719</u> | <u>\$ 1,420,719</u> | <u>\$ 1,481,648</u> | <u>\$ 60,929</u> |

**CITY OF GRAIN VALLEY, MO
BUDGETARY COMPARISON SCHEDULE -
2012 IDA TIF
FOR THE YEAR ENDED DECEMBER 31, 2020**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------------|-------------------------|--------------------|--|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Investment earnings | \$ - | \$ - | \$ 1,074 | 1,074 |
| EXPENDITURES, | | | | |
| Debt service: | | | | |
| Principal | 100,000 | 2,290,000 | 2,290,000 | - |
| Bond issue costs | - | 132,000 | 136,654 | (4,654) |
| Interest and other charges | <u>102,000</u> | <u>125,000</u> | <u>119,585</u> | <u>5,415</u> |
| | <u>202,000</u> | <u>2,547,000</u> | <u>2,546,239</u> | <u>761</u> |
| Revenues under expenditures | <u>(202,000)</u> | <u>(2,547,000)</u> | <u>(2,545,165)</u> | <u>1,835</u> |
| OTHER FINANCING SOURCES, | | | | |
| Refunding bonds | - | 2,095,000 | 2,095,000 | - |
| Proceeds from sale capital assets | - | - | - | - |
| Transfers in | <u>245,000</u> | <u>196,000</u> | <u>190,700</u> | <u>(5,300)</u> |
| | <u>245,000</u> | <u>2,291,000</u> | <u>2,285,700</u> | <u>(5,300)</u> |
| Net change in fund balances | 43,000 | (256,000) | (259,465) | (3,465) |
| Fund balances - beginning | <u>305,039</u> | <u>305,039</u> | <u>305,039</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 348,039</u> | <u>\$ 49,039</u> | <u>\$ 45,574</u> | <u>\$ (3,465)</u> |

SUPPLEMENTAL INFORMATION

**CITY OF GRAIN VALLEY, MO
COMBINING BALANCE SHEET --
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

| | <u>Tourism</u> | <u>Public Health</u> | <u>Old Towne TIF</u> | <u>Capital Improvements</u> | <u>Marketplace TIF</u> | <u>Marketplace TIF Reserve</u> | <u>Marketplace TIF Special</u> |
|--|------------------|----------------------|----------------------|---------------------------------|----------------------------|------------------------------------|------------------------------------|
| ASSETS: | | | | | | | |
| Cash and investments | \$ 24,005 | \$ 140,717 | \$ 233,094 | \$ 482,557 | \$ 8,467 | \$ 594,345 | \$ 58,679 |
| Cash and investments-restricted | - | - | - | - | - | - | 596,721 |
| Taxes receivable, net | - | - | - | 96,588 | - | - | - |
| Total assets | <u>\$ 24,005</u> | <u>\$ 140,717</u> | <u>\$ 233,094</u> | <u>\$ 579,145</u> | <u>\$ 8,467</u> | <u>\$ 594,345</u> | <u>\$ 655,400</u> |
| LIABILITIES AND FUND BALANCES: | | | | | | | |
| Accounts payable | - | 505 | 230,015 | - | - | - | - |
| Customer deposits | - | - | - | - | 16,965 | - | - |
| Due to other funds | - | - | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>505</u> | <u>230,015</u> | <u>-</u> | <u>16,965</u> | <u>-</u> | <u>-</u> |
| Deferred inflows of resources, Advances of tax revenues | - | 64,696 | - | - | - | - | - |
| Fund balances: | | | | | | | |
| Restricted: | | | | | | | |
| Public health | - | 75,516 | - | - | - | - | - |
| Economic development | 24,005 | - | - | - | - | - | - |
| Capital projects | - | - | 3,079 | 579,145 | - | - | 655,400 |
| Committed for, Bond payments | - | - | - | - | - | 594,345 | - |
| Unassigned | - | - | - | - | (8,498) | - | - |
| Total fund balances (deficit) | <u>24,005</u> | <u>75,516</u> | <u>3,079</u> | <u>579,145</u> | <u>(8,498)</u> | <u>594,345</u> | <u>655,400</u> |
| Total liabilities and fund balances | <u>\$ 24,005</u> | <u>\$ 140,717</u> | <u>\$ 233,094</u> | <u>\$ 579,145</u> | <u>\$ 8,467</u> | <u>\$ 594,345</u> | <u>\$ 655,400</u> |

| Marketplace NID | Marketplace CID Sales | Interchange Mercado CID Project #3 | Interchange Village of Grain Valley CID TIF Project #3 | Interchange TIF Project #1A | Interchange TIF Project #3 | Interchange TIF Project #4 | Total Governmental Funds |
|--------------------|--------------------------|--|---|--------------------------------|-------------------------------|-------------------------------|--------------------------------|
| \$ 1,626 | \$ 6,935 | \$ 13,998 | \$ 7,976 | \$ 601,769 | \$ 29,697 | \$ 17,706 | \$ 2,221,571 |
| - | 351,960 | - | - | - | - | - | 948,681 |
| - | - | - | - | - | - | - | 96,588 |
| <u>\$ 1,626</u> | <u>\$ 358,895</u> | <u>\$ 13,998</u> | <u>\$ 7,976</u> | <u>\$ 601,769</u> | <u>\$ 29,697</u> | <u>\$ 17,706</u> | <u>\$ 3,266,840</u> |
| \$ 318 | \$ - | \$ 2,110 | \$ - | \$ 16,738 | \$ 3,011 | \$ 1,643 | \$ 254,340 |
| - | - | - | - | - | - | - | 16,965 |
| <u>3,456</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,456</u> |
| <u>3,774</u> | <u>-</u> | <u>2,110</u> | <u>-</u> | <u>16,738</u> | <u>3,011</u> | <u>1,643</u> | <u>274,761</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>64,696</u> |
| - | - | - | - | - | - | - | 75,516 |
| - | - | - | - | - | - | - | 24,005 |
| - | 358,895 | 11,888 | 13,794 | 585,031 | 20,868 | 16,063 | 2,244,163 |
| - | - | - | - | - | - | - | 594,345 |
| <u>(2,148)</u> | <u>-</u> | <u>-</u> | <u>(5,818)</u> | <u>-</u> | <u>5,818</u> | <u>-</u> | <u>(10,646)</u> |
| <u>(2,148)</u> | <u>358,895</u> | <u>11,888</u> | <u>7,976</u> | <u>585,031</u> | <u>26,686</u> | <u>16,063</u> | <u>2,927,383</u> |
| <u>\$ 1,626</u> | <u>\$ 358,895</u> | <u>\$ 13,998</u> | <u>\$ 7,976</u> | <u>\$ 601,769</u> | <u>\$ 29,697</u> | <u>\$ 17,706</u> | <u>\$ 3,266,840</u> |

CITY OF GRAIN VALLEY, MO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE -- NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

| | <u>Tourism Tax</u> | <u>Public Health</u> | <u>Old Towne TIF</u> | <u>Capital Improvements</u> | <u>Marketplace TIF</u> | <u>Marketplace TIF Reserve</u> | <u>Marketplace TIF Special</u> |
|---|--------------------|----------------------|----------------------|---------------------------------|----------------------------|------------------------------------|------------------------------------|
| REVENUES: | | | | | | | |
| Taxes | \$ 31,232 | \$ 105,231 | \$ 332,241 | \$ 530,700 | \$ - | \$ - | \$ 834,041 |
| Intergovernmental | - | - | 35,212 | - | - | - | - |
| Investment earnings | - | 997 | - | - | - | - | 1,085 |
| Other | - | - | - | - | - | - | - |
| Total revenues | <u>31,232</u> | <u>106,228</u> | <u>367,453</u> | <u>530,700</u> | <u>-</u> | <u>-</u> | <u>835,126</u> |
| EXPENDITURES: | | | | | | | |
| Current: | | | | | | | |
| Economic development | 37,500 | - | 370,116 | - | 4,229 | - | 601,052 |
| Public health | - | 42,907 | - | - | - | - | - |
| Capital outlay | - | - | - | 187,184 | - | - | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - |
| Total expenditures | <u>37,500</u> | <u>42,907</u> | <u>370,116</u> | <u>187,184</u> | <u>4,229</u> | <u>-</u> | <u>601,052</u> |
| Excess (deficiency) of revenues over expenditures | <u>(6,268)</u> | <u>63,321</u> | <u>(2,663)</u> | <u>343,516</u> | <u>(4,229)</u> | <u>-</u> | <u>234,074</u> |
| OTHER FINANCING USES, | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | (40,000) | - | (210,000) | - | - | (111,022) |
| Net change in fund balances | (6,268) | 23,321 | (2,663) | 133,516 | (4,229) | - | 123,052 |
| Fund balances (deficit) - beginning | <u>30,273</u> | <u>52,195</u> | <u>5,742</u> | <u>445,629</u> | <u>(4,269)</u> | <u>594,345</u> | <u>532,348</u> |
| Fund balances (deficit) - ending | <u>\$ 24,005</u> | <u>\$ 75,516</u> | <u>\$ 3,079</u> | <u>\$ 579,145</u> | <u>\$ (8,498)</u> | <u>\$ 594,345</u> | <u>\$ 655,400</u> |

| Marketplace NID | Marketplace CID Sales | Interchange | | Interchange TIF Project #1A | Interchange TIF Project #3 | Interchange TIF Project #4 | Total Governmental Funds |
|--------------------|--------------------------|--|---|--------------------------------|-------------------------------|-------------------------------|--------------------------------|
| | | Interchange Mercado CID Project #3 | Interchange Village of Grain Valley CID TIF Project #3 | | | | |
| \$ 217,075 | \$ 345,762 | \$ - | \$ 11,633 | \$ 109,676 | \$ 24,990 | \$ 17,705 | \$ 2,560,286 |
| - | - | - | - | - | - | - | 35,212 |
| - | 693 | - | - | 2,464 | - | - | 5,239 |
| - | - | 11,888 | - | - | - | - | 11,888 |
| <u>217,075</u> | <u>346,455</u> | <u>11,888</u> | <u>11,633</u> | <u>112,140</u> | <u>24,990</u> | <u>17,705</u> | <u>2,612,625</u> |
| - | 172,085 | - | 173 | 16,738 | 3,978 | 1,642 | 1,207,513 |
| - | - | - | - | - | - | - | 42,907 |
| - | - | - | - | - | - | - | 187,184 |
| 130,000 | - | - | - | - | - | - | 130,000 |
| <u>87,934</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>87,934</u> |
| <u>217,934</u> | <u>172,085</u> | <u>-</u> | <u>173</u> | <u>16,738</u> | <u>3,978</u> | <u>1,642</u> | <u>1,655,538</u> |
| <u>(859)</u> | <u>174,370</u> | <u>11,888</u> | <u>11,460</u> | <u>95,402</u> | <u>21,012</u> | <u>16,063</u> | <u>957,087</u> |
| - | - | - | - | - | 5,818 | - | 5,818 |
| - | <u>(79,678)</u> | <u>-</u> | <u>(5,818)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(446,518)</u> |
| (859) | 94,692 | 11,888 | 5,642 | 95,402 | 26,830 | 16,063 | 516,387 |
| <u>(1,289)</u> | <u>264,203</u> | <u>-</u> | <u>2,334</u> | <u>489,629</u> | <u>(144)</u> | <u>-</u> | <u>2,410,996</u> |
| <u>\$ (2,148)</u> | <u>\$ 358,895</u> | <u>\$ 11,888</u> | <u>\$ 7,976</u> | <u>\$ 585,031</u> | <u>\$ 26,686</u> | <u>\$ 16,063</u> | <u>\$ 2,927,383</u> |

**CITY OF GRAIN VALLEY, MO
BUDGETARY COMPARISON SCHEDULE --
DEBT SERVICE
FOR THE YEAR ENDED DECEMBER 31, 2020**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------------|--|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Taxes | \$ 2,300,000 | \$ 2,300,000 | \$ 2,315,618 | \$ 15,618 |
| Investment earnings | <u>20,000</u> | <u>20,000</u> | <u>30,290</u> | <u>10,290</u> |
| | <u>2,320,000</u> | <u>2,320,000</u> | <u>2,345,908</u> | <u>25,908</u> |
| EXPENDITURES, | | | | |
| Debt service: | | | | |
| Principal | 877,469 | 877,469 | 877,469 | - |
| Bond issuance costs | - | 60,409 | 76,028 | (15,619) |
| Interest and other charges | <u>291,681</u> | <u>291,681</u> | <u>287,530</u> | <u>4,151</u> |
| | 1,169,150 | 1,229,559 | 1,241,027 | (11,468) |
| Revenues over expenditures | <u>1,150,850</u> | <u>1,090,441</u> | <u>1,104,881</u> | <u>14,440</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Refunding bonds | - | 4,630,000 | 4,630,000 | - |
| Premium on bond refunding | - | 230,889 | 246,721 | 15,832 |
| Payments to escrow | <u>-</u> | <u>(4,800,480)</u> | <u>(4,800,481)</u> | <u>(1)</u> |
| | <u>-</u> | <u>60,409</u> | <u>76,240</u> | <u>15,831</u> |
| Net change in fund balances | 1,150,850 | 1,150,850 | 1,181,121 | 30,271 |
| Fund balances - beginning | <u>1,436,852</u> | <u>1,436,852</u> | <u>420,679</u> | <u>1,016,173</u> |
| Fund balances - ending | <u>\$ 2,587,702</u> | <u>\$ 2,587,702</u> | <u>\$ 1,601,800</u> | <u>\$ 1,046,444</u> |

**CITY OF GRAIN VALLEY, MO
 BUDGETARY COMPARISON SCHEDULE --
 TOURISM TAX
 FOR THE YEAR ENDED DECEMBER 31, 2020**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------|-------------------------|--------------|--|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES, | | | | |
| Taxes | \$ 40,000 | \$ 40,000 | \$ 31,232 | \$ (8,768) |
| EXPENDITURES, | | | | |
| Current, | | | | |
| Economic development | 39,250 | 39,250 | 37,500 | 1,750 |
| Net change in fund balances | 750 | 750 | (6,268) | (7,018) |
| Fund balances - beginning | 30,273 | 30,273 | 30,273 | - |
| Fund balances - ending | \$ 31,023 | \$ 31,023 | \$ 24,005 | \$ (7,018) |

**CITY OF GRAIN VALLEY, MO
 BUDGETARY COMPARISON SCHEDULE --
 PUBLIC HEALTH
 FOR THE YEAR ENDED DECEMBER 31, 2020**

| | Budgeted Amounts | | Actual Amounts, Budgetary Basis | Variance with Final Budget Positive (Negative) |
|------------------------------|-------------------------|------------------|--|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes | \$ 104,200 | \$ 104,200 | \$ 105,231 | \$ 1,031 |
| Investment earnings | 1,000 | 1,000 | 997 | (3) |
| Miscellaneous | <u>1,000</u> | <u>1,000</u> | <u>-</u> | <u>(1,000)</u> |
| | <u>106,200</u> | <u>106,200</u> | <u>106,228</u> | <u>28</u> |
| EXPENDITURES, | | | | |
| Current, | | | | |
| Public health | <u>61,925</u> | <u>61,925</u> | <u>42,907</u> | <u>19,018</u> |
| Revenues over expenditures | <u>44,275</u> | <u>44,275</u> | <u>63,321</u> | <u>19,046</u> |
| OTHER FINANCING USES, | | | | |
| Transfers out | <u>(40,000)</u> | <u>(40,000)</u> | <u>(40,000)</u> | <u>-</u> |
| Net change in fund balances | 4,275 | 4,275 | 23,321 | 19,046 |
| Fund balances - beginning | <u>52,195</u> | <u>52,195</u> | <u>52,195</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 56,470</u> | <u>\$ 56,470</u> | <u>\$ 75,516</u> | <u>\$ 19,046</u> |

**CITY OF GRAIN VALLEY, MO
 BUDGETARY COMPARISON SCHEDULE --
 OLD TOWNE TIF
 FOR THE YEAR ENDED DECEMBER 31, 2020**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------|-------------------------|-----------------|--|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Taxes | \$ 280,000 | \$ 330,000 | \$ 332,241 | \$ 2,241 |
| Intergovernmental | <u>25,000</u> | <u>45,000</u> | <u>35,212</u> | <u>(9,788)</u> |
| | <u>305,000</u> | <u>375,000</u> | <u>367,453</u> | <u>(7,547)</u> |
| EXPENDITURES, | | | | |
| Current, | | | | |
| Economic development | <u>305,000</u> | <u>375,000</u> | <u>370,116</u> | <u>4,884</u> |
| Net change in fund balances | - | - | (2,663) | (2,663) |
| Fund balances - beginning | <u>5,742</u> | <u>5,742</u> | <u>5,742</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 5,742</u> | <u>\$ 5,742</u> | <u>\$ 3,079</u> | <u>\$ (2,663)</u> |

**CITY OF GRAIN VALLEY, MO
 BUDGETARY COMPARISON SCHEDULE --
 CAPITAL IMPROVEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2020**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|------------------------------|-------------------------|--------------|--|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES, | | | | |
| Taxes | \$ 512,000 | \$ 512,000 | \$ 530,700 | \$ 18,700 |
| EXPENDITURES, | | | | |
| Capital outlay | 362,000 | 362,000 | 187,184 | 174,816 |
| Revenues over expenditures | 150,000 | 150,000 | 343,516 | 193,516 |
| OTHER FINANCING USES, | | | | |
| Transfers out | (210,000) | (210,000) | (210,000) | - |
| Net change in fund balances | (60,000) | (60,000) | 133,516 | 193,516 |
| Fund balances - beginning | 445,629 | 445,629 | 445,629 | - |
| Fund balances - ending | \$ 385,629 | \$ 385,629 | \$ 579,145 | \$ 193,516 |

**CITY OF GRAIN VALLEY, MO
 BUDGETARY COMPARISON SCHEDULE --
 MARKETPLACE TIF
 FOR THE YEAR ENDED DECEMBER 31, 2020**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------|-------------------------|-------------------|--|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES, | | | | |
| Miscellaneous | \$ - | \$ 5,000 | \$ - | \$ (5,000) |
| EXPENDITURES, | | | | |
| Current, | | | | |
| Economic development | \$ 5,000 | \$ 5,000 | \$ 4,229 | \$ 771 |
| Net change in fund balances | (5,000) | - | (4,229) | (4,229) |
| Fund balances - beginning | <u>(4,269)</u> | <u>(4,269)</u> | <u>(4,269)</u> | <u>-</u> |
| Fund balances - ending | <u>\$ (9,269)</u> | <u>\$ (4,269)</u> | <u>\$ (8,498)</u> | <u>\$ (4,229)</u> |

**CITY OF GRAIN VALLEY, MO
 BUDGETARY COMPARISON SCHEDULE --
 MARKETPLACE TIF SPECIAL
 FOR THE YEAR ENDED DECEMBER 31, 2020**

| | Budgeted Amounts | | Actual Amounts, Budgetary Basis | Variance with Final Budget Positive (Negative) |
|------------------------------|-------------------------|-------------------|--|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes | \$ 605,000 | \$ 855,000 | \$ 834,041 | \$ (20,959) |
| Investment earnings | 2,000 | 2,000 | 1,085 | (915) |
| | <u>607,000</u> | <u>857,000</u> | <u>835,126</u> | <u>(21,874)</u> |
| EXPENDITURES, | | | | |
| Current, | | | | |
| Economic development | 382,000 | 681,000 | 601,052 | 79,948 |
| Revenues over expenditures | 225,000 | 176,000 | 234,074 | 58,074 |
| OTHER FINANCING USES, | | | | |
| Transfers out | (225,000) | (176,000) | (111,022) | 64,978 |
| Net change in fund balances | - | - | 123,052 | 123,052 |
| Fund balances - beginning | <u>532,348</u> | <u>532,348</u> | <u>532,348</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 532,348</u> | <u>\$ 532,348</u> | <u>\$ 655,400</u> | <u>\$ 123,052</u> |

**CITY OF GRAIN VALLEY, MO
 BUDGETARY COMPARISON SCHEDULE --
 MARKETPLACE NID
 FOR THE YEAR ENDED DECEMBER 31, 2020**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------|-------------------------|-----------------|--|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES, | | | | |
| Taxes | \$ 223,500 | \$ 223,500 | \$ 217,075 | \$ (6,425) |
| EXPENDITURES: | | | | |
| Current, | | | | |
| Economic development | 500 | 500 | - | 500 |
| Debt service: | | | | |
| Principal | 130,000 | 130,000 | 130,000 | - |
| Interest and other charges | 92,200 | 92,200 | 87,934 | 4,266 |
| | <u>222,700</u> | <u>222,700</u> | <u>217,934</u> | <u>4,766</u> |
| Net change in fund balances | 800 | 800 | (859) | (1,659) |
| Fund balances - beginning | <u>(1,289)</u> | <u>(1,289)</u> | <u>(1,289)</u> | <u>-</u> |
| Fund balances - ending | <u>\$ (489)</u> | <u>\$ (489)</u> | <u>\$ (2,148)</u> | <u>\$ (1,659)</u> |

**CITY OF GRAIN VALLEY, MO
 BUDGETARY COMPARISON SCHEDULE --
 MARKETPLACE CID SALES
 FOR THE YEAR ENDED DECEMBER 31, 2020**

| | Budgeted Amounts | | Actual Amounts, Budgetary Basis | Variance with Final Budget Positive (Negative) |
|----------------------------------|-------------------------|-------------------|--|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes | \$ 260,000 | \$ 260,000 | \$ 345,762 | \$ 85,762 |
| Investment earnings | <u>1,000</u> | <u>1,000</u> | <u>693</u> | <u>(307)</u> |
| | <u>261,000</u> | <u>261,000</u> | <u>346,455</u> | <u>85,455</u> |
| EXPENDITURES, | | | | |
| Current, Economic development | <u>211,680</u> | <u>191,680</u> | <u>172,085</u> | <u>19,595</u> |
| Revenues over expenditures | <u>49,320</u> | <u>69,320</u> | <u>174,370</u> | <u>105,050</u> |
| OTHER FINANCING USES, | | | | |
| Transfers out | <u>(143,000)</u> | <u>(138,000)</u> | <u>(79,678)</u> | <u>58,322</u> |
| Net change in fund balances | (93,680) | (68,680) | 94,692 | 163,372 |
| Fund balances - beginning | <u>264,203</u> | <u>264,203</u> | <u>264,203</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 170,523</u> | <u>\$ 195,523</u> | <u>\$ 358,895</u> | <u>\$ 163,372</u> |

**CITY OF GRAIN VALLEY, MO
 BUDGETARY COMPARISON SCHEDULE --
 INTERCHANGE MERCADO CID PROJECT #3
 FOR THE YEAR ENDED DECEMBER 31, 2020**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------|-------------------------|--------------|--|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES, | | | | |
| Other | \$ - | \$ - | \$ 11,888 | \$ 11,888 |
| Net change in fund balances | - | - | 6,070 | 6,070 |
| Fund balances - beginning | - | - | - | - |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,070</u> | <u>\$ 6,070</u> |

CITY OF GRAIN VALLEY, MO
 BUDGETARY COMPARISON SCHEDULE --
 INTERCHANGE VILLAGE OF GRAIN VALLEY CID TIF PROJECT #3
 FOR THE YEAR ENDED DECEMBER 31, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------|-------------------------|-----------------|--|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES, | | | | |
| Taxes | \$ - | \$ 25,000 | \$ 11,633 | \$ (13,367) |
| Other | <u>5,000</u> | <u>5,000</u> | <u>-</u> | <u>(5,000)</u> |
| | 5,000 | 30,000 | 11,633 | (18,367) |
| EXPENDITURES, | | | | |
| Current, | | | | |
| Economic development | <u>5,000</u> | <u>30,000</u> | <u>173</u> | <u>29,827</u> |
| Net change in fund balances | - | - | 5,642 | 5,642 |
| Fund balances - beginning | <u>2,333</u> | <u>2,333</u> | <u>2,333</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 2,333</u> | <u>\$ 2,333</u> | <u>\$ 7,975</u> | <u>\$ 5,642</u> |

**CITY OF GRAIN VALLEY, MO
 BUDGETARY COMPARISON SCHEDULE --
 INTERCHANGE TIF PROJECT #1A
 FOR THE YEAR ENDED DECEMBER 31, 2020**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------|-------------------------|-------------------|--|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Taxes | \$ 115,000 | \$ 115,000 | \$ 109,676 | \$ (5,324) |
| Investment earnings | <u>5,000</u> | <u>5,000</u> | <u>2,464</u> | <u>(2,536)</u> |
| | <u>120,000</u> | <u>120,000</u> | <u>112,140</u> | <u>(7,860)</u> |
| EXPENDITURES, | | | | |
| Current, | | | | |
| Economic development | <u>1,000</u> | <u>5,000</u> | <u>16,738</u> | <u>(11,738)</u> |
| Net change in fund balances | 119,000 | 115,000 | 95,402 | (19,598) |
| Fund balances - beginning | <u>489,629</u> | <u>489,629</u> | <u>489,629</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 608,629</u> | <u>\$ 604,629</u> | <u>\$ 585,031</u> | <u>\$ (19,598)</u> |

**CITY OF GRAIN VALLEY, MO
 BUDGETARY COMPARISON SCHEDULE --
 MARKETPLACE TIF PROJECT #3 CID
 FOR THE YEAR ENDED DECEMBER 31, 2020**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------|-------------------------|------------------|--|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES, | | | | |
| Taxes | \$ 60,000 | \$ 50,000 | \$ 24,990 | \$ (25,010) |
| EXPENDITURES, | | | | |
| Current, | | | | |
| Economic development | 10,000 | 10,000 | 3,978 | 6,022 |
| Net change in fund balances | 50,000 | 40,000 | 26,830 | (13,170) |
| Fund balances - beginning | (144) | (144) | (144) | - |
| Fund balances - ending | <u>\$ 49,856</u> | <u>\$ 39,856</u> | <u>\$ 26,686</u> | <u>\$ (13,170)</u> |

**CITY OF GRAIN VALLEY, MO
 BUDGETARY COMPARISON SCHEDULE --
 INTERCHANGE TIF PROJECT #4
 FOR THE YEAR ENDED DECEMBER 31, 2020**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------|-------------------------|--------------|--|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES, | | | | |
| Taxes | \$ 37,000 | \$ 37,000 | \$ 17,705 | \$ (19,295) |
| EXPENDITURES, | | | | |
| Current, | | | | |
| Economic development | 5,000 | 5,000 | 1,642 | 3,358 |
| Net change in fund balances | 32,000 | 32,000 | 21,881 | (10,119) |
| Fund balances - beginning | - | - | - | - |
| Fund balances - ending | \$ 32,000 | \$ 32,000 | \$ 21,881 | \$ (10,119) |