AGENDA
CITY OF HARRISONVILLE
BOARD OF ALDERMEN
REGULAR MEETING
CITY HALL
MAY 6, 2019
7:00 PM

1. Call to Order

- **A. Pledge of Allegiance**
- **B. Roll Call**

2. Ceremonial Matters

- **A. National Skilled Nursing Care Week Proclamation**
- **B. National Police Week Proclamation**
- **C. National EMS Week Proclamation**

3. Public Participation

4. Approval of Minutes

- **A. Board of Aldermen - Regular Meeting - Apr 15, 2019 7:00 PM**
- **B. Board of Aldermen - Special Meeting - Apr 17, 2019 5:00 PM**

5. Agenda Items

- **A. Park Board and Historic Preservation Commission Appointments**
- **B. Stacy Cox 5K 2019 Event Permit**
- **C. Band Competition 2019 Event Permit**
- **D. Council Bill 27: A Resolution by the Board of Aldermen of the City of Harrisonville, Missouri, authorizing and directing the city administrator to enter into an agreement with Mauer Law Firm to contract as interim city attorney, and establishing an effective date.**
- **E. FY 2018 Comprehensive Annual Financial Report**

6. Aldermen and Committee Reports

7. Report from the City Administrator

8. Questions from the Media

Publish

9. Adjourn to Executive Session pursuant to RSMo 610.021 (13) Performance Ratings

10. Adjourn from Regular Session

Posted on City Hall Bulletin Board this 2nd day of May, 2019.

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Randall K. Jones, City Clerk

The Board of Aldermen meeting is an open meeting but is not a meeting of the public. There is a place on the agenda for comments of citizens under PUBLIC PARTICIPATION. Our rule is that comments by any individual or group shall not exceed (4) minutes. The Board of Aldermen request that concerns be initially addressed at the appropriate action level before coming to the Board of Alderman

City of Harrisonville est. 1836

National Skilled Nursing Care Week
May 12-18, 2019

Whereas, our community is stronger because we honor and respect our elders, and citizens of any age with physical or intellectual disabilities, who reside in skilled nursing centers in Harrisonville, Missouri; and

Whereas, these citizens have made important contributions to the success and growth of our town; and

Whereas, National Skilled Nursing Care Week provides an opportunity for our community to recognize the role of skilled nursing care centers in caring for seniors and individuals with disabilities, and

Whereas, skilled nursing centers are holding events in observance of National Skilled Nursing Care Week, May 12 to 18, using this year's theme, "Live Soulfully," and

Whereas, I urge all citizens to visit a loved one, friend, or neighbor being cared for in any setting and offer a kind word and a personal touch to show your continuing support; and

NOW, THEREFORE, Do I, Judy Bowman, Mayor of the City of Harrisonville, declare the week of May 12 to 18, 2019 as National Skilled Nursing Care Week and adopt the theme of "Live Soulfully" our way of honoring all citizens who reside at a skilled nursing or post-acute care center.

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Judy Bowman, Mayor

City of Harrisonville est. 1836

PROCLAMATION

NATIONAL POLICE WEEK

WHEREAS, the Congress and President of the United States have designated May 12 through 18, 2019 as National Police Week; and

WHEREAS, the members of the Harrisonville Police Department play an essential role in safeguarding the rights and freedoms of the citizens of Harrisonville; and

WHEREAS, it is important that all citizens know and understand the duties, responsibilities, hazards, and sacrifices of their police department, and that members of our police department recognize their duty to serve the people by safeguarding life and property, by protecting them against violence or disorder, and by protecting the innocent against deception and the weak against oppression or intimidation; and

WHEREAS, the police department of Harrisonville has grown to be a modern and scientific law enforcement agency which unceasingly provides a vital public service;

NOW, THEREFORE, On behalf of the Board of Aldermen of the City of Harrisonville I, Mayor Judy Bowman, call upon all citizens of Harrisonville and upon all patriotic, civil and educational organizations to observe the week of May 12 through 18, 2019, as Police Week with appropriate ceremonies in which all of our people may join in commemorating police officers, past and present, who by their faithful and loyal devotion to their responsibilities have rendered a dedicated service to their communities and, in doing so, have established for themselves an enviable and enduring reputation for preserving the rights and security of all citizens.

I FURTHER call upon all citizens of Harrisonville to observe Wednesday, May 15, 2019, as Peace Officers Memorial Day in honor of those peace officers who, through their courageous deeds, have lost their lives or have become disabled in the performance of duty, and let us recognize and pay respect to the survivors of our fallen heroes.

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Judy Bowman, Mayor

City of Harrisonville est. 1836

PROCLAMATION

National EMS Week
May 19 – 25, 2019

Whereas, Emergency Medical Services Week will be celebrated throughout our nation, May 19-25, and

Whereas, emergency medical technicians and paramedics provide critical services through first response, treatment, transport, prevention and intervention, and

Whereas, the quality care provided may affect a patient's journey throughout their course of treatment and

Whereas, these professionals may risk personal danger when entering unstable environments to deliver urgent and essential care, often under immense pressure and with little thanks, and

Whereas. the Harrisonville Emergency Services Department employs professional firefighters who are also certified emergency medical technicians or paramedics,

NOW, THEREFORE, on behalf of the Board of Aldermen of the City of Harrisonville, I, Mayor Judy Bowman, call upon all citizens of Harrisonville and upon all patriotic, civil and educational organizations to observe the week of May 19 through 25, 2019, as EMS Week and to honor these first responders whose bravery and selfless dedication has enhanced the quality of life we all enjoy.

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Judy Bowman, Mayor

City of Harrisonville est. 1836

DRAFT

MINUTES
CITY OF HARRISONVILLE
BOARD OF ALDERMEN
REGULAR MEETING
CITY HALL
APRIL 15, 2019
7:00 PM

1. Call to Order

The meeting was called to order at 7:00 PM by

A. Pledge of Allegiance

Attendee Name	Organization	Title	Status	Arrived
Judy Bowman	Harrisonville	Board Member	Present	
Clint Long	Harrisonville	Board Member	Absent	
Jessica Levsen	Harrisonville	Board Member	Absent	
David Dickerson	Harrisonville	Board Member	Present	
Matt Turner	Harrisonville	Board Member	Present	
Marcia Milner	Harrisonville	Board Member	Present	
Judy Reece	Harrisonville	Board Member	Present	
Brad Bockelman	Harrisonville	Board Member	Present	
Brian Hasek	Harrisonville	Mayor	Present	

Others in attendance were: City Attorney John Fairfield, City Administrator Happy Welch, Finance Director Marcella McCoy, Police Chief John Hofer, HES Director Eric Myler, Chris Deal Parks & Recreation Director, Roger Kroh City Planner, Public Works Director Eric Patterson, Payroll Clerk Faith Sherman, Administrative Assistant Dee Shelton, Public Information Officer/Deputy City Clerk Daniel Barnett and City Clerk Randall Jones, Recording.

2. Ceremonial Matters

A. Recognition Life Saver Award

A special presentation was given by HES Director Eric Myler, in which three individuals were given the Life Saver Award.

The awards were presented to Myles Lemon, a 15-year-old lifeguard at the Harrisonville Community Center, Linda Hipp and Victoria Valdez, both Community Center members, for their heroic efforts in saving 54-year-old Mark Thompson, who collapsed while playing basketball at the Community Center in February.

On Sunday, February 17, Thompson was shooting free throws in the gymnasium after playing in a full-court basketball game, when he says he remembers seeing the ball leave his hand and then everything going black. Thompson fell face down on the court. He was having a heart attack.

Multiple people who had been playing with Thompson, including Myles and Valdez's boyfriend, ran to where Thompson had fell. Valdez, who was starting a job as a nurse at a Kansas City hospital the next day, was called over, quickly assessed Mark, found he had no pulse, was not breathing and began performing chest compressions. Hipp, a nurse in the Harrisonville School District, was not in the gym but noticed the commotion and, after asking if she could be of assistance, quickly jumped in to help Valdez. Myles, who had been trained in CPR, remained with Mark and would take turns with Valdez and Hipp if one of them became tired.

An AED machine was brought from the front desk but suffered a battery issue and, while Valdez and Hipp continued chest compressions, Myles quickly ran to find another. When he returned, Myles continued compressions as the pads were placed on Thompson's chest and then stepped back as a shock was administered. Thompson's pulse quickly returned and less than two minutes later, EMTs and Paramedics from Harrisonville Emergency Services arrived on the scene.

Thompson was placed on a gurney and rushed to the emergency room at St. Luke's East Hospital, in an ambulance.

When asked his thoughts about the work of the first responders, Thompson answered, "I can't be happier. Certainly the Lord's doing that I'm still here. Everybody who was there was put there for a purpose."

Harrisonville Fire Chief Eric Myler confirmed the latter part of Thompson's statement, when they sat down together to discuss the traumatic event a few weeks later at the Harrisonville Emergency Services building.

"Those people who did chest compressions on you, they saved your life." Myler said.

Doctors say Thompson's diet was the primary reason for his heart attack, as Mark said he frequently drank large amounts of dark soda and chowed down on candy.

"Your diet is as important as your exercise," Thompson said. "Take care of yourself, inside and out."

Thompson says he was grateful that when the heart attack did happen, he was surrounded by people who could help.

"I could have very easily just gotten up and not shot any baskets afterwards, gone to the car, started drinking pop and crashed the car and nobody would have been around."

Thompson and his wife Betsy will be at the meeting and will hand out the awards to recognize Myles, Valdez and Hipp for their efforts and as a way for Mark to say, "Thank you," for saving his life.

Both Thompson and Myler praised the knowledge and training possessed by those who assisted Mark and spoke to the incredible value of CPR training. Myler also spoke about the value of hands-only CPR, which was used to save Thompson.

3. Public Participation

None.

4. Approval of Minutes

A. April 1, 2019 Minutes

1. Board of Aldermen - Regular Meeting - Apr 1, 2019 7:00 PM

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	David Dickerson, Board Member
SECONDER:	Marcia Milner, Board Member
AYES:	Bowman, Dickerson, Turner, Milner, Reece, Bockelman
ABSENT:	Clint Long, Jessica Levsen

B. Approval of Executive Session April 1, 2019

A motion was made by Alderman Turner with a second by Alderman Reece to approve the minutes of the April 1, 2019 Executive session. Motion carried with all ayes.

C. Certify Election Results

D. Election Results Ordinance

Council Bill #021-19 was read for the first time by title only. A motion to suspend the rules and move Council Bill #021-19 to its second reading by Alderman Turner and second by Alderman Dickerson. Motion carried. Roll call vote was taken: Alderman Bowman aye, Alderman Bockelman aye, Alderman Reece aye, Alderman Milner aye, Alderman Dickerson aye, Alderman Long absent, Alderman Turner aye, Alderman Levsen absent. Having been read in title only twice upon passage, Mayor Hasek designated it be Ordinance #3463.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Matt Turner, Board Member
SECONDER:	David Dickerson, Board Member
AYES:	Bowman, Dickerson, Turner, Milner, Reece, Bockelman
ABSENT:	Clint Long, Jessica Levsen

5. Swearing In New Mayor and Board of Aldermen

Randall K. Jones, City Clerk administered the Oath of Office to the following: Dave Doerhoff Alderman Ward 1, Marcia Milner Alderman Ward 2, Clint Miller Alderman Ward 3, Gary Davidson Alderman Ward 4 and Judy Bowman Mayor.

6. Expressions of Appreciation to Outgoing Officials

Mayor Bowman presented outgoing Mayor Hasek with a plaque for his years of dedication and service to the City.

7. Recess to a Reception for Outgoing and New Board Members (15 minutes)

A motion was made by Alderman Turner with a second by Alderman Milner for a short recess/reception. Motion carried.

8. Reconvene the Board of Aldermen/Call to Order

Mayor Bowman called the meeting to order and roll call was taken. Alderman Bockelman present, Alderman Doerhoff present, Alderman Milner present, Alderman Reece present, Alderman Miller present, Alderman Dickerson present, Alderman Davidson present and Alderman Turner present.

9. Agenda Items

A. Racing for Rett - 2019

Staff report presented by Police Chief John Hofer. Motion was made by Alderman Milner and second by Alderman Doerhoff to approve. Motion carried with voice vote all ayes.

B. Chamber of Commerce Event Permit

Staff report presented by Police Chief John Hofer. Motion was made by Alderman Miller and second by Alderman Turner to approve. Motion carried with voice vote all ayes.

C. Resolution No. A Resolution of the Board of Aldermen authorizing the city administrator to enter into and execute a contract with Chief Heating and Cooling to replace the HVAC unit in the administration building of the Harrisonville Emergency Services Office at a cost of $15,385.00, and establishing an effective date.

Staff report presented by HES Director Eric Myler. Motion was made by Alderman Milner with a second by Alderman Reece to approve. Upon passage, Council Bill #21 was designated by Mayor Bowman as Resolution 2019-016.

D. Resolution No. A Resolution of the Board of Aldermen authorizing the city administrator to enter into an agreement with Vance Brothers, Inc. for slurry sealing of streets for the 2019 Street Program in the amount of $105,965.60, and establishing an effective date.

Staff report presented by Street Superintendent Rodney Jacobs. Mayor Bowman asked Mr. Jacobs to explain how the ratings of streets is determined for the new aldermen. Motion was made by Alderman Dickerson with a second by Alderman Davidson to approve. Upon passage, Council Bill #22 was designated by Mayor Bowman as Resolution 2019-017.

E. Resolution A Resolution of the Board of Aldermen authorizing the city administrator to enter into an agreement with Phillips Paving Company, Inc. for asphalt overlay for the 2019 Street Program in the amount of $250,298.95, and establishing an effective date.

Staff report presented by Street Superintendent Rodney Jacobs. Motion was made by Alderman Dickerson with a second by Alderman Doerhoff to approve. Upon passage, Council Bill #23 was designated by Mayor Bowman as Resolution 2019-018.

F. Resolution A Resolution of the Board of Aldermen authorizing the city administrator to make payment to PAR Electrical Contractors, Inc., for an emergency utility pole replacement at 304 Brookridge, and establishing an effective date.

Staff report presented by Public Works Director Eric Patterson. Motion was made by Alderman Dickerson with a second by Alderman Reece to approve. Upon passage, Council Bill #24 was designated by Mayor Bowman as Resolution 2019-019.

G. Community Center Van

Staff report presented by Parks & Recreation Director Chris Deal. Alderman Milner asked for clarification of bid process. Motion was made by Alderman Milner and second by Alderman Miller to allow the waiver to the purchasing policy. Motion carried with voice vote all ayes.

H. Clint Miller Alley Vacation Hearing

Alderman Miller asked to be excused from the room for the public hearing and reading of ordinance. Staff report was presented by Roger Kroh. There was no citizen input. The public hearing was closed by Mayor Bowman.

I. An ordinance vacating unused and unimproved Oak Street right-of-way, Buckeye Street right-of-way and an alley remnant all at 403 Locust Street in Harrisonville, Cass County, Missouri, and establishing an effective date.

Council Bill #025-19 was read for the first time by title only. A motion to suspend the rules and move Council Bill #025-19 to its second reading by Alderman Dickerson and second by Alderman Milner. Motion carried. Roll call vote was taken: Alderman Bockelman aye, Alderman Doerhoff aye, Alderman Milner aye, Alderman Reece aye, Alderman Miller abstain, Alderman Dickerson aye, Alderman Davidson aye, Alderman Turner aye. Having been read in title only twice upon passage, Mayor Bowman designated it be Ordinance #3464.

J. Health Insurance Increase Request

Staff report presented by City Administrator Happy Welch. Alderman Reece asked how many other companies had been checked. Alderman Milner asked when Midwest Public Risk notified the City of rate increase. Marcella McCoy stated that 60 days prior is normal. Mayor Bowman asked City Attorney John Fairfield about Midwest Public Risk and conducting fair business practices. City Administrator Happy Welch stated the City would probably need a broker to search for the best rates. Mayor Bowman stated it was good idea to step back and look at this increase and to speak with a broker.

K. Resolution A Resolution of the Board of Aldermen authorizing the city administrator to enter into an agreement with Buildet LLC for the front entryway concrete and landscaping replacement at the Harrisonville Community Center in the amount of $32,614.62, and establishing an effective date.

Staff report presented by Parks & Recreation Director Chris Deal. Motion was made by Alderman Miller with a second by Alderman Doerhoff to approve. Upon passage, Council Bill #26 was designated by Mayor Bowman as Resolution 2019-020. Chris Deal then asked for permission to go out for bid for the remaining concrete work that needs completed in front of Community Center. Mayor Bowman instructed him to go forward and bring bids back to the board.

10. Elect Acting President of the Board

Staff report presented by City Administrator Happy Welch. Motion was made by Alderman Dickerson to elect Alderman Marcia Milner as acting president with a second by Alderman Doerhoff. Motion carried with voice vote all ayes.

11. Aldermen and Committee Reports

Alderman Reece said it was wonderful to see everyone come out for the board of aldermen meeting.

Alderman Miller extended a thank you to everyone for their vote.

Alderman Dickerson extended congratulations to all.

Alderman Davidson said a thank you for the citizens support.

Alderman Turner extended congratulations to all.

12. Report from the City Administrator

City Administrator Happy Welch pointed out that the brush drop off has been scheduled for May 9th through the 11th. Mayor Bowman asked if there were any groups to help. Alderman Turner said that the Elks Lodge plans to help. If any residents need assistance with the hauling of brush, please contact Daniel Barnett, Public Information Officer. The monthly Municipal Court report was received.

A. City Admin Rpt 4-15-19

B. Municipal Court Monthly Report

13. Report from the Mayor

Mayor Bowman said a thank you to all for coming out and for voting. She also congratulated the aldermen. Mayor Bowman stated that the Board of Aldermen would begin having work sessions at 5:30 p.m. prior to the regular monthly meetings. She is looking to fill several positions on various boards and commissions. Applications may be obtained at City Hall or on the City's website.

14. Adjourn From Regular Session

A motion was made by Alderman Dickerson with a second by Alderman Reece to adjourn the meeting. Meeting adjourned at 8:22 p.m.

Brian Hasek, Mayor & Ex-Officio
Chairman of the Board of Aldermen

ATTEST:

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Randall K. Jones, City Clerk

City of Harrisonville est. 1836

DRAFT

MINUTES
CITY OF HARRISONVILLE
BOARD OF ALDERMEN
SPECIAL MEETING
CITY HALL
APRIL 17, 2019
5:00 PM

1. Call to Order

The meeting was called to order at 5:00 PM by Mayor Judy Bowman

Attendee Name	Organization	Title	Status	Arrived
Judy Bowman	Harrisonville	Mayor	Present	
Brad Bockelman	Harrisonville	Board Member	Present	
Dave Doerhoff	Harrisonville	Board Member	Late	5:38 PM
Marcia Milner	Harrisonville	Board Member	Absent	
Judy Reece	Harrisonville	Board Member	Present	
Clint Miller	Harrisonville	Board Member	Present	
David Dickerson	Harrisonville	Board Member	Absent	
Gary Davidson	Harrisonville	Board Member	Present	
Matt Turner	Harrisonville	Board Member	Present	

Others present were: City Administrator Happy Welch, Finance Director Marcella McCoy, IT Director Jeremy Smith, Public Information Officer/Deputy City Clerk Daniel Barnett, City Clerk Randall Jones, Recording. City Employees in attendance were: Faith Sherman, Dee Shelton, Rodney Jacobs, Tad Snell, Amanda Williams and Tammy Jonas.

2. Health Insurance Information

City Administrator Happy Welch presented information regarding rate increases for employee health insurance from Midwest Public Risk.

Alderman Turner asked about the penalty for withdrawing from the pool.

Alderman Miller asked if it was a yearly contract with Midwest Public Risk. The answer was yes.

Mayor Bowman asked when employee benefits had been reviewed. City Administrator Welch replied at budget preparation time.

Mayor Bowman asked if anyone was consulted to arrive at the 4% increase. Welch answered it was based on past experience and the intention of increasing deductibles.

Alderman Davidson asked if there were other cities that were having the same problems.

Mayor Bowman had spoken with Josh Stafford and Holly Stafford Stark at Stafford & Stafford Insurance. They were present along with agent Mike Fowler to give information and answer questions regarding insurance pools and possible alternatives.

Holly Stark gave some information that her company has performed acting as a broker. She suggested that the City start working in August and have a broker selected by December to start the process of getting quotes. Also, the City should be looking at all other areas of insurance coverage.

City Administrator Welch explained that using a pool is supposed to help get better rates because of more people being covered.

IT Director Jeremy Smith said that the City has stayed with MPR because the coverage has been good so far. He served on a committee several years ago comprised of city employees that reviewed health insurance coverage and other options.

Alderman Turner asked if the City could retain a broker while still with MPR. The answer was yes.

Agent Mike Fowler stated that we would not get an accurate price quote six months ahead of time.

Alderman Davidson said that right now we need to address the next six months.

Alderman Turner asked about the proposed $25.00 per employee increase for insurance.

City employee Tad Snell, said that the insurance coverage has been one of the benefits of working for the City and the increase is going to effect every employee. He asked that the City would look at helping the employees by offsetting some of the additional increase.

Payroll/Benefits Clerk Faith Sherman explained that this was not expected from Midwest Public Risk.

City Collector Tammy Jonas gave an example of some recent medical costs that she has had to pay out of pocket for her children.

Mayor Bowman summarized that the City should fairly soon do a Request for Qualifications and start the review by August.

Finance Director questioned about pre-existing conditions and how that would play in. Agent Fowler stated that as of now, pre-existing conditions do not come into play.

Alderman Turner asked for a clarification on the proposed increase.

Alderman Davidson asked for the actual employee rate increases. A copy of the rate sheet was presented to the Mayor and board members.

Mayor Bowman thanked Stafford & Stafford Insurance and City employees for attending meeting.

3. Adjourn From Regular Session

A motion by Alderman Davidson to adjourn with a second by Alderman Turner. Motion carried. Meeting closed at 6:08 p.m.

Brian Hasek, Mayor & Ex-Officio
Chairman of the Board of Aldermen

ATTEST:

Randall K. Jones, City Clerk

City of Harrisonville est. 1836

STAFF REPORT

TO: **Board of Aldermen**

FROM: **Happy Welch, City Administrator**

DATE: **April 20, 2019**

SUBJECT: **Various Board Appts.**

Type of Item: *Approval*

PARK BOARD - The mayor is advising she would like to appoint Sandy Franklin to the Park Board to fill the unexpired term of newly elected Alderman Clint Miller and a full term (which would be appointed in June 2019) until June 2022 and is asking consent of the Board.

She is also appointing Clint Miller to be the Park Board liaison for the Board of Aldermen.

HISTORIC PRESERVATION COMMISSION - The mayor is advising she would like to reappoint Bill Woods and Julie Cooper to the Historic Preservation Commission with their terms extended to May 2022, and is asking consent of the Board.

A. Action Item (ID # 3169)

Park Board and Historic Preservation Commission Appointments

Attachments:

Sandy Franklin Park Board App (PDF)

City of Harrisonville est. 1836

Board, Commission and Committee Appointment Application to Serve

Name: Sandy Franklin	Date: 4-22-19
Home Address: 401 W. Wall H'ville, Mo	
Email Address: [redacted]	
Cell Phone: [redacted]	[redacted]one: —
Occupation: Retired	Best Time to Call: am/pm
Do you own commercial property and/or operate a business in Harrisonville? If yes, please describe. No	
Work/Business Name: —	
Work/Business Address: —	
Length of Residency in Harrisonville: 40 YRS	Are you registered to vote? YES
Are you now serving, or have you ever served, on a board, commission or committee for the City of Harrisonville or any other community? ☐ Yes ☒ No If yes, please give name of board, commission and/or committee and dates served:	

Board, Commission or Committee Preference(s): Please list no more than three boards, commissions or committees in order of preference.

1	Park Board	2		3	

(Application continued on reverse)

Attachment: Sandy Franklin Park Board App (Various Board Appts.)

NARRATIVE STATEMENT: Please provide a brief statement indicating why you wish to be appointed to this board or commission, including the strengths you feel you could bring to the position for which you are applying. Information may include education, professional experience and community activities pertinent to the position for which you are applying.

I have lived in Harrisonville for 40 years. Our children grew up here, and of the 5, the four boys were very active in sports activities. It was always a nice feeling to bring family and friends to our well-maintained facility. Now, with our children grown, we bring our grandchildren to the park, to enjoy the nature trails, playground equipment, basketball court, fishing and picnics. I would very much like to see this continue for future generations to come.

I have been a member of St. Peter's Episcopal Church for 36 years. I have been involved with fund-raising, work at the Food Pantry thru our church. I am also on the Promotion Committee for the Love the Square Foundation, and participated in the First Harrisonville Tractor Show last summer. Now that I am retired would like to give back to the community of Harrisonville.

Thank You for your consideration,
Sandy Franklin

I understand that my attendance at all regularly scheduled meetings is critical, even if I am an alternate member, and that the Board of Aldermen may appoint a replacement for members who are chronically absent from regular meetings. I also understand that this application is considered a public record.

Applicant's Signature: Sandy Franklin

All applications are kept on file for one year. During that time, your application will be considered when there is an opening for the Board, Commission, or Committee for which you have applied.

- Please feel free to attach a resume and/or copies of any certificates pertinent to the appointment you are seeking.
- Please notify the City Clerk at 816-380-8916 if you move or no longer wish to be considered for appointment.
- Mail or deliver your completed application to: City of Harrisonville, City Clerk's Office, 300 E. Pearl, P. O. Box 367, Harrisonville, MO 67401 or email rjones@ci.harrisonville.mo.us

* Applications must be completely filled out in order to be considered *

THANK YOU FOR YOUR INTEREST IN THE CITY OF HARRISONVILLE

City of Harrisonville est. 1836

STAFF REPORT

TO: **Board of Aldermen**

FROM: **John Hofer, Director**

DATE: **April 15, 2019**

SUBJECT: **Stacy Cox 5K 2019**

Type of Item: *Approval*

Stacy Cox Memorial Scholarship Fund 5K Run Event

scheduled for May 11, 2019 from 8:00 am to 10:00 am.

Background: The applicant, Terry Cox has requested a special event permit to host a 5K walk/run in Harrisonville. This is the ninth year for this event with no noted complaints or concerns with last year's event. This event will again be a fundraiser for the Stacy Cox Memorial Scholarship given to a Harrisonville High School senior each year. The Police Department or the Harrisonville VIPS will provide a police escort for the event. According to the applicant registration will begin at the Harrisonville High School at 7:30 am with the first wave of runners to start at approximately 8:00 am. The proposed route is as follows: south from the high school on Price Street to Elm Street, west on Elm Street to North Halsey Street, north on North Halsey to Ash Street, west on Ash Street to Sunny Swim Drive, north on Sunny Swim Drive to Sandy Links Lane, Sandy Links Lane to the 3rd shelter house. The participants will follow the same route, in reverse, back to the High School. The required insurance will be provided to the City Clerk should the application be approved.

Recommendation: With no noted complaints or concerns associated with last year's event I would recommend approval for this event as long as all state laws and city ordinances are followed.

B. Action Item (ID # 3163)

Stacy Cox 5K 2019

Attachments:

Stacy Cox 5K 2019 (PDF)

SPECIAL EVENTS APPLICATION

A. FILING PERIOD: An application for an event permit shall be filed not less than seven (7) days prior to the meeting of the Board of Alderman at time applicant desires the issuance of a permit. Applicant must realize that, dependent upon the nature of the event and the scope of services being required of the City, the Board of Alderman may require additional time to review the permit application.

B. CONTENTS: The application for an event permit shall set forth the following information.

1. Organization: Stacy Cox Memorial 5K Walk/Run
2. Name of Applicant: Terry Cox
   Address: 13606 E 264th Peculiar, MO 64078
   Phone: 816-392-3258 Cell:
3. Purpose of Event: Scholarship for A Harrisonville Stud
4. Proposed date(s) and time(s) of Event: May 11, 2019 8:00 AM
5. Location(s) where event will be held: Harrisonville High Schoo
6. Anticipated crowd size: about 50 or 60.
7. City services requested: (Please check all that apply) Provide detailed letter for these requests.

   ☐ Electricity ☐ Police Protection ☐ Traffic Control ☐ Ambulance Standby

   ☐ Cones ☐ Barricades ☐ Street or parking lot clean up
8. Any additional information: None

APPROVED this ______ day of ____________, 20 ____.

RECEIVED
APR 12 2019
CITY OF HARRISONVILLE

____
Chief of Police

____
City Clerk

Attachment: Stacy Cox 5K 2019 (Stacy Cox 5K 2019)

City of Harrisonville est. 1836

STAFF REPORT

TO: **Board of Aldermen**

FROM: **John Hofer, Director**

DATE: **April 17, 2019**

SUBJECT: **Band Competition Event Permit 2019**

Type of Item: *Approval*

Ben Johnson, Harrisonville High School Director of Bands, will be hosting a High School Band Competition at Memorial Stadium on Saturday October 26th, 2019. The event is scheduled from 11:00 am until 6:00 pm and Mr. Johnson hopes to have between 10-14 bands and one to two thousand spectators in attendance.

To accommodate this large crowd and make the transition of bands goes efficiently Mr. Johnson is requesting the closure of two streets during the event. These streets are South Highland Street from Mechanic (Mo. Hwy. #7) to Washington Street and Finney Street in it entirety. Both of these closure are highlighted in yellow on the attached map. Originally Mr. Johnson had asked for the closure of Eastwood Street however after meeting with Street Superintendent Jacobs and myself he has rescinded that request. At this time the street department will stage the necessary road closure materials in the area for the applicant to set-up when needed. If that changes the street will provide staffing to install the road closure material.

Staff recommends approval for the closure of these roads as long as all state laws and city ordinances are followed. Please feel free to contact me at the office with anything questions or concerns.

C. Action Item (ID # 3164)

Band Competition Event Permit 2019

Attachments:

Band Comp. Event Permit 2019 (PDF)

SPECIAL EVENTS APPLICATION

A. FILING PERIOD. An application for an event permit shall be filed not less than seven (7) days prior to the meeting of the Board of Alderman at time applicant desires the issuance of a permit. Applicant must realize that, dependent upon the nature of the event and the scope of services being required of the City, the Board of Alderman may require additional time to review the permit application.

B. CONTENTS: The application for an event permit shall set forth the following information.

1. Organization: Royal Guard Band Boosters / HHS

2. Name of Applicant: Ben Johnson
   Address: 1504 E Elm Harrisonville MO 64701
   Phone: 380-3273 x6823 Cell: (417) 298-2678

3. Purpose of Event: Marching Band Festival

4. Proposed date(s) and time(s) of Event: Saturday Oct 26 2019
   approx 11am to 6 pm

5. Location(s) where event will be held: Memorial Stadium

6. Anticipated crowd size: 1-2 thousand?

7. City services requested: (Please check all that apply) Provide detailed letter for these requests.

   ☐ Electricity ☐ Police Protection ☐ Traffic Control ☒ Ambulance Standby?
   ☒ Cones ☒ Barricades ☐ Street or parking lot clean up

8. Any additional information: We are requesting to close Eastwood Rd & Finney St ~~to~~ all but local traffic for the duration of the event. We would also like to allow bus parking on Eastwood where it will not block driveways.

APPROVED this ______ day of ____________, 20 ____

____
Chief of Police

____
City Clerk

Good afternoon,

Attached is a special event application. The Royal Guard Band Boosters are planning to host a marching band competition on Saturday October 26th 2019.

We will be hosting 10-14 other schools for this event. We are requesting to close Finney Street north of HMS/ECC and Eastwood Road to the east of Memorial Stadium to all traffic except those who live there for the duration of the event. We would also like to park busses in a few locations along Eastwood but would do so in a way to not block driveways.

Closing these streets will allow us to more safely move groups around with less concern of traffic.

I also included a "Stand-By" ambulance in the request, but if there is a fee for that it is less important since we can always call an ambulance in an emergency.

Please let me know if I can clarify anything. We can host the event without closing roads if needed, but it would greatly increase public safety if we are allowed to close them. I am also trying to keep all bus parking near the stadium so that we don't have students crossing Mechanic street.

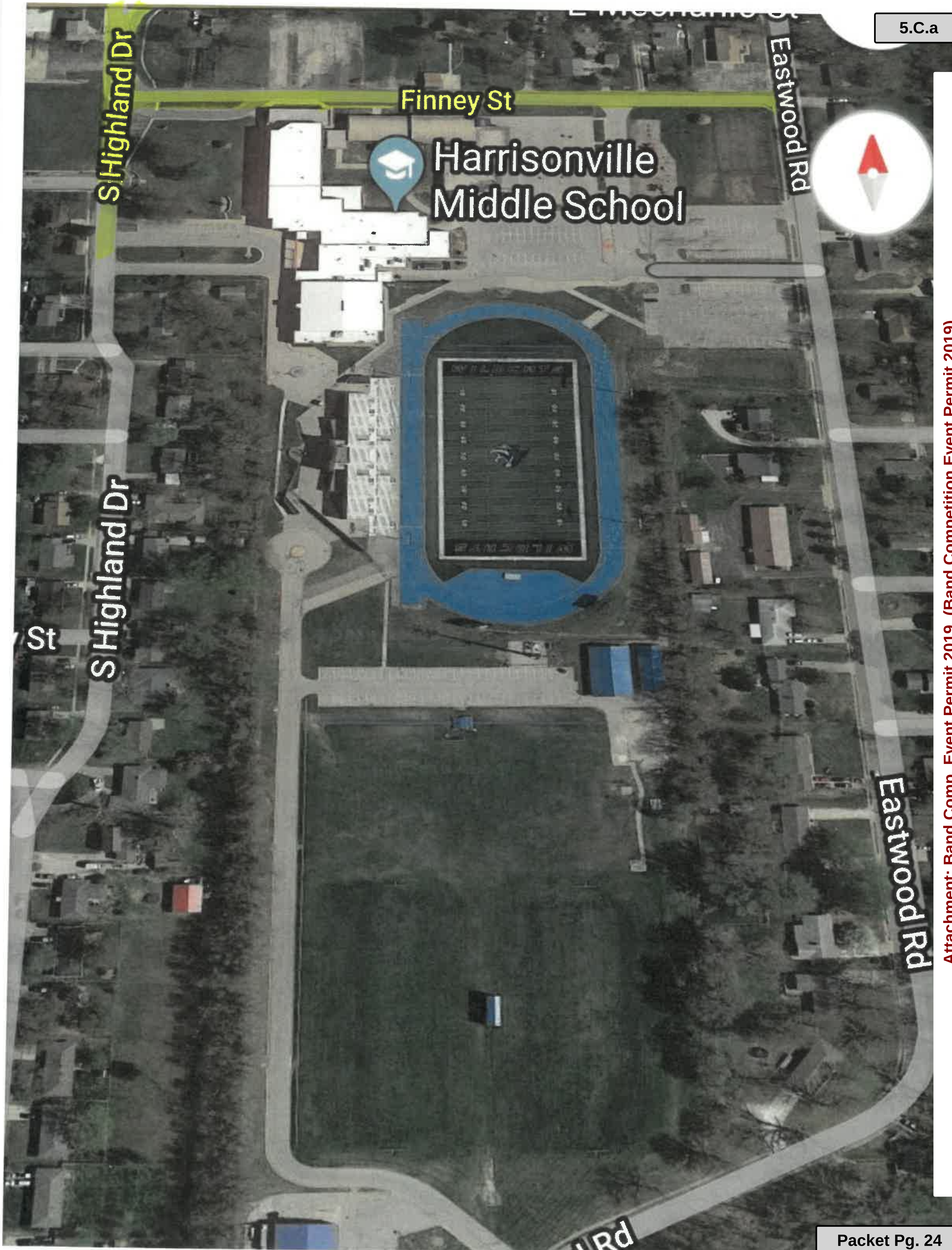
Thank you,

Ben

Ben Johnson

Director of Bands

Harrisonville High School



Attachment: Band Comp. Event Permit 2019 (Band Competition Event Permit 2019)

City of Harrisonville est. 1836

STAFF REPORT

TO: **Board of Aldermen**

FROM: **Happy Welch, City Administrator**

DATE: **April 29, 2019**

SUBJECT: **Interim Attorney Agreement**

Type of Item: *Approval*

The city needs to engage an interim attorney with the resignation of Mr. Fairfield.

Steve Mauer who was the previous city attorney has agreed to do so on a temporary basis.

The City will need to publish a Request for Qualifications to seek a new attorney to be appointed.

Council Bill No.

Resolution No.

A Resolution by the Board of Aldermen of the City of Harrisonville, Missouri, authorizing and directing the city administrator to enter into an agreement with Mauer Law Firm to contract as interim city attorney, and establishing an effective date.

Whereas, John Fairfield of Fairfield Law Office has resigned his position as City Attorney;

Whereas, the City of Harrisonville ("City") is in need of an interim City Attorney to assist the mayor, Board and staff with issues that will arise;

Whereas, Steve Mauer with the Mauer Law Firm ("Mauer") previously acted as the City Attorney and currently has a relationship with the City as legal counsel for the City's lawsuit against the Petroleum Storage Tank Insurance Fund ("PSTIF");

Whereas, the City wishes to engage with Mauer at the recommendation of the mayor;

Whereas, Mauer is willing to act as City Attorney on an interim basis and has drafted an agreement;

Whereas, City staff has reviewed and recommend approving the agreement;

Whereas, the Board of Aldermen have reviewed the recommendation and believe it to be in the best interests of the City to approve the contract with Mauer Law Firm as city attorney on an interim basis;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF HARRISONVILLE, MISSOURI, AS FOLLOWS:

Section 1: That the City Administrator of the City of Harrisonville, Missouri is hereby authorized and directed by the Board of Aldermen to enter into the proposed Agreement attached hereto with Mauer Law Firm of Kansas City, Missouri, to engage as interim City Attorney.

Section 2: That this resolution shall become effective immediately upon its passage and approval.

PASSED AND RESOLVED BY THE BOARD OF ALDERMEN AND APPROVED BY THE MAYOR OF THE CITY OF HARRISONVILLE, MISSOURI ON THIS 6TH DAY OF MAY 2019.

Judy Bowman, Mayor and Ex-Officio
Chairman of the Board of Aldermen

ATTEST:

Randall K. Jones, City Clerk
WITNESS my hand and seal this 6th day of May 2019

Mauer | LAW FIRM PC

April 17, 2019

[redacted]

City of Harrisonville
c/o Judy Bowman, Mayor
300 East Pearl Street
Harrisonville, Missouri 64701

Re: Engagement of Mauer Law Firm PC

Dear Mayor Bowman:

We are pleased that you have chosen to engage Mauer Law Firm PC to provide legal services to the City of Harrisonville as City Attorney and in connection with such other matters that we mutually agree to undertake. Consistent with our practice, this letter and the attached Engagement Terms and Billing Practices (the "Terms") set forth the terms of our engagement. The Terms is important and is provided to our clients so that they understand in advance how various issues will be handled.

Our fees for legal services typically are based on the time we spend on the engagement. In the event the nature of the services requested justifies a departure from that approach, we welcome the opportunity to discuss alternative arrangements, including flat fee or contingency arrangements. We separately charge for expenses and other charges incurred in connection with rendering our services, all as described in the Terms.

Our billing statements are normally rendered on a monthly basis and are due and payable upon receipt. We endeavor to include expenses and other charges in the statement for the month in which they are incurred. On occasion, however, accounting for certain expenses and charges may be delayed, in which case late-posted items will be billed on the next regular statement. Mauer Law Firm reserves the right to charge a late payment penalty in the form of interest on any statements not paid within 30 days of the statement date at the legal rate of interest.

Our attorney-client relationship is one of mutual trust and confidence. We do our best to see to it that our clients are satisfied not only with our services but also with the fees charged for those services. Whenever you have any questions or comments regarding our services or fees, you should contact me or any other attorney in Mauer Law Firm with whom you are working. We also encourage you to inquire about any matters relating to our fee arrangements or monthly statements that are in any way unclear.

We appreciate the confidence you have placed in us and look forward to working with you. If this letter and the Terms correctly set forth our mutual understanding, please sign and date the enclosed copy of this letter and return it to us with the attached Terms.

1100 Main Street • Suite 2100 • Kansas City, MO 64105 • 816.759.3300 • Fax 816.759.3399 •

Very truly yours,

Steven E. Mauer

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

THESE TERMS INCLUDING THE ATTACHED ENGAGEMENT TERMS AND BILLING PRACTICES ARE APPROVED.

DATED:_______________________________

CITY OF HARRISONVILLE, MISSOURI

____

By: Its Authorized Representative

1100 Main Street • Suite 2100 • Kansas City, MO 64105 • 816.759.3300 • Fax 816.759.3399

ENGAGEMENT TERMS AND BILLING PRACTICES

Fees. Our general policy is to calculate fees for legal services on the basis of a rate for each lawyer and legal assistant engaged in providing such services, multiplied by the number of hours (or fractions thereof, in increments of one-fourth of one hour) devoted to the rendering of such services by each such lawyer or legal assistant.

In serving the client we attempt to utilize those lawyers and legal assistants having the lowest hourly billing rates commensurate with the legal knowledge and level of experience required in order to achieve the client's objective. The selection of those lawyers and legal assistants who will render services will be made by the lawyer having overall supervisory responsibility for each engagement, taking into consideration the nature of the engagement, the degree of legal experience and knowledge required in order to achieve the client's objective, the availability of lawyers and legal assistants to work on the engagement and their hourly billing rates.

We agree to a special rate of $190 per hour for all timekeepers. Our hourly billing rates may be adjusted periodically. The timekeepers you may expect to work on your matters include the following: Steven E. Mauer, Debbie A. Moeller, Christine T. Roto, Carly S. Iverson and Elizabeth Crotty, Legal Assistant.

When we provide services which are of special value or which require unusual sophistication, we reserve the right to charge an amount that exceeds the standard rate of the professionals involved multiplied times the number of hours devoted to the rendering of services. We will discuss with you in advance any circumstances where such an increase may be appropriate.

Deposits. Any deposits that we receive from you will be placed in our client trust account on your behalf and are refundable to the extent not subject to disbursement. We are not requesting a deposit from the City of Harrisonville. However, any funds we might receive on your behalf will be placed by us in our unsegregated trust account with our bank in Kansas. Interest earned on that account, pursuant to Missouri Supreme Court Rule, is paid to the Missouri Lawyer Trust Account Foundation to be used for providing civil legal assistance to low-income individuals, improving the administration of justice and promoting such other programs for the benefit of the public approved by the Supreme Court.

Deposits are received with the understanding that we are expressly authorized to withdraw from the trust account the sums necessary to pay for services as they are performed and expenses as they are incurred. You will be notified in writing of the amounts applied or withdrawn, and you will also be provided with a statement explaining the services rendered and costs incurred. If the charges for services and costs exceed the balance on deposit, the statement will show the excess due and payable. We may also request additional deposits to cover further services and costs, if circumstances warrant. When our services are completed, you will receive a final invoice. Any remaining balance after payment of our final invoice will be returned to you.

Representation in Other Matters. Mauer Law Firm represents many other companies and individuals. To avoid any misunderstanding in connection with our current (and any future) engagement for you, we confirm that we have not been asked to act as counsel for any subsidiary, parent, affiliated entity or individual as a result of our acting as counsel to you. Any such relationship, if undertaken by us with any such other entity or individual, must be separately entered into.

Litigation and Dispute Resolution Matters. The outcome, cost and the course of most litigation matters cannot be predicted. Should you ever have questions or concerns, we encourage you to contact us. Your timely and full cooperation and assistance will play a critical role in our efforts. You always retain the right to determine whether a compromise should be pursued and accepted, or, alternatively, whether the matter should be pursued to an adjudication on the merits at trial and thereafter to an appeal. While we cannot assure you that there will not be an adverse outcome, our efforts always are directed toward obtaining the most satisfactory resolution of this matter for you that is possible.

Termination of Engagement. You may terminate our engagement with or without cause at any time on written notice to us. Termination of our services will not affect your responsibility to pay for legal services rendered and all expenses and other charges incurred up to the date when we receive notice of termination, and for any further work required of us in order to facilitate an orderly turnover of matters in process at the time of termination.

We may terminate our engagement for any of the reasons permitted under the Missouri Rules of Professional Conduct, including your failure to promptly pay our bills, misrepresentation of (or failure to disclose) any material facts, action taken contrary to our advice, or any other conduct or situation that in our judgment impairs an effective attorney-client relationship between us or presents conflicts with our professional responsibilities. This letter constitutes reasonable warning that we will withdraw from representing you in this matter if you fail substantially to fulfill an obligation to us regarding our services. Other grounds for terminating our representation are set forth in Rule 1.16 of the Missouri Rules of Professional Conduct, a copy of which we will provide you on request. We may request a stipulation executed by you allowing us to withdraw as your attorney in any judicial, arbitration or similar proceedings, in which event you agree in advance to our withdrawal.

Our attorney-client relationship will also terminate when a matter for which Mauer Law Firm was hired has been completed, whether or not our bill to you for services has been rendered or paid. Upon termination of our relationship, Mauer Law Firm has no duty to accept new engagements or to continue representation in any matters unless mutually agreed in writing.

Future Representation. In the event our engagement necessitates that we prepare an agreement which provides for ongoing rights and obligations on your part, a dispute concerning the interpretation or enforceability of that agreement may subsequently arise after our engagement has been terminated. In the absence of our express written agreement, you may not assume that Mauer Law Firm will continue to be free to represent you in a future dispute concerning such agreement.

Retention of Files. Generally, we keep each client's legal files for ten years after we close the file. After ten years, we destroy those files unless the client tells us otherwise. If you want us to keep your files for a longer period of time, please tell us.

Arbitration of Dispute. Should any dispute arise concerning the services provided to you by us or the statements forwarded to you, as well as any alleged claims for legal malpractice, breach of fiduciary duty, breach of contract or other claim against Mauer Law Firm for any alleged inadequacy of such services, the dispute will be settled by arbitration. The arbitration shall be heard in the City of Kansas City by a panel of three arbitrators, all of whom must be practicing attorneys in that city, with one arbitrator to be selected by each party and the third to be chosen by the two arbitrators selected by the parties. The arbitrators may establish such rules for the conduct of the arbitration as they may choose, except that there shall be no discovery and any proceedings conducted shall be private and confidential and shall not be disclosed to the public by either the arbitrators or the parties to the arbitration. The award of the arbitrators must be by a majority vote and shall be final and binding, not subject to challenge by either party in any court of law. Each party shall bear its own costs of the arbitration and shall pay one-half of the costs of the proceeding.

Charges. Our statements to our clients are normally rendered on a monthly basis, and ordinarily include certain charges other than fees for legal services. These charges may include third-party expenses (such as filing fees, court reports and travel) and internal expenses. Clients may be asked to pay larger third-party invoices directly. Other third-party expenses will be added to our bills with no markup. Mauer Law Firm has elected to charge for certain support activities on the basis of each client's individual use instead of covering them in its hourly rates for fee earners. The internal charges will be billed in the following way:

Facsimile: Clients are charged $1.00 per page plus the telephone expense for outgoing faxes. There is no charge for incoming faxes.

Mail: Clients are charged the actual cost of postage, express mail and bulk mailings, as well as air express couriers. However, there is no charge for invoices sent to the client by regular mail.

Messengers: Clients are charged the actual costs of outside messenger service. In some instances, Mauer Law Firm personnel may be used in lieu of an outside messenger service to reduce delivery time. In those cases, delivery charges are competitive with those of the outside messenger.

Overtime: Staff overtime is charged only when required by the time constraints of the specific project.

Reproduction Costs:

Copies – Mauer Law Firm charges $.20 per page for regular copies, $.75 per page for color copies. Copying by outside vendors when required by size or time constraints of the specific project is charged at actual cost.

Computer Research: Mauer Law Firm uses Westlaw computer-assisted research. We bill clients at the vendor's regular rates to third parties without discount.

Long-Distance Telephone Calls: Long distance calls are billed at direct dial rates to third parties without discount.

Applicable Law. Our attorney-client relationship will be governed by Missouri law, including the Missouri Rules of Professional Conduct.

1100 Main Street • Suite 2100 • Kansas City, MO 64105 • 816.759.3300 • Fax 816.759.3399

City of Harrisonville est. 1836

STAFF REPORT

TO: **Board of Aldermen**

FROM: **Marcella McCoy, Director**

DATE: **May 1, 2019**

SUBJECT: **FY 2018 Comprehensive Annual Financial Report**

Type of Item: *Audit*

A requirement for the City is to complete an annual independent audit. Prior to the end of Fiscal Year 2017, the City went out for bids for annual audit services. Cochran, Head, Vick, & Co., P.C. was awarded the bid for a period of three years with the option for two annual renewals. Cochran, Head, Vick, & Co., P.C. performed audit services for Fiscal Year 2017 and now for Fiscal Year 2018.

Like 2017, Fiscal Year 2018 also includes a Single Audit Report. A single audit is required when the City receives more than $750,000 is Federal Awards. The Water Treatment Plant project is funded through State Revolving Funds that includes Federal monies in excess of $750,000 creating the need for the single audit.

Michael Keenan with Cochran, Head, Vick & Co., P.C. will present to the Mayor and Board of Alderman a review of Fiscal Year 2018 City's Consolidated Annual Financial Report (CAFR) and the Single Audit for the fiscal year ending 12-31-2018. Staff has completed review of the reports provided herein. Mike will also outline the comments made to improve processes and controls in the "Required Communication and Management Letter."

This item is a presentation, and no action is required of the Board. However, there are generally some questions from Board members later as a follow-up, and both the staff and the audit firm will be happy to answer any questions as they occur.

E. Discussion Item (ID # 3199)

FY 2018 Comprehensive Annual Financial Report

Attachments:

2018 Harrisonville CAFR (PDF)

2018 Harrisonville Req Com letter (PDF)

2018 Harrisonville SA Report (PDF)

City of Harrisonville, Missouri

Comprehensive Annual Financial Report

For the Year Ended

December 31, 2018

CITY OF HARRISONVILLE, MISSOURI
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CITY OF HARRISONVILLE, MISSOURI
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OTHER SUPPLEMENTARY INFORMATION (Continued)

STATISTICAL SECTION (UNAUDITED)

INTRODUCTORY SECTION

City of Harrisonville est. 1836

P.O. Box 367, 300 East Pearl Street- Harrisonville, Missouri 64701

April 30, 2019

Honorable Mayor and Members of the Board of Aldermen:

The Finance Department is pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Harrisonville, Missouri (the City), for the fiscal year ended December 31, 2018. This report is required under RSMo. 105.145 and is submitted for your information and review.

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

The City's Finance Department prepares the year-end trial balances and supporting schedules and assists in the preparation of the financial statements, which undergo an annual audit by an independent certified public accountant. The City's financial statements have been audited by the accounting firm of Cochran Head Vick & Co. P.C., and that audit resulted in an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2018, are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. That opinion, and the procedures and testing that led to it, is found in the "Independent Auditors' Report" at the beginning of the Financial Section of the CAFR.

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

Profile of the City of Harrisonville

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

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

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

Factors affecting financial conditions

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

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

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

The preparation of this report would not have been possible without the year-round dedication and hard work of the staff of the Finance Department, with special recognition to our Accounting Specialist, Debra Phelps. The City's independent audit firm of Cochran Head Vick & Co. P.C., was instrumental in the preparation of this report and highly professional in their dealings with our staff. I would also like to thank Mayor Hasek, the Board of Aldermen, and City Administrator Happy Welch for their continued interest in and support of the maintenance of the financial health of our City.

Respectfully submitted,

Marcella McCoy

Marcella McCoy
Director of Finance

City of
Harrisonville
est. 1836

- Citizens of Harrisonville
  - Board of Aldermen
    - Parks & Recreation Board
    - Boards & Commissions
    - City Administrator
      - Parks & Recreation
        - Community Center
        - Outdoor Pool
        - Recreation Programs
        - Parks Maintenance
      - Finance
        - Administration
        - Municipal Court
        - Utility Services
      - Law Enforcement
        - Admin/Dispatch
        - Patrol/Investigations
        - Animal Control
      - Emergency Services
        - Fire & EMS
        - Emergency Mgmt
      - General Administration
        - Administration
        - Legal
        - Public Information
      - Community Development
        - Engineering
        - Code Enforcement
        - Planning
        - Building Inspection
        - Economic Dev.
      - Public Works
        - Streets/Stormwater
        - Combined Water/Sanitary Sewer
        - Airport
        - Electric

CITY OF HARRISONVILLE, MISSOURI
PRINCIPAL OFFICIALS
DECEMBER 31, 2018

MAYOR AND BOARD OF ALDERMEN

Brian Hasek	Mayor
Brad Bockelman	Alderman Ward I
Judy Bowman	Alderman Ward I
Judy Reece	Alderman Ward II
Marcia Milner	Alderman Ward II
David Dickerson	Alderman Ward III
Clint Long	Alderman Ward III
Jessica Levsen	Alderman Ward IV
Matt Turner	Alderman Ward IV

ADMINISTRATOR AND DEPARTMENT HEADS

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

INDEPENDENT AUDITORS

Cochran Head Vick & Co. P.C.

FINANCIAL SECTION

CHV & Co

COCHRAN HEAD VICK & CO., P.C.

Certified Public Accountants

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

Other Offices in
Missouri and Kansas

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Harrisonville, Missouri (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2018, 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.

Change in Accounting Principle

As described in Note 12 to the financial statements, in 2018, the City adopted new accounting guidance, Governmental Accounting Standard Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2019, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Cochran Head Vick & Co., P.C.

Kansas City, Missouri
April 26, 2019

Our discussion and analysis of the City of Harrisonville’s (the City) financial performance provides an overview of the City’s financial activities for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows (Net position) at the close of the December 31, 2018 fiscal year by $22,102,336 for the City’s governmental activities and $41,621,590 for the City’s business-type activities.

- As of the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of $6,177,101 a decrease of $1,051,419 in comparison with the prior year. Approximately 68 percent of the fund balance, $4,194,384 is unassigned and available for spending at the government’s discretion.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $4,352,607 or approximately 46 percent of the total General Fund expenditures for 2018.

Overview of the Financial Statements

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

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 5. One of the most important questions asked about the City’s finances is, “Is the City as a whole better off or worse off as a result of the year’s activities?” The Statement of Net Position and the Statement of Activities reports information about the City as a whole and its activities in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

Governmental activitiesð Most of the Cityœ basic services are reported here, including general government, public safety, streets, community development, airport, emergency services, parks and recreation, and community center. Taxes, (sales, property, and franchise) charges for services, fines, and state and federal grants finance most of these activities.

Business-type activitiesð The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. These services include electric, water and sewer, refuse, and aquatic center.

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

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

Governmental fundsð Most of the Cityœ basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Cityœ general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Cityœ programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliation following the fund financial statements.

Proprietary funds—When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Cityœ enterprise funds, are the same as the business-type activities we report in the government-wide statements but provides more detail and additional information, such as cash flows.

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

Notes to the Basic Financial Statements

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

Other Information

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

Government-Wide Financial Analysis

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

Figure 1 - Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017**	2018	2017**	2018	2017**
Current and other assets	$ 9,165,019	$ 9,169,676	$ 16,772,944	$ 13,723,096	$ 25,937,963	$ 22,892,772
Capital assets	22,707,378	22,874,910	42,495,915	38,954,733	65,203,293	61,829,643
Total assets	31,872,397	32,044,586	59,268,859	52,677,829	91,141,256	84,722,415
Deferred outflows of resources	958,409	1,524,674	452,485	451,214	1,410,894	1,975,888
Long-term debt	8,953,055	10,341,025	15,406,122	11,625,169	24,359,177	21,966,194
Other liabilities	341,332	688,209	2,207,787	1,910,331	2,549,119	2,598,540
Total liabilities	9,294,387	11,029,234	17,613,909	13,535,500	26,908,296	24,564,734
Deferred inflow of resources	1,434,083	870,928	485,845	90,962	1,919,928	961,890
Net position:						
Net investment in capital assets	19,696,449	19,097,020	27,265,490	27,393,693	46,961,939	46,490,713
Restricted	2,559,872	3,252,840	3,424,730	3,106,087	5,984,602	6,358,927
Unrestricted (deficit)	(153,985)	(905,376)	10,931,370	8,843,783	10,777,385	7,938,407
Total net position	$ 22,102,336	$ 21,444,484	$ 41,621,590	$ 39,343,563	$ 63,723,926	$ 60,788,047

** As Restated

Net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows exceeded liabilities and deferred inflows by $63,723,926 at the close of fiscal year ended December 31, 2018. Of this total, $5,984,602 is restricted; $2,653,675 for pension benefits, $115,946 for other programs, $3,056,085 for debt service, and $158,896 for parks and recreation.

Figure 2 – Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017**	2018	2017**	2018	2017**
Revenues:						
Program revenues:						
Charges for services	$ 4,403,329	$ 4,239,865	$ 17,677,076	$ 17,102,175	$ 22,080,405	$ 21,342,040
Operating grants and contributions	632,508	521,480	196,493	232,190	829,001	753,670
Capital grants and contributions	44,502	42,678	-	-	44,502	42,678
General revenues:						
Property taxes	1,133,550	807,004	-	-	1,133,550	807,004
Sales taxes	4,193,888	4,151,829	-	-	4,193,888	4,151,829
Franchise and other taxes	813,033	851,366	-	-	813,033	851,366
Tax increment financing revenues	82,096	97,479	-	-	82,096	97,479
Gain on sale of capital assets	32,977	41,451	-	-	32,977	41,451
Interest	158,282	124,751	187,254	181,214	345,536	305,965
Other	91,657	453,822	26,001	105,613	117,658	559,435
Total revenues	11,585,822	11,331,725	18,086,824	17,621,192	29,672,646	28,952,917
Expenses:						
General government	1,889,277	1,947,920	-	-	1,889,277	1,947,920
Public safety	2,888,428	2,944,912	-	-	2,888,428	2,944,912
Streets	1,134,081	1,038,983	-	-	1,134,081	1,038,983
Community development	391,307	462,686	-	-	391,307	462,686
Animal control	214,988	188,968	-	-	214,988	188,968
Airport	283,122	310,155	-	-	283,122	310,155
Emergency services	2,568,186	2,465,996	-	-	2,568,186	2,465,996
Parks and recreation	534,155	578,632	-	-	534,155	578,632
Community center	1,478,927	1,478,570	-	-	1,478,927	1,478,570
Interest on long-term debt	519,512	535,073	-	-	519,512	535,073
Electric	-	-	9,998,594	10,310,545	9,998,594	10,310,545
Water /Sewer	-	-	3,995,319	4,140,949	3,995,319	4,140,949
Refuse	-	-	587,774	505,148	587,774	505,148
Aquatic center	-	-	253,097	288,454	253,097	288,454
Total expenses	11,901,983	11,951,895	14,834,784	15,245,096	26,736,767	27,196,991
Transfers - payment in lieu of taxes	974,013	925,375	(974,013)	(925,375)	-	-
Change in net position	657,852	305,205	2,278,027	1,450,721	2,935,879	1,755,926
Net position, beginning, as restated	21,444,484	21,139,279	39,343,563	37,892,842	60,788,047	59,032,121
Net position, ending	$ 22,102,336	$ 21,444,484	$ 41,621,590	$ 39,343,563	$ 63,723,926	$ 60,788,047

**** As Restated**

Total revenues increased $719,729 over 2017. In 2018, approximately 74.4% of total revenues are charges for services. The majority of the City's total revenue comes from the business-type activities of the Electric and Combined Water and Sewer utility funds. In the governmental activities area, taxes were the largest single source of income, led by the sales tax revenues which account for 36.2% of governmental revenues.

Total program expenses for 2018 are $26,736,767 with the majority, $14,834,784, stemming from business-type activities. Governmental activities expenses decreased $49,912 while the business-type activities expenses decreased $410,312.

Public safety expenses, at $2,888,428, totaled approximately 24.3% of the governmental activities, while the electric utility expenses compose 67.4% of the business-type activities expenses.

Governmental Funds

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

As mentioned earlier in this analysis, at the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $6,177,101. Of this amount $1,982,717 is *non-spendable, restricted, or committed* for various purposes and $4,194,384 is unassigned.

The City's fund balance of the General Fund decreased $216,734 during the current fiscal year. For external financial reporting, the City's Emergency Fund activities are combined with the General Fund's activities. The General Funds activities increased fund balance by $10,240 while the Emergency Fund's activities decreased fund balance by $226,974. General Fund combining financial statements are presented on pages 59 and 60 of this report.

The Sales Tax Fund was closed during 2018. The beginning fund balance of $134,621 was transferred to Community Center Fund.

The Community Center Fund has an ending fund balance of $50,660. Fund balance decreased by $32,263 primarily from charges for services and program revenue not meeting projections. Expenditures were kept at a minimum in an effort to offset the revenue not meeting projections.

The Town Center TIF Fund has an ending fund balance of $36,940 of which $35,660 is restricted. The Towne Center TIF Fund continues to impact the net position of the City. The anchor tenant opened in spring 2007. One additional padsite has been occupied, and a hotel has been opened on the south end. The two remaining padsites are still open for development. The City budgeted and contributed City funds to help meet the debt service schedule in 2018, but will need additional development to continue to service the debt without impacting other City funds.

Proprietary Fund

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The net position of the electric fund at the end of the year totaled $11,951,913, an increase of $1,433,053 from 2017. The net position of the water/sewer fund amounted to $29,140,674 at the end of 2018, an increase of $921,727 from 2017.

General Fund Budgetary Highlights

On a budgetary basis, the General Fund is the main operating fund of the City. The budgetary basis fund balance increased $331,212 from the prior year. The General Fund's expenditures were less than budgeted amounts by $990,038. The primary reason for General Fund not meeting budgeted expenditures was due to reorganization of staff and vacant positions. The Community Development Director position was not filled due to reorganization of that division. Also, there were several police positions vacant during 2018.

Capital Asset and Debt Administration

At the end of December 31, 2018, the City had $65,203,293 invested in capital assets including land, buildings and improvements, equipment, vehicles, infrastructure, and water and sewer lines net of accumulated depreciation. (See table below) This represents a net increase of $3,373,650 from last year. See Note 6 to basic financial statements for more information and detail on the City's capital assets

Capital assets, net of accumulated depreciation

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	$ 838,674	$ 813,674	$ 1,588,031	$ 1,588,031	$ 2,426,705	$ 2,401,705
Construction in progress	1,476,504	926,350	11,516,664	6,868,410	12,993,168	7,794,760
Buildings and improvements	15,787,233	16,512,086	14,725,967	15,398,123	30,513,200	31,910,209
Machinery and equipment	909,549	1,006,003	462,185	500,979	1,371,734	1,506,982
Vehicles	570,163	657,497	444,276	296,175	1,014,439	953,672
Infrastructure	3,125,255	2,959,300	13,758,792	14,303,015	16,884,047	17,262,315
Total	$ 22,707,378	$ 22,874,910	$ 42,495,915	$ 38,954,733	$ 65,203,293	$ 61,829,643

Significant governmental activities additions include land purchase of $25,000, various street and sidewalk improvements of approximately $950,000; cross walk signals and other equipment and vehicles of $180,000.

Significant business-type activities includes the continued construction in progress of approximately $4.1 million in improvements to the water treatment plant. These improvements were funded by the voter approved bonds utilizing the State Revolving Fund financing program through the Missouri Department of Natural Resources. Extension of water mains on Beckerdite of approximately $400,000 and vehicle purchases for Electric and Combined Water and Sanitary Sewer for maintenance.

As of December 31, 2018, the City had total long-term debt outstanding of $24,359,177. Details of the existing debt obligations of the City are discussed in Note 7 to the financial statements. The City continues to have no general obligation debt.

	Outstanding Obligations					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Compensated absences	$ 283,618	$ 299,624	$ 113,967	$ 143,638	$ 397,585	$ 443,262
OPEB liability	174,388	224,614	61,730	79,509	236,118	304,123
Certificates of participation	3,185,000	3,930,000	-	-	3,185,000	3,930,000
Revenue bonds	-	-	15,049,054	11,336,767	15,049,054	11,336,767
Tax increment revenue bonds	5,180,000	6,245,000	-	-	5,180,000	6,245,000
Promissory notes	80,931	100,774	127,391	159,974	208,322	260,748
Capital leases	-	50,795	-	-	-	50,795
Premiums	49,118	34,287	56,448	68,002	105,566	102,289
Discounts	-	(94,841)	(2,468)	(3,703)	(2,468)	(98,544)
Total	$ 8,953,055	$ 10,790,253	$ 15,406,122	$ 11,784,187	$ 24,359,177	$ 22,574,440

Economic Outlook

The City of Harrisonville, Missouri, continues to benefit from a relatively stable economic situation and shows some signs of progress. Overall employment has remained steady and sales tax collections have slightly increased. Some new retail development is still under way, and the City continues to be in the minds of potential commercial and industrial customers. The City participates and was awarded a Missouri Main Street Grant and has begun the processes to assist with promotion and development of the Square. The Missouri Department of Transportation in conjunction with local funding partners, completed construction of significant improvements to North MO-291. Voters in November 2014 approved $7 million in revenue bonds to fund improvements in the City's water treatment processing plant which will provide better, cleaner water for years to come. Bonds were issued in January 2017 and the contractor awarded the project. Construction began in February 2017 on the improvements to the water treatment plant and is in all intense purposes complete. These public infrastructure investments should help maintain and strengthen our commercial base. Nearly $1 million of infrastructure improvements were planned and completed in 2018 including sidewalks, storm water, and street overlay projects. Fiscal Year 2019 plans are to complete approximately $850,000 of infrastructure improvements similar to 2018. Also planned for 2019 is the purchase of an ambulance and fire truck for Emergency Services along with implementation of an upgrade to the financial software system. Election of Mayor and half of the Board of Aldermen will take place in 2019 and half of the Board of Aldermen in 2020. These elected officials serve four-year terms. The Board of Aldermen and City staff take a vigilant approach to monitoring the City's financial health, identifying and acting on trends in order to forestall any major problems.

Financial Contact

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

Exhibit A

City of Harrisonville, Missouri
Statement of Net Position
December 31, 2018

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Assets				
Cash and investments	$ 3,967,541	$ 10,744,042	$ 14,711,583	$ 93,347
Receivables:				
Taxes	703,068	-	703,068	29,648
Accounts and other	630,876	1,836,471	2,467,347	-
Due from other governments	62,603	116,550	179,153	36,190
Due from component unit	275,000	-	275,000	-
Loan receivable	686,912	-	686,912	-
Prepaids, deposits and other assets	292,537	119,534	412,071	2,560
Inventory	113,782	505,296	619,078	-
Restricted assets:				-
Cash and investments	447,893	2,716,441	3,164,334	-
Net pension asset	1,984,807	734,610	2,719,417	-
Capital assets:				
Not being depreciated	2,315,178	13,104,695	15,419,873	-
Being depreciated, net of depreciation	20,392,200	29,391,220	49,783,420	-
Total assets	31,872,397	59,268,859	91,141,256	161,745
Deferred Outflows of Resources				
Deferred charges on refunding	280,719	-	280,719	-
Deferred outflow - pension related activity	677,690	452,485	1,130,175	-
Total deferred outflows of resources	958,409	452,485	1,410,894	-
Liabilities				
Accounts payable	46,755	1,167,425	1,214,180	-
Accrued liabilities	225,802	61,110	286,912	-
Unearned revenues	16,026	-	16,026	-
Accrued interest	35,310	-	35,310	105,547
Due to primary government	-	-	-	275,000
Customer deposits	-	979,252	979,252	-
Court bonds	17,439	-	17,439	-
Long term debt:				
Due within one year	1,516,927	1,532,106	3,049,033	-
Due in more than one year	7,436,128	13,874,016	21,310,144	14,326,059
Total liabilities	9,294,387	17,613,909	26,908,296	14,706,606
Deferred Inflows of Resources				
Deferred inflow - property taxes	697,089	-	697,089	-
Deferred inflow - OPEB related activity	19,883	7,039	26,922	-
Deferred inflow - pension related activity	717,111	478,806	1,195,917	-
Total deferred inflows of resources	1,434,083	485,845	1,919,928	-
Net Position				
Net investment in capital assets	19,696,449	27,265,490	46,961,939	-
Restricted :				
Restricted for pension benefits	1,945,386	708,289	2,653,675	-
Other programs	115,946	-	115,946	-
Debt service	339,644	2,716,441	3,056,085	-
Parks and recreation	158,896	-	158,896	-
Unrestricted (deficit)	(153,985)	10,931,370	10,777,385	(14,544,861)
Total net position	$ 22,102,336	$ 41,621,590	$ 63,723,926	$ (14,544,861)

See accompanying notes to the basic financial statements

City of Harrisonville, Missouri
Statement of Activities
For the Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position – Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit
Primary government:								
Governmental activities								
General government	$ 1,889,277	$ 1,688,654	$ 84,663	$ -	$ (115,960)	$ -	$ (115,960)	$ -
Public safety	2,888,428	225,969	-	-	(2,662,459)	-	(2,662,459)	-
Streets	1,134,081	-	403,409	-	(730,672)	-	(730,672)	-
Community development	391,307	-	-	-	(391,307)	-	(391,307)	-
Animal control	214,988	36,601	24,486	-	(153,901)	-	(153,901)	-
Airport	283,122	151,422	-	44,502	(87,198)	-	(87,198)	-
Emergency services	2,568,186	1,344,572	-	-	(1,223,614)	-	(1,223,614)	-
Parks and recreation	534,155	79,394	119,950	-	(334,811)	-	(334,811)	-
Community center	1,478,927	876,717	-	-	(602,210)	-	(602,210)	-
Interest on long-term debt	519,512	-	-	-	(519,512)	-	(519,512)	-
Total governmental activities	11,901,983	4,403,329	632,508	44,502	(6,821,644)	-	(6,821,644)	-
Business-type activities								
Electric	9,998,594	12,096,928	196,493	-	-	2,294,827	2,294,827	-
Water/Sewer	3,995,319	4,816,534	-	-	-	821,215	821,215	-
Refuse	587,774	605,413	-	-	-	17,639	17,639	-
Aquatic center	253,097	158,201	-	-	-	(94,896)	(94,896)	-
Total business-type activities	14,834,784	17,677,076	196,493	-	-	3,038,785	3,038,785	-
Total primary government	$ 26,736,767	$ 22,080,405	$ 829,001	$ 44,502	(6,821,644)	3,038,785	(3,782,859)	-
Component Unit								
Economic development	$ 638,023	$ -	$ -	$ -	-	-	-	(638,023)
Total component unit	$ 638,023	$ -	$ -	$ -	-	-	-	(638,023)
General revenues:								
Taxes:								
Property taxes					1,133,550	-	1,133,550	196,747
Sales taxes					4,193,888	-	4,193,888	355,856
Franchise taxes					491,198	-	491,198	-
Tax increment financing taxes					82,096	-	82,096	75,336
Other taxes					321,835	-	321,835	-
Unrestricted investment earnings					158,282	187,254	345,536	-
Gain on disposal of capital assets					32,977	-	32,977	-
Other					91,657	26,001	117,658	-
Transfers:								
Payment in lieu of taxes					974,013	(974,013)	-	-
Total general revenues and transfers					7,479,496	(760,758)	6,718,738	627,939
Change in net positior					657,852	2,278,027	2,935,879	(10,084)
Net position (deficit), beginning of year, as restated					21,444,484	39,343,563	60,788,047	(14,534,777)
Net position (deficit), end of year					$ 22,102,336	$ 41,621,590	$ 63,723,926	$ (14,544,861)

See accompanying notes to the basic financial statements

Exhibit B

Exhibit

City of Harrisonville, Missouri
Balance Sheet - Governmental Funds
December 31, 2018

	General Fund	Sales Tax Fund	Community Center Fund	Towne Center TIF Fund	Nonmajor Governmental Funds	Total Governmer Funds
Assets						
Cash and investments	$ 3,851,594	$ -	$ -	$ -	$ 115,947	$ 3,967,
Receivables:						
Taxes	509,693	-	158,896	31,834	2,645	703,
Accounts and other	605,578	-	25,298	-	-	630,
Due from other governments	31,873	-	-	30,730	-	62,
Due from other funds	145,959	-	-	-	-	145,
Due from component unit	275,000	-	-	-	-	275,
Loan receivable	686,912	-	-	-	-	686,
Prepaids, deposits and other assets	255,710	-	23,466	1,280	12,081	292,
Inventory	113,782	-	-	-	-	113,
Restricted cash and investments	133,385	-	-	10,524	303,984	447,
Total Assets	$ 6,609,486	$ -	$ 207,660	$ 74,368	$ 434,657	$ 7,326,
Liabilities						
Accounts payable	$ 32,718	$ -	$ 12,719	$ -	$ 1,318	$ 46,
Accrued liabilities	197,925	-	19,724	-	8,153	225,
Unearned revenues	-	-	16,026	-	-	16,
Court bonds payable	17,439	-	-	-	-	17,
Due to other funds	-	-	108,531	37,428	-	145,
Total Liabilities	248,082	-	157,000	37,428	9,471	451,
Deferred inflows of resources						
Unavailable revenues	561,447	-	-	-	135,642	697,
Fund balances:						
Nonspendable:						
Prepaid items and inventory	369,492	-	23,466	1,280	12,081	406,
Advances to component unit and note receivable	961,912	-	-	-	-	961,
Restricted:						
Other programs	115,946	-	-	-	-	115,
Debt service	-	-	-	35,660	303,984	339,
Parks and recreation	-	-	158,896	-	-	158,
Unassigned (deficit)	4,352,607	-	(131,702)	-	(26,521)	4,194,
Total fund balance	5,799,957	-	50,660	36,940	289,544	6,177,
Total liabilities, deferred inflows of resources and fund balances	$ 6,609,486	$ -	$ 207,660	$ 74,368	$ 434,657	$ 7,326,

See accompanying notes to the basic financial statements

Exhibit C
Continued

City of Harrisonville, Missouri
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2018

Fund balances of governmental funds	$	6,177,101
Amounts reported for governmental activities in the statement of net position are different because:		
Net pension asset is not available to pay for current period expenditures and are therefore deferred in the governmental fund statements		1,984,807
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.		22,707,378
Deferred charges on refunding are not due and payable in the current period and therefore not reported in the governmental fund statements		280,719
Deferred outflows and inflows related to pension activity are not required to be reported in the governmental funds but are required to be reported in the Statement of Net Position		(39,421)
Liabilities for interest on long-term debt are recognized only when due in the governmental fund statements but are accrued in the government-wide statements.		(35,310)
Deferred inflows related to OPEB activity are not required to be reported in the governmental funds but are required to be reported in the Statement of Net Position		(19,883)
Long-term liabilities for items such as bonds, certificates of participation and capital leases are not current obligations and, therefore, not recorded in the governmental fund statements.		
Long-term liabilities		(8,902,829)
Net OPEB liabilities are not due and payable in the current period and therefore are not reported in the governmental fund statements.		(50,226)
Net position of governmental activities	$	22,102,336

See accompanying notes to the basic financial statements

Exhibit D

City of Harrisonville, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2018

	General Fund	Sales Tax Fund	Community Center Fund	Towne Center TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Property	$ 790,573	$ -	$ -	$ 165,805	$ 177,172	$ 1,133,550
Sales	2,908,217	-	1,027,887	257,784	-	4,193,888
Franchise	491,198	-	-	-	-	491,198
Other	321,835	-	-	-	-	321,835
Licenses, fess and permits	145,427	-	-	-	-	145,427
Charges for services	3,066,245	-	876,717	-	79,394	4,022,356
Intergovernmental	449,984	-	-	82,096	119,395	651,475
Fines and forfeitures	216,846	-	-	-	-	216,846
Investment income	149,330	-	3,006	3,824	2,122	158,282
Other	121,919	-	4,003	-	9,476	135,398
Reimbursements	82,590	-	-	-	-	82,590
Total revenues	8,744,164	-	1,911,613	509,509	387,559	11,552,845
Expenditures:						
Current:						
General government	1,822,525	-	-	-	-	1,822,525
Public safety	2,876,073	-	-	-	-	2,876,073
Streets	826,215	-	-	-	-	826,215
Community development	360,054	-	-	9,136	-	369,190
Animal control	209,266	-	-	-	-	209,266
Airport	203,025	-	-	-	-	203,025
Emergency services	2,391,496	-	-	-	-	2,391,496
Parks and recreation	-	-	-	-	472,138	472,138
Community center	-	-	1,143,305	-	-	1,143,305
Capital outlay	880,054	-	-	-	116,343	996,397
Debt service:						
Principal	-	-	19,843	6,645,000	745,000	7,409,843
Interest and fiscal charges	-	-	9,404	390,082	98,036	497,522
Total expenditures	9,568,708	-	1,172,552	7,044,218	1,431,517	19,216,995
Excess of revenues over (under) expenditures	(824,544)	-	739,061	(6,534,709)	(1,043,958)	(7,664,150)
Other financing sources (uses):						
Transfers in	-	-	134,621	150,000	1,155,125	1,439,746
Transfers out	(399,180)	(134,621)	(905,945)	-	-	(1,439,746)
Payments in lieu of taxes (PILOTS)	974,013	-	-	-	-	974,013
Sale of capital assets	32,977	-	-	-	-	32,977
Bond premium	-	-	-	25,741	-	25,741
Bond proceeds	-	-	-	5,580,000	-	5,580,000
Total other financing sources (uses)	607,810	(134,621)	(771,324)	5,755,741	1,155,125	6,612,731
Net change in fund balances	(216,734)	(134,621)	(32,263)	(778,968)	111,167	(1,051,419)
Fund balances, beginning of year	6,016,691	134,621	82,923	815,908	178,377	7,228,520
Fund balances, end of year	$ 5,799,957	$ -	$ 50,660	$ 36,940	$ 289,544	$ 6,177,101

See accompanying notes to the basic financial statements

Exhibit D
(continued)

City of Harrisonville, Missouri
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2018

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

Net change in fund balances - total governmental funds	$ (1,051,419)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay costs in excess of capitalization threshold	1,158,487
Depreciation	(1,326,019)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.	
Proceeds from issuance of long-term debt	(5,580,000)
Principal payments on long-term debt	7,460,638
Changes in unamortized bond issuance discount and premium	(109,672)
Changes in accrued interest expense	24,347
Changes in deferred amount on refunding	37,594
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in compensated absences	16,006
Change in net pension liability/asset	875,980
Change in pension related deferred outflows	(603,859)
Change in pension related deferred inflows	(274,574)
Change in OPEB liability and related deferred inflows	30,343
Change in net position of governmental activities	$ 657,852

See accompanying notes to the basic financial statements

Exhibit E

City of Harrisonville, Missouri
Statement of Net Position
Proprietary Funds
December 31, 2018

		Electric Fund		Water/Sewer Fund		Nonmajor Enterprise Funds		Total Enterprise Funds
Assets								
Current assets:								
Cash and investments	$	4,723,519	$	5,951,757	$	68,766	$	10,744,042
Accounts receivable, net		1,230,149		564,038		42,284		1,836,471
Due from other governments		116,550		-		-		116,550
Prepaid expenses		55,311		61,596		2,627		119,534
Inventory		384,734		120,562		-		505,296
Total current assets		6,510,263		6,697,953		113,677		13,321,893
Noncurrent assets:								
Restricted cash and investments		734,322		1,982,119		-		2,716,441
Capital assets:								
Not being depreciated		485,904		12,618,791		-		13,104,695
Being depreciated, net of depreciation		6,117,559		22,856,245		417,416		29,391,220
Net pension asset		342,471		392,139		-		734,610
Total noncurrent assets		7,680,256		37,849,294		417,416		45,946,966
Total assets		14,190,519		44,547,247		531,093		59,268,859
Deferred Outflow of Resources								
Deferred outflow - pension related activity		210,946		241,539		-		452,485
Liabilities								
Current liabilities:								
Accounts payable		657,876		509,136		413		1,167,425
Accrued liabilities		30,272		30,838		-		61,110
Customer deposits		979,252		-		-		979,252
Current portion of long-term debt		251,310		1,280,796		-		1,532,106
Total current liabilities:		1,918,710		1,820,770		413		3,739,893
Long-term liabilities								
Long-term debt		301,601		13,570,910		1,505		13,874,016
Total long-term liabilities:		301,601		13,570,910		1,505		13,874,016
Total liabilities		2,220,311		15,391,680		1,918		17,613,909
Deferred Inflows of Resources								
Deferred inflow - OPEB related activity		6,024		843		172		7,039
Deferred inflow - pension related activity		223,217		255,589		-		478,806
Total deferred inflows of resources		229,241		256,432		172		485,845
Net position								
Net investment in capital assets		6,130,931		20,717,143		417,416		27,265,490
Restricted net position for:								
Restricted for pension benefits		330,200		378,089		-		708,289
Debt service		734,322		1,982,119		-		2,716,441
Unrestricted		4,756,460		6,063,323		111,587		10,931,370
Total net position	$	11,951,913	$	29,140,674	$	529,003	$	41,621,590

See accompanying notes to the basic financial statements

Exhibit F

City of Harrisonville, Missouri
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018

	Electric Fund	Water/Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Operating revenues:				
Charges for services	$ 12,096,928	$ 4,816,534	$ 763,614	$ 17,677,076
Total operating revenues	12,096,928	4,816,534	763,614	17,677,076
Operating expenses:				
Production	-	1,306,526	-	1,306,526
Distribution	7,760,323	602,176	-	8,362,499
Administration	1,884,228	934,878	754,205	3,573,311
Depreciation	338,450	966,723	86,666	1,391,839
Total operating expenses	9,983,001	3,810,303	840,871	14,634,175
Operating income (loss)	2,113,927	1,006,231	(77,257)	3,042,901
Nonoperating revenues (expenses):				
Interest income	88,688	98,062	504	187,254
Intergovernmental	196,493	-	-	196,493
Other income	23,551	2,450	-	26,001
Gain on asset disposal	15,267	9,683	-	24,950
Interest expense and fees	(30,860)	(194,699)	-	(225,559)
Total nonoperating revenues (expenses)	293,139	(84,504)	504	209,139
Income (loss) before transfers and payment in lieu of taxes	2,407,066	921,727	(76,753)	3,252,040
Payments in lieu of taxes (PILOTS)	(974,013)	-	-	(974,013)
Change in net position	1,433,053	921,727	(76,753)	2,278,027
Total net position, beginning of year, as restated	10,518,860	28,218,947	605,756	39,343,563
Total net position, end of year	$ 11,951,913	$ 29,140,674	$ 529,003	$ 41,621,590

See accompanying notes to the basic financial statements

Exhibit G

City of Harrisonville, Missouri
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Electric Fund	Water/Sewer Fund	Nonmajor Enterprise Funds	Total
Cash flows from operating activities:				
Receipts from customers and others	$ 12,458,440	$ 4,830,284	$ 765,818	$ 18,054,542
Payments to suppliers	(8,636,809)	(1,331,316)	(673,574)	(10,641,699)
Payments to employees	(1,063,999)	(1,167,778)	(80,995)	(2,312,772)
Net cash provided by operating activities	2,757,632	2,331,190	11,249	5,100,071
Cash Flows Provided by (used in) Noncapital Financing Activities:				
Pilots in lieu of taxes	(974,013)	-	-	(974,013)
Intergovernmental revenues	312,133	-	-	312,133
Net cash flows provided by (used in) noncapital financing activities	(661,880)	-	-	(661,880)
Cash flows from investing activities:				
Interest received	88,688	98,062	504	187,254
Purchases of certificates of deposit	2,216,827	2,221,287	-	4,438,114
Maturity of certificates of deposit	(3,949,671)	(3,459,433)	-	(7,409,104)
Net cash flows provided by (used in) investing activities	(1,644,156)	(1,140,084)	504	(2,783,736)
Cash flows from capital and related financing activities:				
Purchases of capital assets	(153,235)	(4,779,786)	-	(4,933,021)
Proceeds from sale of capital assets	15,267	9,683	-	24,950
Interest and fiscal charges	(29,625)	(206,253)	-	(235,878)
Proceeds from long-term debt	-	4,648,587	-	4,648,587
Principal payments on long-term debt	(225,000)	(743,883)	-	(968,883)
Net cash flows provided by (used in) capital and related financing activities	(392,593)	(1,071,652)	-	(1,464,245)
Net change in cash and equivalents	59,003	119,454	11,753	190,210
Cash and equivalents, beginning of year	1,474,509	1,572,657	57,013	3,104,179
Cash and equivalents, end of year	1,533,512	1,692,111	68,766	3,294,389
Investments and long-term certificates of deposit	3,924,329	6,241,765	-	10,166,094
Total cash and investments reported on the Statement of Net Position	$ 5,457,841	$ 7,933,876	$ 68,766	$ 13,460,483
Cash and investments reported on the Statement of Net Position				
Cash and investments	$ 4,723,519	$ 5,951,757	$ 68,766	$ 10,744,042
Restricted cash and investments	734,322	1,982,119	-	2,716,441
Total cash and investments	$ 5,457,841	$ 7,933,876	$ 68,766	$ 13,460,483
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 2,113,927	$ 1,006,231	$ (77,257)	$ 3,042,901
Adjustments to reconcile operating income(loss) to net cash provided by (used in) operations:				
Depreciation and amortization	338,450	966,723	86,666	1,391,839
Nonoperating income	23,551	2,450	-	26,001
Change in compensated absences	(21,092)	(8,579)	-	(29,671)
Changes in OPEB liability	(15,217)	(2,129)	(433)	(17,779)
Changes in net pension asset/liability	(170,658)	(189,600)	-	(360,258)
Changes in deferred outflows of resources	(3,856)	2,585	-	(1,271)
Changes in deferred inflows of resources	187,493	207,218	172	394,883
Changes in:				
Receivables	265,855	11,300	2,204	279,359
Prepaid expenses and deposits	(23,910)	(8,665)	(464)	(33,039)
Inventory	42,849	66,801	-	109,650
Accounts payable	2,578	275,849	413	278,840
Accrued liabilities	(54,444)	1,006	(52)	(53,490)
Customer deposits	72,106	-	-	72,106
Net cash provided by operating activities	$ 2,757,632	$ 2,331,190	$ 11,249	$ 5,100,071

See accompanying notes to the basic financial statements

Exhibit H

City of Harrisonville
Statement Assets and Liabilities - Fiduciary Funds
December 31, 2018

		Agency Funds
ASSETS:		
Cash and investments	$	391,319
Taxes receivable		180,527
Total assets	$	571,846
LIABILITIES:		
Held for others	$	571,846
Total liabilities	$	571,846

See accompanying notes to the basic financial statements

(1) Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

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

Discretely Presented Component Unit

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

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

Blended Component Unit

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

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

B. Basis of Presentation

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

Government-wide financial statements

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

Fund financial statements

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

<u>GOVERNMENTAL FUNDS</u>

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

The following is the City's major governmental funds:

General Fund – this fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. For financial reporting purposes, the City's Emergency Services Fund's activities are included in the General Fund.

Sales Tax Fund – beginning in 2018 the park sales tax is reported in the Community Center Fund.

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

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

<u>PROPRIETARY FUNDS</u>

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

The following are the Cityǿs major proprietary funds:

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

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

Additionally, the City reports the following nonmajor funds:

Governmental Funds

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

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

Proprietary Funds

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

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

Fiduciary Funds

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

C. Basis of Accounting

Government-wide Financial Statements

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

Governmental Fund Financial Statements

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

Revenue Recognition

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

Expenditure Recognition

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

Proprietary Fund Financial Statements

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

D. Cash and Investments

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

E. Accounts Receivable

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

F. Prepaid Items

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

G. Inventory

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

H. Capital Assets

Capital assets include land, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items) and are included in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are charged to expenditures when purchased in the governmental fund statements, and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are recorded at estimated acquisition value as of the date of the donation.

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

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

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

I. Compensated Absences

Employees earn vacation time based on the number of yearsôservice to the City. Outstanding vacation leave is payable upon termination of employment. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation and retirement.

J. Deferred Outflows/inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The first item results from actuarial assumption changes, the change in actual and projected experience in calculating the pension asset, and pension contributions made by the City subsequent to the pension valuation date. The contribution amount will be applied during the next fiscal year while the changes in actual versus projected amounts will be amortized over five to seven years. The second item is the deferred charges on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunding or refunded debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. The first item relates to the change in actual and projected experience in calculating the pension liability and the difference between actual and projected earnings in calculating the net pension asset. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available over five to seven years. The second item relates to the change in assumptions related to calculating the OPEB liability. These amounts are deferred and recognized as an inflow of resources in future periods. The third item is the unavailable revenue reported for property taxes that were levied for use in the year subsequent to when it was collected. These amounts are deferred and will be recognized as an inflow of resources during the subsequent year.

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

K. Interfund Activity

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

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

Payment in Lieu of Taxes (PILOTS) – paid from the City's electric fund to the general fund were $974,013 for the year ended December 31, 2018.

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

L. Fund Balances

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

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

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

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

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

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

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

Deficit fund equity

At December 31, 2018, the Parks Fund and the Emergency Service Fund (which is reported with the City's General Fund) have deficit fund balances of $14,440 and $472,526, respectively. These deficits will be eliminated as resources are obtained from revenues and transfers in.

M. Net Position Classifications

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

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

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

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

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

N. Statement of Cash Flows

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

O. Stewardship, Compliance and Accountability

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

City of Harrisonville, Missouri
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RSMo section 302.341 requires the City to annually calculate the percentage of its general revenue that comes from traffic violations. Any such revenues that exceed 20% of total general revenues are required to be transferred to the Director of the Missouri Department of Revenue. In the current year, the City has reported fines and forfeitures, which includes traffic violations and other additional items, in the amount of $126,713. This amount is approximately 1.45% of total general revenues of $8,744,164 and, accordingly, the management of the City believes that they are in compliance with the requirements of the Statute.

P. Use of Estimates

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

(2) Cash and Investments

A summary of the carrying values of deposits, investments and petty cash at December 31, 2018 is as follows:

Deposits	$ 4,591,051
Certificates of deposit	10,958,003
Investments	2,006,088
Investments held in trust	802,141
Petty cash	3,300
Total cash and investments	$ 18,360,583

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

Government-wide:	
Cash and investments	$ 14,711,583
Restricted cash and investments	3,164,334
	17,875,917
Component unit:	
Cash and investments	93,347
Agency funds:	
Cash and investments	391,319
Total cash and investments	$ 18,360,583

Investment Policy

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

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

Custodial Credit Risk

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

At December 31, 2018, the pooled U.S. Government agency investments were held by the City�s financial institution in the City�s name. Restricted investments are held in the City�s name by the bond trustee in accordance with the related bond indenture.

At December 31, 2018, the City�s deposits were insured by Federal depository insurance and uninsured deposits were fully collateralized by securities held by the City�s agent in the City�s name.

The carrying amount and maturity segment for the City�s investments at December 31, 2018 are as follows:

		Investment Maturity	
Investments	**Total**	**1 year or less**	**1 to 5 years**
Federal Farm Credit Bank	$ 919,067	$ -	$ 919,067
Federal Home Loan Bank	518,703	518,703	-
Federal National Mortgage Association	568,318	-	568,318
Totals	$ 2,006,088	$ 518,703	$ 1,487,385
Investments held in trust			
Money market mutual funds	$ 802,141	$ 802,141	$ -

Credit Risk

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

Interest Rate Risk

The City's investment policy limits investment maturities to five years as a means of managing its exposure to fair value losses arising from changes in interest rates. To minimize the risk of loss, the City matches investments to anticipated cash flows and diversifies the investment types to the extent practicable. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. The U.S. Government and agency obligations above have maturity dates ranging from June 14, 2019 to May 10, 2023.

Concentration of Credit Risk

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

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted in active markets for identical assets; Level 2 inputs are significant other observable inputs such as third party pricing services for identical assets; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of December 31, 2018:

Investments	**Level 1**
Federal Farm Credit Banks	$ 919,067
Federal Home Loan Bank	518,703
Federal National Mortgage Association	568,318
Totals	$ 2,006,088
Investments held in trust	
Money market mutual funds	$ 802,141

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

(3) Tax Revenues and Taxes Receivable

The City's property taxes are levied and recorded each November 1 on the assessed value as of the prior January 1 for all property located in the City, and are delinquent on January 1 (the lien date) following the levy date. Assessed values are established by the county assessor, subject to review by the County's Board of Equalization. The assessed value of local property at January 1, 2018, was $130,337,446.

The tax levy per $100 of assessed valuation of tangible property for the tax year ended December 31, 2018 was as follows:

General Fund	$0.5430
Park Fund	0.1228
	$0.6658

Taxes receivable consisted of the following at December 31, 2018:

	Property Taxes	Sales Taxes	Franchise Taxes	Total
Governmental funds:				
General fund	$ 11,695	$ 443,421	$ 54,577	$ 509,693
Community Center fund	-	158,896	-	158,896
Towne Center TIF fund	-	31,834	-	31,834
Nonmajor funds	2,645	-	-	2,645
Total taxes receivable	$ 14,340	$ 634,151	$ 54,577	$ 703,068

(4) Intergovernmental Revenue/Receivables

Intergovernmental revenue for the year ending December 31, 2018 consisted of the following:

	General Fund	Towne Center TIF Fund	Nonmajor Funds	Total Governmental Funds	Electric Fund
Grants - Federal, State and Local					
State:	$ 46,575	$ -	$ 119,395	$ 165,970	$ 196,493
Motor vehicle fees and taxes	403,409	-	-	403,409	-
Local:					
Intergovernmental activity taxes	-	82,096	-	82,096	-
Total intergovernmental revenue	$ 449,984	$ 82,096	$ 119,395	$ 651,475	$ 196,493

Amounts due from other governments at December 31, 2018, were as follows:

	General Fund	Towne Center TIF Fund	Total Governmental Funds	Electric Fund
Grants - State and Local				
State:	$ -	$ -	$ -	$ 116,550
Motor vehicle fees and taxes	31,873	-	31,873	-
Local:				
Intergovernmental activity taxes	-	30,730	30,730	-
Total due from other governments	$ 31,873	$ 30,730	$ 62,603	$ 116,550

(5) Interfund Activity

Transfers between funds for the year ended December 31, 2018 were as follows:

	Transfers Out:			
	General Fund	Sales Tax Fund	Community Center Fund	Total
Transfers In:				
Community Center Fund	$ -	$ 134,621	$ -	$ 134,621
Towne Center TIF Fund	150,000	-	-	150,000
Nonmajor Governmental Funds	249,180	-	905,945	1,155,125
Total	$ 399,180	$ 134,621	$ 905,945	$ 1,439,746

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

Interfund receivable and payable balances as of December 31, 2018 were as follows:

	Due to:
	General
Due from:	
Governmental activities:	
Community Center Fund	$ 108,531
Towne Center TIF Fund	37,428
	$ 145,959

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

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2018

(6) Capital Assets

A summary of the changes in capital assets for the ended December 31, 2018 is as follows:

Governmental activities:	January 1, 2018	Additions	Retirements	December 31, 2018
Capital assets, not being depreciated				
Land	$ 813,674	$ 25,000	$ -	$ 838,674
Construction in progress	926,350	550,154	-	1,476,504
Total capital assets, not being depreciated	1,740,024	575,154	-	2,315,178
Capital assets, being depreciated				
Building and improvements	25,666,172	12,185	-	25,678,357
Machinery and equipment	3,930,055	109,772	-	4,039,827
Vehicles	3,111,553	70,636	183,843	2,998,346
Infrastructure	5,254,904	390,740	-	5,645,644
Total capital assets being depreciated	37,962,684	583,333	183,843	38,362,174
Less accumulated depreciation for:				
Building and improvements	9,154,086	737,038	-	9,891,124
Machinery and equipment	2,924,052	206,226	-	3,130,278
Vehicles	2,454,056	157,970	183,843	2,428,183
Infrastructure	2,295,604	224,785	-	2,520,389
Total accumulated depreciation	16,827,798	1,326,019	183,843	17,969,974
Total capital assets being depreciated, net	21,134,886			20,392,200
Governmental activities capital assets, net	$ 22,874,910			$ 22,707,378

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2018

Electric Fund	January 1, 2018	Additions	Retirements	December 31, 2018
Capital assets, not being depreciated				
Land	$ 99,716	$ -	$ -	$ 99,716
Construction in progress	386,188	-	-	386,188
Total capital assets, not being depreciated	485,904	-	-	485,904
Capital assets, being depreciated				
Building and improvements	4,520,536	15,641	-	4,536,177
Machinery and equipment	594,775	10,500	-	605,275
Vehicles	763,332	127,094	71,439	818,987
Infrastructure	8,093,542	-	-	8,093,542
Total capital assets being depreciated	13,972,185	153,235	71,439	14,053,981
Less accumulated depreciation for:				
Building and improvements	2,503,206	88,253	-	2,591,459
Machinery and equipment	391,668	18,820	-	410,488
Vehicles	501,408	56,198	71,439	486,167
Infrastructure	4,273,129	175,179	-	4,448,308
Total accumulated depreciation	7,669,411	338,450	71,439	7,936,422
Total capital assets being depreciated, net	6,302,774			6,117,559
Electric Fund capital assets, net	$ 6,788,678			$ 6,603,463

Water/Sewer	January 1, 2018	Additions	Retirements	December 31, 2018
Capital assets, not being depreciated				
Land	$ 1,488,315	$ -	$ -	$ 1,488,315
Construction in progress	6,482,222	4,680,969	32,715	11,130,476
Total capital assets, not being depreciated	7,970,537	4,680,969	32,715	12,618,791
Capital assets, being depreciated				
Building and improvements	22,514,570	32,715	-	22,547,285
Machinery and equipment	1,277,688	5,885	-	1,283,573
Vehicles	572,629	92,932	54,032	611,529
Infrastructure	17,471,014	-	-	17,471,014
Total capital assets being depreciated	41,835,901	131,532	54,032	41,913,401
Less accumulated depreciation for:				
Building and improvements	9,624,739	547,948	-	10,172,687
Machinery and equipment	992,936	34,004	-	1,026,940
Vehicles	538,378	15,727	54,032	500,073
Infrastructure	6,988,412	369,044	-	7,357,456
Total accumulated depreciation	18,144,465	966,723	54,032	19,057,156
Total capital assets being depreciated, net	23,691,436			22,856,245
Water/Sewer Fund capital assets, net	$ 31,661,973			$ 35,475,036

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2018

Aquatic Center Fund	January 1, 2018	Additions	Retirements	December 31, 2018
Capital assets, being depreciated				
Building and improvements	$ 2,022,950	$ -	$ -	$ 2,022,950
Machinery and equipment	23,279	-	-	23,279
Total capital assets being depreciated	2,046,229	-	-	2,046,229
Less accumulated depreciation for:				
Building and improvements	1,531,988	84,311	-	1,616,299
Machinery and equipment	10,159	2,355	-	12,514
Total accumulated depreciation	1,542,147	86,666	-	1,628,813
Total capital assets being depreciated, net	504,082			417,416
Aquatic Center Fund capital assets, net	$ 504,082			$ 417,416

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

Governmental Activities:	
General government	$ 124,921
Public safety	143,692
Streets	310,036
Community development	23,346
Animal control	6,286
Airport	131,222
Emergency services	184,268
Parks and recreation	63,477
Community center	338,771
Total depreciation expense for Governmental activities	$ 1,326,019
Business-type Activities:	
Electric	$ 338,450
Water and sewer	966,723
Aquatic center	86,666
Total depreciation expense for Business-type activities:	$ 1,391,839

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2018

(7) Long-Term Debt

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

Governmental Activities:	**Beginning of Year**	**Adjustments/ Additions**	**Adjustments/ Retirements**	**End of Year**	**Due Within One Year**
Capital lease obligations	$ 50,795	$ -	$ 50,795	$ -	$ -
Tax increment revenue bonds	6,245,000	-	6,245,000	-	-
Tax increment refunding bonds	-	5,580,000	400,000	5,180,000	460,000
Tax increment premiums	-	25,741	2,340	23,401	2,340
Promissory notes	100,774	-	19,843	80,931	17,399
Certificates of Participation	3,930,000	-	745,000	3,185,000	745,000
Premiums	34,287	-	8,570	25,717	8,570
Discounts	(94,841)	-	(94,841)	-	-
Net OPEB liability **	224,614	-	50,226	174,388	-
Compensated absences **	299,624	-	16,006	283,618	283,618
Total governmental activities	10,790,253	5,605,741	7,442,939	8,953,055	1,516,927
Business-Type Activities:					
Electric Fund					
Revenue bonds:					
Series 2007	700,000	-	225,000	475,000	225,000
Discounts	(3,703)	-	(1,235)	(2,468)	(1,235)
	696,297	-	223,765	472,532	223,765
Net OPEB liability	68,051	-	15,217	52,834	-
Compensated absences	48,637	-	21,092	27,545	27,545
Electric fund total	812,985	-	260,074	552,911	251,310
Water/Sewer Fund					
Revenue bonds:					
Series 2002	1,535,000	-	240,000	1,295,000	245,000
Series 2003	1,505,000	-	185,000	1,320,000	195,000
Series 2005	780,000	-	90,000	690,000	90,000
Series 2010	2,759,200	-	196,300	2,562,900	200,200
Series 2017	4,057,567	4,648,587	-	8,706,154	420,000
Premiums	68,002	-	11,554	56,448	11,554
	10,704,769	4,648,587	722,854	14,630,502	1,161,754
Promissory note	159,974	-	32,583	127,391	32,620
Net OPEB liability	9,520	-	2,129	7,391	-
Compensated absences	95,001	-	8,579	86,422	86,422
Water/Sewer fund total	10,969,264	4,648,587	766,145	14,851,706	1,280,796
Aquatic Fund					
Net OPEB liability	1,938	-	433	1,505	-
Total business-type activities	11,784,187	4,648,587	1,026,652	15,406,122	1,532,106
Total primary government	$ 22,574,440	$ 10,254,328	$ 8,469,591	$ 24,359,177	$ 3,049,033

** these liabilities are generally liquidated by the General, Park, Community Center, and Emerg. Management Funds

Component Unit					
Note payable	$ 9,000,000	$ -	$ -	$ 9,000,000	$ 9,000,000
Developer obligations	5,326,059	-	-	5,326,059	-
	$ 14,326,059	$ -	$ -	$ 14,326,059	$ 9,000,000

A. Governmental Activities Debt

Tax Increment Revenue Bonds

$8,630,000 Series 2007 Tax Increment Revenue Bonds (Towne Center Project). Proceeds were used for the purpose of providing funds to refinance the Series 2005 Tax Increment Financing Temporary Notes. The City, subject to annual appropriation, has pledged certain payments in lieu of taxes and economic activity taxes generated within the Towne Center TIF District. The bonds were refunded in 2018 as described in the next paragraph.

On April 16, 2018 the City issued Series 2018 City of Harrisonville, Missouri Annual Appropriation-Supported Tax Increment and Sale Tax Refunding Revenue Bonds (Harrisonville Town Center Project) in the amount of $5,580,000 to refund the remaining $6,245,000 of the outstanding Series 2007 Tax Increment Revenue Bonds. Net proceeds of the Series 2018 revenue bonds along with available Series 2007 revenue bond trust funds and additional City fund totaling $954,237 were deposited in trust with an escrow agent to pay accrued interest as of May 1, 2018 and to pay all off the outstanding balance of the bonds of $6,245,000 on May 17, 2018.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the Series 2007 revenue bonds of $94,841. This amount is reported as a deferred outflow of resources and is amortized over the remaining life of the Series 2018 revenue bonds using the straight line method. The District completed this refunding to reduce its net debt service payments by approximately $1,499,625 which resulted in a net economic gain of $440,192.

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

Promissory Notes Payable

In 2011, the City entered into a promissory note payable of $171,931 with the Missouri Department of Natural Resources to provide partial funding for the purpose of constructing and installing energy savings equipment in the Community Center. The note requires semi-annual payments of principal including interest at 2% until maturity on April 1, 2023.	$ 80,931

Certificates of Participation

$7,830,000 Series 2012 Refunding Certificates of Participation. Proceeds were used refund the Series 2003 Certificates of Participation. Due in annual installments through December 1, 2022 including interest ranges from 2.00% to 2.75%.

Capital Lease Obligation

The City has entered into a capital leasing agreement for airport hangers. The cumulative amount of assets acquired under the capital lease are $596,729 as of December 31, 2018. The lease obligation was paid off in full during the year ended December 31, 2018.

B. Business-type Activities Debt

Revenue Bonds ï Electric Fund

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

Revenue Bonds ï Water/Sewer Fund

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

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

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

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

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

As of December 31, 2018, the sinking funds and the reserve funds were adequately funded and the City was in compliance with its rate covenants for all bonds.

Promissory Note Payable

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

	Principal	Interest
2019	$ 32,620	$ 2,982
2020	33,440	2,162
2021	34,282	1,320
2022	27,049	458
	$ 127,391	$ 6,922

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2018

C. *Future Debt Service Requirements*

Governmental Activities

	Tax Increment Financing Bonds		Promissory Notes		Series 2012 Certificates of Participation	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	$ 460,000	$ 151,988	$ 17,399	$ 1,532	$ 760,000	$ 79,831
2020	470,000	138,157	17,749	1,182	785,000	62,731
2021	485,000	124,088	18,105	826	810,000	44,085
2022	500,000	109,537	18,469	462	830,000	22,825
2023	515,000	94,538	9,209	92	-	-
2024-2028	2,750,000	245,287	-	-	-	-
	$ 5,180,000	$ 863,595	$ 80,931	$ 4,094	$ 3,185,000	$ 209,472

Business-type Activities

	Series 2007 Electric System Refunding Bonds		Series 2002 Waterworks and Sewerage Bonds		Series 2003 Waterworks and Sewerage Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	$ 225,000	$ 21,375	$ 245,000	$ 65,975	$ 195,000	$ 60,332
2020	250,000	11,250	255,000	52,500	205,000	50,082
2021	-	-	260,000	39,750	215,000	39,319
2022	-	-	265,000	26,750	225,000	28,185
2023	-	-	270,000	13,500	235,000	17,038
2024-2028	-	-	-	-	245,000	5,757
Totals	$ 475,000	$ 32,625	$ 1,295,000	$ 198,475	$ 1,320,000	$ 200,713

	Series 2005 Waterworks and Sewerage Bonds		Series 2010 Waterworks and Sewerage Bonds		Series 2017 Waterworks and Sewerage Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	$ 90,000	$ 34,500	$ 200,200	$ 37,445	$ 420,000	$ 155,752
2020	95,000	30,000	204,400	34,447	427,000	148,789
2021	95,000	25,250	208,500	31,385	434,000	141,719
2022	100,000	20,500	212,600	28,264	441,000	134,525
2023	100,000	15,500	217,000	25,080	448,000	127,223
2024-2028	210,000	15,750	1,151,600	75,354	2,352,000	522,332
2029-2033	-	-	368,600	55,110	2,550,000	321,008
2034-2038	-	-	-	-	1,634,154	100,658
Totals	$ 690,000	$ 141,500	$ 2,562,900	$ 287,085	$ 8,706,154	$ 1,652,006

D. Component Unit

Tax Increment Revenue Note

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

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

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

Developer Obligations

Certain developers have incurred certain costs that are eligible for reimbursement under the Market Place TIF Plan. These obligations are special limited obligations of the City, payable only to the extent of available tax increment financing revenues are available upon retirement of the tax increment revenue note discussed above. At December 31, 2018, the total obligations under these agreements was $5,326,059.

(8) Employees Retirement System

A. Plan Description

The Cityʹs 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. LAGERSʹ 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.

B. Benefits Provided

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

	2018 Valuation
Benefit Multiplier:	1.75% for life, plus 0.25% to age 65
Final Average Salary:	3 Years
Member Contributions:	0%

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

C. Employees Covered by Benefit Terms

The following employees were covered by the benefit terms:

	General	Police	Fire	Total
Inactive members or beneficiaries currently receiving benefits	51	17	1	69
Inactive members entitled to but not yet receiving benefits	45	16	18	79
Active members	72	22	19	113
	168	55	38	261

D. Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City do not contribute to the pension plan. Employer contribution rates are 9.7% (General), 14.3% (Police) and 8.4% (Fire) of annual covered payroll.

E. Net Pension Asset

The City's net pension asset was measured as of June 30, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 28, 2018.

F. Actuarial Assumptions

The total pension liability in the February 28, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	43.00%	5.16%
Fixed Income	26.00%	2.86%
Real Assets	21.00%	3.23%
Strategic Assets	10.00%	5.59%

G. Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension planô 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.

H. Changes in the Net Pension Asset

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at beginning of year	$ 26,360,469	$ 27,843,648	$ (1,483,179)
Changes for the year:			
Service Cost	595,775	-	595,775
Interest	1,890,390	-	1,890,390
Difference between expected and actual experience	422,754	-	422,754
Change in assumptions	-	-	-
Contributions - employer	-	600,629	(600,629)
Net investment income	-	3,412,078	(3,412,078)
Benefit payments, including refunds	(1,178,211)	(1,178,211)	-
Administrative expense	-	(19,123)	19,123
Other changes (net transfer)	-	151,573	(151,573)
Net changes	1,730,708	2,966,946	(1,236,238)
Balances at end of year	$ 28,091,177	$ 30,810,594	$ (2,719,417)

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

The following presents the Net Pension Liability/(Asset) of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability/(Asset) would be using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total pension liability (TPL)	$ 32,197,352	$ 28,091,177	$ 24,716,024
Plan fiduciary net position	(30,810,594)	(30,810,594)	(30,810,594)
Net pension liability/(asset)	$ 1,386,758	$ (2,719,417)	$ (6,094,570)

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

For the year ended December 31, 2018, the City recognized LAGERS pension expense of $640,129 ($329,156 (General), $215,244 (Police) and $95,729 (Fire)). The City reported deferred outflows related to LAGERS pension from the following sources:

	General	Police	Fire	Total
Deferred Outflows of Resources:				
Difference in experience	$ 360,740	$ 96,835	$ 15,538	$ 473,113
Assumption changes	267,692	53,803	32,578	354,073
Contributions subsequent to the measurement date*	154,525	103,016	45,448	302,989
Total	$ 782,957	$ 253,654	$ 93,564	$ 1,130,175
Deferred Inflows of Resources:				
Difference in experience	$ 221,651	$ 45,311	$ 111,483	$ 378,445
Difference in projected and actual earnings on plan investments	607,639	129,119	80,714	817,472
Total	$ 829,290	$ 174,430	$ 192,197	$ 1,195,917

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

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

Year ending December 31:	General	Police	Fire	Total
2019	$ 213,423	$ 79,956	$ (3,777)	$ 289,602
2020	41,902	25,450	(24,053)	43,299
2021	(291,447)	(89,688)	(53,398)	(434,533)
2022	(164,736)	(39,510)	(33,286)	(237,532)
2023	-	-	(8,450)	(8,450)
Thereafter	-	-	(21,117)	(21,117)
Total	$ (200,858)	$ (23,792)	$ (144,081)	$ (368,731)

K. Payable to the Pension Plan

At December 31, 2018, the City paid all outstanding contributions to the LAGERS pension plan.

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

	General	Police	Fire	Total
Governmental activities:				
Net pension liability/(asset)	$ (1,100,230)	$ (245,116)	$ (639,461)	$ (1,984,807)
Business-type activities:				
Net pension liability/(asset)	(734,610)	-	-	(734,610)
Total net pension liability/(asset)	$ (1,834,840)	$ (245,116)	$ (639,461)	$ (2,719,417)
Governmental activities:				
Pension related deferred outflows	$ 330,472	$ 253,654	$ 93,564	$ 677,690
Pension related deferred inflows	(350,484)	(174,430)	(192,197)	(717,111)
Business-type activities:				
Pension related deferred outflows	452,485	-	-	452,485
Pension related deferred inflows	(478,806)	-	-	(478,806)
Total	$ (46,333)	$ 79,224	$ (98,633)	$ (65,742)

Deferred Compensation Plan

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

(9) Post Employment Health Benefits

A. Plan Description

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

B. Benefits Provided

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

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

C. Employees Covered by Benefit Terms

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

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

D. Total OPEB Liability

The City's total OPEB liability of $236,118 was measured as of December 31, 2018 and was determined by an actuarial valuation as of July 1, 2017.

E. Actuarial Assumptions

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

Salary increase	2.5% per year
Discount rate	3.68%
Healthcare cost trend rates	7.5% for 2018, decreasing by 0.5% per year through 2021 and then decreasing by 0.25% per year to an ultimate rate of 5.0% for 2025 and later years
Retirees' share of benefit-related costs	135% of plan premiums

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

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

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

F. Change in the Total OPEB Liability

	Total OPEB Liability
Balances, beginning of year	$ 304,123
Changes for the year:	
Service cost	24,653
Interest	10,442
Changes in benefit terms	(60,937)
Changes in assumptions and other inputs	(29,163)
Employer contributions	(13,000)
Net changes	(68,005)
Balances, end of year	$ 236,118

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

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

	1% Decrease 2.68%	Discount Rate 3.68%	1% Increase 4.68%
Total OPEB liability	$ 258,392	$ 236,118	$ 215,986

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

The following presents the OPEB Liability of the Library, calculated using the healthcare cost trend rate of 7.5%, as well as what the CityÕs OPEB Liability would be using a discount rate that is 1 percentage point lower (6.5% decreasing to 4%) or one percentage point higher (8.5% decreasing to 6%) than the current rate.

	1% Decrease (6.5% decreasing to 4%)	Discount Rate (7.5% decreasing to 5%)	1% Increase (8.5% decreasing to 6%)
Total OPEB liability	$ 206,345	$ 236,118	$ 271,768

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

For the year ended December 31, 2018, the City recognized OPEB expense of $(28,085). The City reported deferred inflows related to OPEB from the following sources:

	Deferred Inflows of Resources
Changes in assumptions	$ 26,922
Total	$ 26,922

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

Year ending December 31:	Total
2019	$ (2,243)
2020	(2,243)
2021	(2,243)
2023	(2,243)
2024	(2,243)
Thereafter	(15,707)
Total	$ (26,922)

J. Financial Statement Reporting of the City's OPEB

The following table summarizes the Citys OPEB reporting:

	Total OPEB Liability	Deferred Outflows of Resources
Governmental activities:	$ 174,388	$ 19,883
Business-type activities:	61,730	7,039
Total	$ 236,118	$ 26,922

(10) Commitments and Contingencies

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City has transferred its risk by obtaining coverage from a public self-insured insurance pool. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

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

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

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

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

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

B. Federal and State Grants

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

C. Litigation

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

D. Promissory Note Receivable

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

Since the ultimate collectability is uncertain, City management has established an allowance for uncollectible note receivable that is equal to the outstanding balance of the note receivable of $744,270 at December 31, 2018. There were no payments received on the note receivable for the year ended December 31, 2018. Funding for the loan was made available with a CDBG grant which is available for re-use from collections of principal for other eligible CDBG activity.

E. Long-term Contract

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

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

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

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

MoPEP operations are governed by a committee (Pool Committee) consisting of one representative from each MoPEP Member and is currently comprised of 35 members as of December 31, 2018.

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

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

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

During the year ended December 31, 2018, the City's electricity purchased for resale under this agreement totaling $7,760,323.

F. Encumbrances

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

Fund	Oustanding Encumbrances
General Fund	$ 29,495
Electric Fund	301,968
Water/Sewer Fund	94,559
Total	$ 426,022

G. Commitments

On March 15, 2015, the City entered into a loan agreement with The Highways 71/291 Partners in Progress Transportation Development District (a fiduciary fund), to coordinate efforts for the design, construction, and operation of District projects. The agreement established a funding plan in which the City will provide funding advances to the District in the amount not to exceed $1,500,000. Under the agreement, the District Highways 71/291 Partners in Progress Transportation Development District is scheduled to begin repaying the City with interest at 6%. As of December 31, 2018, the total amount outstanding due to the City under this loan agreement was $686,912.

(11) Tax Abatement

Tax abatements may be granted under the Urban Redevelopment program described under Chapter 353 of the RSMo, the Industrial Development program described under Chapter 100 of RSMo, and the Enhanced Enterprise Zone program described under Sections 135.950 to 135.973 of RSMo. For each of these programs, property taxes are abated by reducing the assessed valuation of the associated properties. For the year ended December 31, 2018, management has determined that any tax abatements are not significant or material to the City's financial position.

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2018

(12) Change in Accounting Principle

The beginning net position/fund balance of the City's governmental activities, business type activities, airport fund, sewer fund, non-major enterprise fund, internal service funds, and discretely presented component units were restated due to the City's implementation of GASB Statement No. 75 – *Accounting for Financial Reporting for Postemployment Benefits Other Than Pensions*.

Opinion Unit	Net Position/Fund Balance as previously reported	Change due to GASB 75	Net Position/Fund Balance as restated
Governmental activities	$ 21,669,098	$ (224,614)	$ 21,444,484
Business- type activities	39,423,072	(79,509)	39,343,563
Electric Fund	10,586,911	(68,051)	10,518,860
Water and Sewer Fund	28,228,467	(9,520)	28,218,947
Nonmajor enterprise funds	607,694	(1,938)	605,756

(13) Subsequent Events

The City evaluated subsequent events through April 26, 2019, the date the financial statements were available to be issued. No subsequent events were identified that required disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule 1

City of Harrisonville, Missouri
Required Supplementary Information
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual - General Fund
For the Year Ended December 31, 2018

	2018 Final Budget	2018 Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Property	$ 772,040	$ 790,573	$ 18,533
Sales	2,323,500	2,394,265	70,765
Franchise	425,000	491,198	66,198
Other	309,900	321,835	11,935
Licenses, fess and permits	120,600	145,427	24,827
Charges for services	1,716,290	1,725,523	9,233
Intergovernmental	495,550	449,984	(45,566)
Fines and forfeitures	255,000	216,846	(38,154)
Investment income	42,000	147,950	105,950
Other	77,450	116,688	39,238
Reimbursements	85,500	82,590	(2,910)
Total revenues	6,622,830	6,882,879	260,049
Expenditures:			
Current:			
General government	1,845,805	1,781,679	64,126
Public safety	3,249,823	2,846,719	403,104
Streets	867,127	813,778	53,349
Community development	453,203	359,987	93,216
Animal control	221,547	181,081	40,466
Airport	204,580	203,025	1,555
Capital outlay	965,000	630,778	334,222
Total expenditures	7,807,085	6,817,047	990,038
Excess of revenues over (under) expenditures	(1,184,255)	65,832	1,250,087
Other financing sources (uses):			
Transfers in	741,615	-	(741,615)
Transfers out	(734,610)	(727,610)	7,000
Payments in lieu of taxes (PILOTS)	1,165,250	974,013	(191,237)
Sale of capital assets	12,000	18,977	6,977
Total other financing sources (uses)	1,184,255	265,380	(918,875)
Net change in fund balances	$ -	331,212	$ 331,212
Fund balances, beginning of year, budget basis		5,911,776	
Fund balance, end of year, budget basis		6,242,988	
Adjustments:			
Encumbrances		29,495	
Fund balance - end of year - GAAP basis		$ 6,272,483	
Net change in fund balance - budget basis		$ 331,212	
Adjustments:			
Encumbrances - beginning of year		(350,467)	
Encumbrances		29,495	
Net change in fund balance - GAAP basis		$ 10,240	

Schedule 2

City of Harrisonville, Missouri
Required Supplementary Information
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Sales Tax Fund
For the Year Ended December 31, 2018

	2018 Original Budget	2018 Final Budget	2018 Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Sales	$ 1,021,000	$ 134,621	$ -	$ (134,621)
Investment income	1,000	-	-	-
Total revenues	1,022,000	134,621	-	(134,621)
Expenditures:				
Current:				
General government	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	1,022,000	134,621	-	(134,621)
Other financing sources (uses):				
Transfers in	3,400	-	-	-
Transfers out	(1,025,400)	(134,621)	(134,621)	-
Total other financing sources (uses)	(1,022,000)	(134,621)	(134,621)	-
Net change in fund balances	$ -	$ -	(134,621)	$ (134,621)
Fund balances, beginning of year			134,621	
Fund balances, end of year			$ -	

Schedule 3

City of Harrisonville, Missouri
Required Supplementary Information
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Community Center Fund
For the Year Ended December 31, 2018

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	**Final Budget**	**Actual**	
Revenues:				
Taxes:				
Sales	$ -	$ 1,021,000	$ 1,027,887	$ 6,887
Charges for services	992,675	1,062,675	876,717	(185,958)
Investment income	1,500	1,500	3,006	1,506
Other	8,600	8,600	4,003	(4,597)
Total revenues	1,002,775	2,093,775	1,911,613	(182,162)
Expenditures:				
Current:				
Community center	1,209,740	1,292,740	1,143,305	149,435
Debt service:				
Principal	27,065	27,065	19,843	7,222
Interest and fiscal charges	1,875	1,875	9,404	(7,529)
Total expenditures	1,238,680	1,321,680	1,172,552	149,128
Excess of revenues over (under) expenditures	(235,905)	772,095	739,061	(33,034)
Other financing sources (uses):				
Transfers in	235,905	253,305	134,621	(118,684)
Transfers out	-	(1,025,400)	(905,945)	119,455
Total other financing sources (uses)	235,905	(772,095)	(771,324)	771
Net change in fund balances	$ -	$ -	(32,263)	$ (32,263)
Fund balances, beginning of year			82,923	
Fund balances, end of year			$ 50,660	

Attachment: 2018 Harrisonville CAFR (FY 2018 Comprehensive Annual Financial Report)

CITY OF HARRISONVILLE, MISSOURI
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1. BUDGETARY INFORMATION

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

Schedule 4

City of Harrisonville, Missouri
Required Supplementary Information
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Year Ended December 31, 2018

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

GASB 68 requires presentation of ten years. As of December 31, 2018, only four years of information is available.

Schedule 5

City of Harrisonville, Missouri
Required Supplementary Information
Schedule of Employer Contributions
For the Year Ended December 31, 2018

LAGERS (General, Police and Fire)

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Payroll	Contribution as Percentage
2009	$ 519,425	$ 517,246	$ 2,179	$ 5,032,095	10.28%
2010	727,308	595,284	132,024	5,186,404	11.48%
2011	757,093	673,908	83,185	5,373,244	12.54%
2012	775,215	691,373	83,842	5,236,634	13.20%
2013	738,479	721,582	16,897	5,327,580	13.54%
2014	737,736	737,736	-	5,581,355	13.22%
2015	622,293	622,293	-	5,469,323	11.38%
2016	572,884	560,847	12,037	5,420,430	10.35%
2017	563,293	556,600	6,693	5,566,093	10.00%
2018	610,839	610,839	-	5,855,455	10.43%

Valuation Date February 28, 2018

Notes: The roll-forward of total pension liability from February 28, 2018 to June 30, 2018 reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and assumptions used to determine contributions rates:

Actuarial cost method Entry Age Normal and Modified Terminal Funding

Amortization method A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.

Remaining amortization period Multiple bases from 11 to 17 years

Asset valuation method 5-year smoothed market; 20% corridor

Inflation assumption 3.25% wage inflation; 2.5% price inflation

Salary increases 3.25% to 6.55% including wage inflation (General and Police)
3.25% to 7.15% including wage inflation (Fire)

Investment rate of return 7.25%, net of investment and administrative expenses

Retirement age Experienced-based table of rates that are specific to the type of eligibility condition

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

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

Other information: None

Schedule 6

City of Harrisonville
Required Supplementary Information
Schedule of Changes in Net OPEB Liability
and Related Ratios*

		2018
Total OPEB Liability		
Service costs	$	24,653
Interest on total OPEB liability		10,442
Changes in benefit terms		(60,937)
Changes in assumptions		(29,163)
Employer contributions		(13,000)
Net change in total pension liability		(68,005)
Total OPEB liability - beginning of year		304,123
Total OPEB liability - end of year	$	236,118
Covered employee payroll**	$	5,059,655
OPEB liability as a percentage of covered employee		4.67%

* GASB 75 requires presentation of ten years. As of December 31, 2018, only one year was available.

** Covered employee payroll is measured as of the measurement date ending December 31 of the current year.

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

COMBINING INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Schedule 7

City of Harrisonville, Missouri
Combining Balance Sheet - General Fund
December 31, 2018

	General Fund	Emergency Services Fund	Eliminations	Total
Assets				
Cash and investments	$ 3,851,594	$ -	$ -	$ 3,851,594
Receivables:				
Taxes	430,245	79,448	-	509,693
Accounts and other	4,211	601,367	-	605,578
Due from other governments	31,873	-	-	31,873
Due from other funds	1,338,947	-	(1,192,988)	145,959
Due from component unit	275,000	-	-	275,000
Loan receivable	686,912	-	-	686,912
Prepaids, deposits and other assets	185,367	70,343	-	255,710
Inventory	80,883	32,899	-	113,782
Restricted cash and investments	133,385	-	-	133,385
Total Assets	$ 7,018,417	$ 784,057	$ (1,192,988)	$ 6,609,486
Liabilities				
Accounts payable	$ 31,333	$ 1,385	$ -	$ 32,718
Accrued liabilities	135,715	62,210	-	197,925
Court bonds payable	17,439	-	-	17,439
Due to other funds	-	1,192,988	(1,192,988)	-
Total Liabilities	184,487	1,256,583	(1,192,988)	248,082
Deferred inflows of resources				
Unavailable revenues	561,447	-	-	561,447
Fund balances:				
Nonspendable:				
Prepaid items and inventory	266,250	103,242	-	369,492
Advances to component unit and loan receivable	961,912	-	-	961,912
Restricted:				
Other programs	115,946	-	-	115,946
Unassigned	4,928,375	(575,768)	-	4,352,607
Total fund balance (deficit)	6,272,483	(472,526)	-	5,799,957
Total liabilities, deferred inflows of resources and fund balances	$ 7,018,417	$ 784,057	$ (1,192,988)	$ 6,609,486

Schedule 8

City of Harrisonville, Missouri
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund
For the Year Ended December 31, 2018

	General Fund	Emergency Services Fund	Eliminations	Total
Revenues:				
Taxes:				
Property	$ 790,573	$ -	$ -	$ 790,573
Sales	2,394,265	513,952	-	2,908,217
Franchise	491,198	-	-	491,198
Other	321,835	-	-	321,835
Licenses, fess and permits	145,427	-	-	145,427
Charges for services	1,725,523	1,340,722	-	3,066,245
Intergovernmental	449,984	-	-	449,984
Fines and forfeitures	216,846	-	-	216,846
Investment income	147,950	1,380	-	149,330
Other	116,688	5,231	-	121,919
Reimbursements	82,590	-	-	82,590
Total revenues	6,882,879	1,861,285	-	8,744,164
Expenditures:				
Current:				
General government	1,822,525	-	-	1,822,525
Public safety	2,876,073	-	-	2,876,073
Streets	826,215	-	-	826,215
Community development	360,054	-	-	360,054
Animal control	209,266	-	-	209,266
Airport	203,025	-	-	203,025
Emergency services	-	2,391,496	-	2,391,496
Capital outlay	840,861	39,193	-	880,054
Total expenditures	7,138,019	2,430,689	-	9,568,708
Excess of revenues over (under) expenditures	(255,140)	(569,404)	-	(824,544)
Other financing sources (uses):				
Transfers in	-	328,430	(328,430)	-
Transfers out	(727,610)	-	328,430	(399,180)
Payments in lieu of taxes (PILOTS)	974,013	-	-	974,013
Sale of capital assets	18,977	14,000	-	32,977
Total other financing sources (uses)	265,380	342,430	-	607,810
Net change in fund balances	10,240	(226,974)	-	(216,734)
Fund balances (deficit), beginning of year	6,262,243	(245,552)	-	6,016,691
Fund balances (deficit), end of year	$ 6,272,483	$ (472,526)	$ -	$ 5,799,957

Schedule 9

City of Harrisonville, Missouri
Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2018

	Park Fund	Debt Service Fund	Total
Assets			
Cash and investments	$ 115,947	$ -	$ 115,947
Receivables:			
Taxes	2,645	-	2,645
Prepaids, deposits and other assets	12,081	-	12,081
Restricted cash and investments	-	303,984	303,984
Total Assets	$ 130,673	$ 303,984	$ 434,657
Liabilities			
Accounts payable	$ 1,318	$ -	$ 1,318
Accrued liabilities	8,153	-	8,153
Total Liabilities	9,471	-	9,471
Deferred inflows of resources			
Unavailable revenues	135,642	-	135,642
Fund balances:			
Nonspendable:			
Prepaid items and inventory	12,081	-	12,081
Restricted:			
Debt service	-	303,984	303,984
Unassigned (deficit)	(26,521)	-	(26,521)
Total fund balance (deficit)	(14,440)	303,984	289,544
Total liabilities, deferred inflows of resources and fund balances	$ 130,673	$ 303,984	$ 434,657

Schedule 10

City of Harrisonville, Missouri
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2018

	Park Fund	Debt Service Fund	Total
Revenues:			
Taxes:			
Property	$ 177,172	$ -	$ 177,172
Charges for services	79,394	-	79,394
Intergovernmental	119,395	-	119,395
Investment income	310	1,812	2,122
Other	9,476	-	9,476
Total revenues	385,747	1,812	387,559
Expenditures:			
Current:			
Parks and recreation	472,138	-	472,138
Capital outlay	116,343	-	116,343
Debt service:			
Principal	-	745,000	745,000
Interest and fiscal charges	-	98,036	98,036
Total expenditures	588,481	843,036	1,431,517
Excess of revenues over (under) expenditures	(202,734)	(841,224)	(1,043,958)
Other financing sources (uses):			
Transfers in	249,180	905,945	1,155,125
Total other financing sources (uses)	249,180	905,945	1,155,125
Net change in fund balances	46,446	64,721	111,167
Fund balances (deficit), beginning of year	(60,886)	239,263	178,377
Fund balances (deficit), end of year	$ (14,440)	$ 303,984	$ 289,544

Schedule 11

City of Harrisonville, Missouri
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2018

	Refuse Fund	Aquatic Center Fund	Total
Assets			
Current assets:			
Cash and investments	$ 57,835	$ 10,931	$ 68,766
Accounts receivable, net	42,284	-	42,284
Prepaid expenses	-	2,627	2,627
Total current assets	100,119	13,558	113,677
Noncurrent assets:			
Being depreciated, net of depreciation	-	417,416	417,416
Total noncurrent assets	-	417,416	417,416
Total assets	$ 100,119	$ 430,974	$ 531,093
Liabilities			
Current liabilities:			
Accounts payable	$ -	$ 413	$ 413
Total current liabilities:	-	413	413
Long-term liabilities:			
Long-term debt	-	1,505	1,505
Total long-term liabilities:	-	1,505	1,505
Total liabilities	-	1,918	1,918
Deferred Inflow of Resources			
Deferred inflow - OPEB related activity	-	172	172
Net position			
Net investment in capital assets	-	417,416	417,416
Unrestricted	100,119	11,468	111,587
Total net position	$ 100,119	$ 428,884	$ 529,003

Schedule 12

City of Harrisonville, Missouri
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018

	Refuse Fund	Aquatic Center Fund	Total
Operating revenues:			
Charges for services	$ 605,413	$ 158,201	$ 763,614
Total operating revenues	605,413	158,201	763,614
Operating expenses:			
Administration	587,774	166,431	754,205
Depreciation	-	86,666	86,666
Total operating expenses	587,774	253,097	840,871
Operating income (loss)	17,639	(94,896)	(77,257)
Nonoperating revenues (expenses):			
Interest income	214	290	504
Total nonoperating revenues (expenses)	214	290	504
Change in net position	17,853	(94,606)	(76,753)
Total net position, beginning of year, as restated	82,266	523,490	605,756
Total net position, end of year	$ 100,119	$ 428,884	$ 529,003

Schedule 13

City of Harrisonville, Missouri
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018

	Refuse Fund	Aquatic Center Fund	Total
Cash flows from operating activities:			
Receipts from customers and others	$ 607,617	$ 158,201	$ 765,818
Payments to suppliers	(587,774)	(85,800)	(673,574)
Payments to employees	-	(80,995)	(80,995)
Net cash provided by (used in) operating activities	19,843	(8,594)	11,249
Cash flows from investing activities:			
Interest received	214	290	504
Net cash flows provided by investing activities	214	290	504
Net change in cash and equivalents	20,057	(8,304)	11,753
Cash and equivalents, beginning of year	37,778	19,235	57,013
Cash and equivalents, end of year	$ 57,835	$ 10,931	$ 68,766
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	$ 17,639	$ (94,896)	(77,257)
Adjustments to reconcile operating income to net cash provided by (used in) operations:			
Depreciation and amortization	-	86,666	86,666
Changes in net OPEB liability	-	(433)	(433)
Changes in deferred inflows of resources	-	172	172
Changes in:			
Receivables	2,204	-	2,204
Prepaid expenses and deposits	-	(464)	(464)
Accounts payable	-	413	413
Accrued liabilities	-	(52)	(52)
Net cash provided by (used in) operating activities	$ 19,843	$ (8,594)	$ 11,249

Attachment: 2018 Harrisonville CAFR (FY 2018 Comprehensive Annual Financial Report)

Schedule 14

City of Harrisonville, Missouri
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Park Fund
For the Year Ended December 31, 2018

	2018		Variance with
	Final Budget	Actual	Final Budget Positive (Negative)
Revenues:			
Taxes:			
Property	$ 177,550	$ 177,172	$ (378)
Charges for services	87,280	79,394	(7,886)
Intergovernmental	-	119,395	119,395
Investment income	200	310	110
Other	14,500	9,476	(5,024)
Total revenues	279,530	385,747	106,217
Expenditures:			
Current:			
Parks and recreation	510,710	471,483	39,227
Capital outlay	18,000	4,031	13,969
Total expenditures	528,710	475,514	53,196
Excess of revenues over (under) expenditures	(249,180)	(89,767)	159,413
Other financing sources (uses):			
Transfers in	249,180	249,180	-
Total other financing sources (uses)	249,180	249,180	-
Net change in fund balances	$ -	159,413	$ 159,413
Fund balances, beginning of year, budget basis		(173,853)	
Fund balances (deficit), end of year, budet basis		(14,440)	
Adjustments:			
Encumbrances		-	
Fund balance (deficit) - end of year - GAAP basis		$ (14,440)	
Net change in fund balance - budget basis		$ 159,413	
Adjustments:			
Encumbrances - beginning of year		(112,967)	
Encumbrances		-	
Net change in fund balance - GAAP basis		$ 46,446	

Schedule 15

City of Harrisonville, Missouri
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2018

	2018		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Investment income	$ 1,250	$ 1,812	$ 562
Total revenues	1,250	1,812	562
Expenditures:			
Debt service:			
Principal	745,000	745,000	-
Interest and fiscal charges	96,915	98,036	(1,121)
Total expenditures	841,915	843,036	(1,121)
Excess of revenues over (under) expenditures	(840,665)	(841,224)	(559)
Other financing sources (uses):			
Transfers in	891,835	905,945	14,110
Transfers out	(51,170)	-	51,170
Total other financing sources (uses)	840,665	905,945	65,280
Net change in fund balances	$ -	64,721	$ 64,721
Fund balances, beginning of year		239,263	
Fund balances, end of year		$ 303,984	

Schedule 16

City of Harrisonville, Missouri
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Emergency Service Fund
For the Year Ended December 31, 2018

	2018 Final Budget	2018 Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Sales	$ 505,000	$ 513,952	$ 8,952
Charges for services	1,740,740	1,340,722	(400,018)
Investment income		1,380	1,380
Other	12,820	5,231	(7,589)
Total revenues	2,258,560	1,861,285	(397,275)
Expenditures:			
Current:			
Emergency services	2,544,990	2,391,496	153,494
Capital outlay	42,000	39,193	2,807
Total expenditures	2,586,990	2,430,689	156,301
Excess of revenues over (under) expenditures	(328,430)	(569,404)	(240,974)
Other financing sources (uses):			
Transfers in	328,430	328,430	-
Sale of capital assets	-	14,000	14,000
Total other financing sources (uses)	328,430	342,430	14,000
Net change in fund balances	$ -	(226,974)	$ (226,974)
Fund balances (deficit), beginning of year		(245,552)	
Fund balance (deficit), end of year		$ (472,526)	

Attachment: 2018 Harrisonville CAFR (FY 2018 Comprehensive Annual Financial Report)

Schedule 17

City of Harrisonville, Missouri
Balance Sheet - Discretely Presented Component Unit
Market Place TIF District Fund
December 31, 2018

Assets		
Cash and cash equivalents	$	93,347
Receivables:		
Taxes		29,648
Due from other governments		36,190
Prepaids, deposits and other assets		2,560
Total Assets	$	161,745
Liabilities and Fund Balances		
Liabilities:		
Due to primary government	$	275,000
Total liabilities		275,000
Fund balances:		
Nonspendable - prepaid items		2,560
Unassigned (deficit)		(115,815)
Total fund balances		(113,255)
Total liabilities and fund balances	$	161,745

Amounts reported in the government-wide statements are different because:

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

Fund balances	$	(113,255)
The issuance of long-term debt provides current financial resources, while the repayment of the principal of long-term debt consumes the current financial resources. Neither transaction has any effect on net position. The Commission's governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Long-term debt		(9,000,000)
Developer obligations		(5,326,059)
Accrued interest payable		(105,547)
Net position (deficit) of component unit	$	(14,544,861)

Schedule 18

City of Harrisonville
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Discretely Presented Component Unit - Market Place TIF District Fund
For the Year Ended December 31, 2018

Revenues:	
Taxes:	
Property	$ 196,747
Sales	355,856
Intergovernmental	75,336
Total Revenues	627,939
Expenditures:	
Current:	
Community development	8,023
Debt service:	
Interest	630,000
Total expenditures	638,023
Excess of revenues over (under) expenditures	(10,084)
Net change in fund balances	(10,084)
Fund balances, beginning of year	(103,171)
Fund balances (deficit), end of year	$ (113,255)

Schedule 19

City of Harrisonville
Statement of Changes in Assets and Liabilities - Agency Funds
December 31, 2018

	Balance December 31, 2017	Additions	Deductions	Balance December 31, 2018
Highways 71/291 TDD				
ASSETS:				
Cash and investments	$ 324,969	$ 1,333,887	$ 1,273,433	$ 385,423
Taxes receivable	180,940	1,074,471	1,075,538	179,873
Total assets	$ 505,909	$ 2,408,358	$ 2,348,971	$ 565,296
LIABILITIES:				
Held for others	$ 505,909	$ 2,408,358	$ 2,348,971	$ 565,296
Total liabilities	$ 505,909	$ 2,408,358	$ 2,348,971	$ 565,296
Hospital Interchange TDD				
ASSETS:				
Cash and investments	$ 3,957	$ 2,825	$ 886	$ 5,896
Taxes receivable	216	3,225	2,787	654
Total assets	$ 4,173	$ 6,050	$ 3,673	$ 6,550
LIABILITIES:				
Held for others	$ 4,173	$ 6,050	$ 3,673	$ 6,550
Total liabilities	$ 4,173	$ 6,050	$ 3,673	$ 6,550
Total - All Agency Funds				
ASSETS:				
Cash and investments	$ 328,926	$ 1,336,712	$ 1,274,319	$ 391,319
Taxes receivable	181,156	1,077,696	1,078,325	180,527
Total assets	$ 510,082	$ 2,414,408	$ 2,352,644	$ 571,846
LIABILITIES:				
Held for others	$ 510,082	$ 2,414,408	$ 2,352,644	$ 571,846
Total liabilities	$ 510,082	$ 2,414,408	$ 2,352,644	$ 571,846

STATISTICAL SECTION
(Unaudited)

The statistical data ñrelate to the physical, economic, social, and political characteristics of the City.ò Its design is to provide ña broader and more complete understanding of the City and its financial affairs than is possible from the financial statements, notes, and supporting schedules presented in the Financial Section

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

		Fiscal Year									
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities											
Net investment in capital assets	$	11,264,304	12,728,792	13,911,126	14,660,071	16,629,597	17,372,336	17,620,666	18,094,342	19,097,020	19,696,449
Restricted		2,180,313	2,184,248	2,662,683	1,186,071	1,007,888	1,062,950	1,000,182	3,674,556	3,252,840	2,559,902
Unrestricted (deficit)		1,557,045	859,829	(818,266)	344,053	(1,427,705)	(1,829,279)	2,337,987	(405,005)	(680,762)	(153,985)
Total governmental activities net position	$	15,001,662	15,772,869	15,755,543	16,190,195	16,209,780	16,606,007	16,606,007	21,363,893	21,669,098	22,102,366
Business-type activities											
Net investment in capital assets	$	17,241,269	21,441,550	22,603,002	22,757,615	24,103,550	25,037,013	25,377,303	27,020,727	27,393,693	27,265,490
Restricted		2,044,493	2,054,861	2,557,484	2,194,593	2,170,113	1,957,857	1,745,814	3,196,059	3,106,087	3,424,730
Unrestricted		5,513,489	4,316,580	5,600,624	7,506,505	7,455,912	7,691,175	9,818,049	7,755,565	8,923,292	10,931,370
Total business-type activities net position	$	24,799,251	27,812,991	30,761,110	32,458,713	33,729,575	34,686,045	36,941,166	37,972,351	39,423,072	41,621,590
Primary government											
Net investment in capital assets	$	28,505,573	34,170,342	36,514,128	37,417,686	40,733,147	42,409,349	42,409,349	45,115,069	46,490,713	46,961,939
Restricted		4,224,806	4,239,109	5,220,167	3,380,664	3,178,001	3,020,807	3,020,807	6,870,615	6,358,927	5,984,632
Unrestricted		7,070,534	5,176,409	4,782,358	7,850,558	6,028,207	5,861,896	5,861,896	7,350,560	8,242,530	10,777,385
Total primary government net position	$	39,800,913	43,585,860	46,516,653	48,648,908	49,939,355	51,292,052	51,292,052	59,336,244	61,092,170	63,723,956

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

		Fiscal Year									
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
EXPENSES											
Governmental activities											
General Government	$	1,794,612	1,787,553	1,974,816	1,795,064	1,905,925	2,002,426	1,583,748	1,722,897	1,947,920	1,889,277
Administration of Justice		2,592,948	2,643,954	2,663,787	2,688,722	2,662,905	2,902,002	2,645,741	2,877,989	2,944,912	2,888,428
Fire and Emergency		367,525	-	-	-	-	-	-	-	-	-
Street		1,258,830	1,398,582	1,217,982	871,419	997,572	1,134,034	1,001,075	1,157,722	1,038,983	1,134,081
Economic Development		171,560	197,936	201,891	237,807	306,143	320,186	439,050	504,401	462,686	391,307
Animal Control		143,313	143,878	162,758	167,154	176,656	179,525	192,396	192,369	188,968	214,988
Airport		347,264	331,203	321,968	319,622	359,292	300,459	308,994	339,387	310,155	283,122
Ambulance		2,017,191	2,237,316	2,489,922	2,472,147	2,273,547	2,346,331	2,310,217	2,497,603	2,465,996	2,568,186
Park		470,549	530,106	529,697	590,728	578,777	611,935	550,704	606,756	578,632	534,155
Community Center		1,413,738	1,367,488	1,450,404	1,506,078	1,650,035	1,617,794	1,458,666	1,488,614	1,478,570	1,478,927
CDBG pass-through expenses		-	-	753,740	6,500	-	-	-	-	-	-
Interest on long-term debt		902,258	873,168	860,401	772,777	615,807	581,180	559,742	526,562	535,073	519,512
Total governmental activities expenses		11,479,788	11,511,184	12,627,366	11,428,018	11,526,659	11,995,872	11,050,333	11,914,300	11,951,895	11,901,983
Business-type activities											
Electric		10,820,766	11,029,794	10,637,961	11,247,956	11,427,822	11,861,775	10,969,788	10,344,770	10,310,545	9,998,594
Water and Sewer		4,031,290	4,214,590	3,652,972	3,703,248	3,693,731	4,102,397	3,953,599	4,079,377	4,140,949	3,995,319
Aquatic Center		252,734	229,978	289,610	276,719	260,514	255,901	247,561	262,529	288,454	253,097
Refuse		416,592	452,778	466,719	473,660	468,685	483,766	494,997	505,064	505,148	587,774
Total business-type activities expenses		15,521,382	15,927,140	15,047,262	15,701,583	15,850,752	16,703,839	15,665,945	15,191,740	15,245,096	14,834,784
Total primary government expenses	$	27,001,170	27,438,324	27,674,628	27,129,601	27,377,411	28,699,711	26,716,278	27,106,040	27,196,991	26,736,767
PROGRAM REVENUES											
Governmental activities											
Charges for services											
General	$	1,943,791	2,024,687	1,985,007	1,936,801	1,915,453	1,874,146	1,859,509	1,964,977	1,756,474	1,688,654
Administration of Justice		235,958	226,217	239,292	251,138	293,448	282,196	227,768	222,035	219,959	225,969
Ambulance		1,104,773	1,362,127	1,423,372	1,399,295	1,280,799	1,210,496	1,332,256	1,351,037	1,180,436	1,344,572
Community Center		784,011	870,262	850,019	926,252	953,512	949,769	880,798	852,482	843,257	876,717
Others		23,276	22,609	24,015	28,807	60,448	60,478	68,955	125,741	239,739	267,417
Operating grants and contributions		36,610	218,541	939,601	144,163	187,359	258,367	293,635	537,687	521,480	632,508
Capital grants and contributions			320,525	508,546					352,785	42,678	44,502
Total governmental activities program revenues		4,128,419	5,044,968	5,969,852	4,686,456	4,691,019	4,635,452	4,662,921	5,406,744	4,804,023	5,080,339
Business-type activities											
Charges for services											
Electric		11,355,377	11,529,975	11,200,157	11,688,342	12,020,203	12,272,400	11,451,836	11,328,726	11,540,159	12,096,928
Water and Sewer		4,866,050	4,588,165	4,458,249	4,581,605	4,313,059	4,351,387	4,747,235	4,864,960	4,885,863	4,816,534
Refuse		424,579	451,427	469,763	462,386	465,954	490,664	500,253	504,735	515,499	605,413
Aquatic Center		125,189	125,450	166,394	137,666	109,665	111,505	131,291	147,697	160,654	158,201
Operating grants and contributions		-	-	-	-	-	10,000	-	-	232,190	196,493
Capital grants and contributions		-	2,017,313	982,687	280,500	-	-	91,811	-	-	-
Total business-type activities program revenues		16,771,195	18,712,330	17,277,250	17,150,499	16,908,881	17,235,956	16,922,426	16,846,118	17,334,365	17,873,569
Total primary government program revenues	$	21,712,876	24,222,448	22,575,247	21,836,955	21,599,900	21,871,408	21,585,347	22,252,862	22,138,388	22,953,908

		Fiscal Year									
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
NET (EXPENSE) REVENUE											
Governmental activities	$	(7,351,369)	(6,657,514)	(6,741,562)	(6,741,562)	(6,835,640)	(7,360,420)	(6,387,412)	(6,507,556)	(7,147,872)	(6,821,644)
Business-type activities		1,249,813	3,205,334	2,187,208	1,448,916	1,058,129	532,117	1,256,481	1,654,378	2,089,269	3,038,785
Total primary government net expense	$	(6,101,556)	(3,452,180)	(4,554,354)	(5,292,646)	(5,777,511)	(6,828,303)	(5,130,931)	(4,853,178)	(5,058,603)	(3,782,859)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION											
Governmental activities											
Taxes											
Property taxes	$	864,193	896,169	816,771	915,825	965,993	957,930	971,143	780,924	807,004	1,133,550
Sales taxes		3,388,455	3,978,397	4,186,070	4,239,538	4,231,748	4,532,729	4,530,932	4,215,750	4,151,829	4,193,888
Franchise taxes		1,657,903	1,762,577	1,622,045	1,572,099	1,590,453	1,601,918	1,904,019	545,349	534,629	491,198
Other taxes		215,065	211,217	152,046	157,339	352,997	338,935	345,644	437,378	414,216	403,931
Unrestricted investment earnings		118,459	37,719	33,593	29,815	36,838	40,726	41,110	56,623	124,751	158,282
Miscellaneous		458,050	351,344	320,148	294,193	169,275	307,504	271,252	237,768	495,273	124,634
Transfers				(490,485)	(32,595)	(33,265)	(23,095)		905,183	925,375	974,013
Total governmental activities		6,702,125	7,237,423	6,640,188	7,176,214	7,314,039	7,756,647	8,064,100	7,178,975	7,453,077	7,479,496
Business-type activities											
Unrestricted investment earnings		294,050	228,550	227,646	216,092	149,424	246,333	239,868	246,329	181,214	187,254
Miscellaneous						130,771	154,925	153,871	60,480	105,613	26,001
Transfers				490,485	32,595	33,265	23,095	(200,000)	(905,183)	(935,375)	(974,013)
Total business-type activities		294,050	228,550	718,131	248,687	313,460	424,353	193,739	(598,374)	(648,548)	(760,758)
Total primary government	$	6,996,175	7,465,973	7,358,319	7,424,901	7,627,499	8,181,000	8,257,839	6,580,601	6,804,529	6,718,738
CHANGE IN NET POSITION											
Governmental activities	$	(649,244)	579,909	(101,374)	434,652	478,399	396,227	1,676,688	671,419	305,205	657,852
Business-type activities		1,543,863	3,433,884	2,905,339	1,697,603	1,371,589	956,470	1,450,220	1,056,004	1,440,721	2,278,027
Total primary government	$	894,619	4,013,793	2,803,965	2,132,255	1,849,988	1,352,697	3,126,908	1,727,423	1,745,926	2,935,879

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

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GENERAL FUND											
Nonspendable	$	-	-	137,711	148,835	170,485	184,885	211,284	222,988	1,087,340	1,331,404
Restricted		-	-	113,630	114,065	114,159	114,855	115,021	111,610	115,209	115,946
Unassigned		-	-	5,930,458	6,304,295	5,384,287	4,784,005	5,336,961	5,810,251	4,814,142	4,352,607
Reserved		122,118	101,466	-	-	-	-	-	-	-	-
Unreserved		8,179,575	7,202,484	-	-	-	-	-	-	-	-
Total General Fund	$	8,301,693	7,303,950	6,181,799	6,567,195	5,668,931	5,083,745	5,663,266	6,144,849	6,016,691	5,799,957
ALL OTHER GOVERNMENTAL FUNDS											
Nonspendable	$	-	-	112,270	101,248	114,063	113,131	129,281	135,774	31,659	36,827
Restricted		-	-	2,549,053	1,073,822	851,553	944,488	1,313,363	1,280,789	1,189,792	498,540
Committed		-	-	-	-	-	-	-	-	60,532	-
Assigned		-	-	1,064,581	907,262	772,069	659,243	243,727	308,293	-	-
Unassigned (deficit)				(183,323)	(318,367)	(470,882)	(410,099)	-	(70,973)	(70,154)	(158,223)
Reserved		1,081,070	1,107,459	-	-	-	-	-	-	-	-
Unreserved, reported in:											
Special revenue funds		2,350,584	2,523,616	-	-	-	-	-	-	-	-
Total all other governmental funds	$	3,431,654	3,631,075	3,542,581	1,763,965	1,266,803	1,306,763	1,686,371	1,653,883	1,211,829	377,144

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

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES											
Taxes											
Property	$	874,222	923,255	891,842	915,825	965,993	957,930	971,143	967,740	807,004	1,133,550
Sales		3,388,455	3,978,397	4,186,070	4,239,538	4,231,748	4,532,729	4,530,932	4,695,188	4,151,829	4,193,888
Franchise		1,657,903	1,762,577	1,622,045	1,572,099	1,590,453	1,601,918	1,904,019	1,450,532	534,629	491,198
Other		215,065	211,217	152,046	157,339	352,997	338,935	345,644	347,882	316,737	321,835
Licenses, fees, and permits		140,049	193,055	162,417	161,692	129,094	124,911	148,648	189,068	156,648	145,427
Fines and forfeitures		235,958	226,217	239,292	251,138	293,448	282,196	227,768	222,035	212,799	216,846
Charges for services		3,715,802	4,086,630	4,119,996	4,129,463	4,081,118	3,969,978	3,992,870	4,062,842	3,853,708	4,022,356
Grants/Intergovernmental		36,610	539,066	1,362,928	229,382	187,359	258,367	293,635	485,312	576,643	651,475
Investment earnings		118,459	37,719	33,593	29,815	36,838	40,726	41,110	56,623	124,751	158,282
Miscellaneous		458,050	351,583	336,855	294,193	169,275	307,504	271,252	241,132	155,757	217,988
Total revenues		10,840,573	12,309,716	13,107,084	11,980,484	12,038,323	12,415,194	12,727,021	12,718,354	10,890,505	11,552,845
EXPENDITURES											
General Government		1,705,939	1,686,829	1,875,373	1,667,057	1,787,238	1,857,424	1,578,196	1,593,951	1,770,539	1,822,525
Administration of Justice		2,481,177	2,529,476	2,554,360	2,581,042	2,571,510	2,824,957	2,545,685	2,568,837	2,729,997	2,876,073
Fire and Emergency		305,195									
Street		986,420	1,139,023	962,085	635,787	770,736	900,050	759,010	837,799	811,558	826,215
Economic Development		140,428	164,220	176,936	210,273	275,794	296,174	431,365	455,440	412,561	369,190
Animal Control		136,557	137,122	156,002	160,398	171,273	177,458	194,045	178,943	175,523	209,266
Airport		232,654	219,903	180,079	171,867	210,681	162,129	177,497	196,537	179,513	203,025
Ambulance		1,914,395	2,087,034	2,324,734	2,389,722	2,163,113	2,229,575	2,224,086	2,307,984	2,201,925	2,391,496
Park		395,146	462,220	462,593	488,375	463,459	505,454	463,685	474,849	493,664	472,138
Community Center		1,112,725	1,066,878	1,151,513	1,197,703	1,322,084	1,284,251	1,122,009	1,123,877	1,104,224	1,143,305
Towne Center Project		15,923	18,726	10,187	12,766	13,046	8,126	7,654	7,075		
CDBG pass-through expenses				753,740	6,500						
Capital outlay		1,142,304	1,938,203	1,837,010	1,020,483	2,152,920	1,163,730	733,847	950,944	992,525	996,397
Debt service											
Principal		780,000	825,000	733,926	815,940	942,088	1,006,082	1,030,336	1,105,726	1,133,777	7,409,843
Interest and fiscal fees		862,495	833,404	820,637	699,696	556,542	521,915	500,477	467,297	425,877	497,522
Total expenditures		12,211,358	13,108,038	13,999,175	12,057,609	13,400,484	12,937,325	11,767,892	12,269,259	12,431,683	19,216,995
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(1,370,785)	(798,322)	(892,091)	(77,125)	(1,362,161)	(522,131)	959,129	449,095	(1,541,178)	(7,664,150)
OTHER FINANCING SOURCES (USES)											
Other sources										441,220	58,718
Proceeds of long-term debt				171,931							5,580,000
Payments to escrow agent					(1,283,500)						
Transfers in & PILOTs		1,425,335	3,779,288	2,680,436	2,578,093	2,228,146	3,018,833	2,851,276	2,034,398	2,586,847	2,413,759
Transfers out		(1,425,335)	(3,779,288)	(3,170,921)	(2,610,688)	(2,261,411)	(3,041,928)	(2,851,276)	(2,034,398)	(1,661,472)	(1,439,746)
Total other financing sources (uses)				(318,554)	(1,316,095)	(33,265)	(23,095)			1,366,595	6,612,731
NET CHANGES IN FUND BALANCES	$	(798,322)	(892,091)	(395,679)	(1,393,220)	(1,395,426)	(545,226)	959,129	449,095	(174,583)	(1,051,419)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES		14.8%	12.8%	13.7%	13.7%	13.3%	13.0%	13.9%	13.9%	13.6%	43.4%

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

Fiscal Year Ended December 31,	Real Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate
2009	$ 93,646,146	$ 21,440,771	$ 115,086,917	$ 0.66
2010	93,250,444	25,538,774	118,789,218	0.66
2011	94,022,248	25,241,452	119,263,700	0.67
2012	94,424,728	23,546,390	117,971,118	0.68
2013	95,845,535	22,091,806	117,937,341	0.69
2014	94,552,735	22,682,321	117,235,056	0.69
2015	94,992,339	25,948,277	120,940,616	0.69
2016	96,409,365	25,097,110	121,506,475	0.69
2017	96,807,843	23,807,868	120,615,711	0.69
2018	106,573,191	23,764,255	130,337,446	0.67

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

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

Tax rates are per $100 of assessed value.

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

	City Direct Rates				Overlapping Rates			
Fiscal Year Ended December 31:	General Fund	Ambulance Fund	Park Fund	Total Direct	State	Other	Total Overlapping Rates	Total Direct and Overlapping
2009	0.5358	0.1213	0.1213	0.7784	0.03	6.19	6.22	7.00
2010	0.5422	0.0000	0.1227	0.6649	0.03	6.19	6.22	6.88
2011	0.5422	0.0000	0.1227	0.6649	0.03	6.20	6.23	6.89
2012	0.5501	0.0000	0.1245	0.6746	0.03	6.20	6.23	6.90
2013	0.5585	0.0000	0.1264	0.6849	0.03	6.18	6.23	6.91
2014	0.5658	0.0000	0.1280	0.6938	0.03	6.18	6.21	6.90
2015	0.5672	0.0000	0.1283	0.6955	0.03	6.18	6.21	6.91
2016	0.5672	0.0000	0.1283	0.6955	0.03	6.18	6.21	6.91
2017	0.5672	0.0000	0.1283	0.6955	0.03	6.18	6.21	6.91
2018	0.5430	0.0000	0.1228	0.6658	0.03	6.18	6.21	6.88

Source: Missouri Department of Revenue

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

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

	2018			2009		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Church & Dwight	$ 6,041,465	1	4.64	$ 8,269,790	1	6.96
Wal-Mart	3,489,210	2	2.68	3,627,990	2	3.05
HFMD Properties LLC	2,522,350	3	1.94			
Harrisonville MP II LLC	2,422,730	4	1.86			
Love's Travel Stops & Country Store	2,041,540	5	1.57			
Advanced Drainage Systems	1,837,311	6	1.41			
Mill-Walk Mall	1,747,530	7	1.34	1,373,200	4	1.16
Sutherlands Lumber Co.	1,551,600	8	1.19	1,384,690	3	1.17
Universal Forest Products	1,043,220	9	0.80	1,028,280	6	0.87
Harrisonville Crossings Properties	994,640	10	0.01	986,850	7	0.83
AHG, Inc.				839,990	8	0.71
Crown Properties LLC				624,790	10	0.53
Thunderbird Investors-YARCO				646,950	9	0.54
APTUIT (Kansas City) LLC				1,076,610	5	0.91
TOTAL	$ 23,691,596		17.42	$ 17,510,790		16.73

TOTAL CITY ASSESSED VALUE 130,337,446

Data provided by the Cass County Assessor

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
2009	$ 789,830	$ 763,896	96.72%	$ 25,934	$ 789,830	100.00%	$ -	0.00%
2010	792,984	721,512	90.99%	71,472	792,984	100.00%		0.00%
2011	795,833	746,929	93.85%	47,436	794,365	99.82%	1,468	-0.18%
2012	807,753	732,284	90.66%	74,038	806,322	99.82%	1,431	-0.18%
2013	813,377	728,785	89.60%	83,468	812,253	99.86%	1,124	-0.14%
2014	841,142	792,712	94.24%	46,785	839,497	99.80%	1,645	-0.20%
2015	845,078	826,840	97.84%	9,138	835,978	98.92%	9,100	-1.08%
2016	838,882	774,804	92.36%		774,804	92.36%	64,078	-7.64%
2017	856,393	813,075	94.94%	36,498	849,573	99.20%	6,820	-0.80%
2018	869,030	830,520	95.57%	61,877	892,396	102.69%	14,771	2.69%

Source: Collector's Annual Settlement Documentation

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

Fiscal Year	City Rate	Cass County	State	Total
2011	1.875	1.250	4.225	7.350
2012	1.875	1.750	4.225	7.850
2013	1.875	1.750	4.225	7.850
2014	1.875	1.750	4.225	7.850
2015	1.875	1.750	4.225	7.850
2016	1.875	1.750	4.225	7.850
2017	1.875	2.000	4.225	8.100
2018	1.875	2.000	4.225	8.100

Source: Missouri Department of Revenue

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

		2009	2010	2011	2,012	2013	2014	2015	2016	2017	2018
TOTAL RETAIL SALES	$	193,052	192,046	201,671	204,736	203,559	213,512	217,311	223,335	225,610	228,237

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

Source: Missouri Department of Revenue

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

	Governmental Activities				Business-Type Activities				
Fiscal Year Ended December 31,	Certificates of Participation	TIF Revenue Bonds	Promissory Notes	Capital Lease Payable	Revenue Bonds	Promissory Notes	Total Primary Government	Percentage of Personal Income	Per Capita
2009	$ 9,635,000	8,450,000		367,027	9,580,000		28,032,027	0.14	2,695
2010	9,010,000	8,250,000		335,002	9,059,375		26,654,377	0.13	2,563
2011	8,530,000	8,030,000	171,931	301,076	11,718,541	380,000	29,131,548	0.13	2,908
2012	7,295,000	7,785,000	171,931	265,136	11,556,672	380,000	27,453,739	0.12	2,737
2013	6,665,000	7,520,000	162,916	227,063	10,711,700	278,869	25,565,548	0.11	2,546
2014	6,015,000	7,220,000	147,165	186,732	9,885,400	250,060	23,704,357	0.10	2,361
2015	5,350,000	6,920,000	152,066	144,006	9,045,400	220,526	21,831,998	0.09	2,175
2016	4,650,000	6,585,000	126,602	98,744	8,181,700	190,250	19,832,296	0.09	1,963
2017	3,930,000	6,245,000	100,774	50,795	11,401,066	159,974	21,887,609	0.06	1,555
2018	3,185,000	5,180,000	80,931	-	15,103,034	127,391	23,676,356	0.09	2,328

CITY OF HARRISONVILLE, MISSOURI
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2018
(UNAUDITED)

		General Obligation Bonds		
		Ordinary (1)	Additional (2)	Total
Assessed valuation	$	130,337,446		130,337,446
Constitutional debt limit		13,033,745	13,033,745	26,067,490
Less general obligation bonds payable		-	-	-
		13,033,745	13,033,745	26,067,490
Cash and securities available for retirement				
	$	13,033,745	13,033,745	26,067,490

(1) Article VI, Sections 26(b) and (c) of the State Constitution permits the City, by vote of two-thirds of the voting electorate, to incur an indebtedness for City purposes not to exceed 10% of the taxable tangible property therein as shown by the last completed assessment.

(2) Article VI, Sections 26(d) and (e) of the State Constitution provides that the City may become indebted not exceeding the aggregate and additional 10% for the purpose of acquiring rights-of-way, constructing, extending and improving streets and avenues and/or sanitary or storm systems, and purchasing or construction waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuation.

CITY OF HARRISONVILLE, MISSOURI
COMPUTATION OF DIRECT AND ESTIMATED OVERLAPPING DEBT
DECEMBER 31, 2018

Taxing Jurisdiction	Gross Debt Less Sinking Fund (1)	Approximate Percentage Applicable to Harrisonville (1)	Approximate Amount Applicable to Harrisonville (1)
School Districts, Cass R-IX	$ 19,910,575	65%	12,941,874
Direct debt obligations of the City of Harrisonville (general obligation bonds), net of debt service funds		100%	
Total direct and estimated overlapping debt	$ 19,910,575		12,941,874

(1) On the basis of assessed valuation.

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

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

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

CITY OF HARRISONVILLE, MISSOURI
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	(1) Population	Personal Income	(2) Per Capita Personal Income	(3) School Enrollment	(2) Unemployment Rate
2009	10,400	$ 201,040,000	$ 19,331	2,580	10.00%
2010	10,400	201,040,000	19,331	2,580	10.00%
2011	10,019	218,915,150	21,850	2,580	7.90%
2012	10,030	230,630,000	23,063	2,585	6.40%
2013	10,040	235,000,000	23,400	2,590	6.40%
2014	10,040	240,000,000	23,750	2,500	6.40%
2015	10,040	232,000,000	23,103	2,459	5.70%
2016	10,104	232,000,000	21,717	2,425	5.70%
2017	10,103	232,000,000	21,335	2,600	4.60%
2018	10,169	251,082,779	24,691	2,375	3.10%

Data Sources:

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

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

	2018		2011	
Employer	Employees	Rank	Employees	Rank
Wal-Mart Distribution Center	630	1	775	1
Cass Medical Center	400	2	397	2
Cass R-IX Schools	380	3	386	4
Wal-Mart	298	4	412	2
Cass County Government	276	5	285	5
Church & Dwight Co., Inc.	230	6	214	6
Casco Area Workshop	194	7	200	8
City of Harrisonville	115	8	231	7
Crown Care Center	105	9	101	9
Family Center	90	10	98	10
Total Employment	2,718		3,099	

Source:

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

	Construction Permits and Value (1) and (2)				Total Year End Deposits at Local Banks (Thousands)	Total Property Value (3)
	Residential		Commercial			
Year	Number	Value	Number	Value		
December 2009	245	$ 1,672,246	68	$ 1,180,815	$ 295,081	$ 118,789,218
December 2010	276	1,283,561	95	18,650,228	317,327	119,263,700
December 2011	318	1,403,626	98	3,392,188	329,770	117,971,118
December 2012	240	2,103,410	76	3,685,500	341,344	117,937,341
December 2013	176	1,331,781	73	5,293,503	379,785	117,235,056
December 2014	176	1,973,875	66	2,416,903	326,918	120,940,616
December 2015	180	2,202,655	59	8,042,346	348,202	121,506,475
December 2016	241	6,672,912	83	10,622,390	340,592	120,615,711
December 2017	775	7,344,761	110	7,465,028	347,380	130,337,446
December 2018	227	4,262,714	113	6,469,647	348,575	135,221,334

(1) Permit totals include additions to existing structures.

(2) Information obtained from Codes Administration Department.

(3) Assessed valuation.

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Patrol units	23	23	20	20	20	21	21	21	20	24
Police stations	1	1	1	1	1	1	1	1	1	1
Fire										
Fire stations	1	1	1	1	1	1	1	1	1	1
Fire hydrants	678	678	678	678	678	678	678	678	792	792
Streets										
Miles	69	69	69	69	69	69	69	69	64	66
Street lights	900	900	900	900	900	900	900	900	2,000	2,000
Miles of storm sewers	9	9	9	9	9	9	9	9	17	17
Parks										
Parks	6	6	6	6	6	6	6	6	6	6
Acreage	250	250	250	250	250	250	250	250	450	451
Golf courses	2	2	2	2	2	2	2	2	1	1
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	4	4	4	4	4	4	4	4	4	4
Community centers		7	7	7	7	7	7	7	2	2
Sewer										
Sanitary sewer (miles)	54	54	54	54	54	54	54	54	63	64
Plant capacity (mgl)	1.5	2	2	2	2	2	2	2	2	2
Treatment plants	1	1	1	1	1	1	1	1	1	1
Service connections	4,084	4,071	4,037	4,062	4,061	4,073	4,083	4,106	3,629	4,103
Maximum daily capacity of treatment plant in gallons	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Water										
Miles of water mains	56	56	56	56	56	56	56	56	63	63
Service connections	3,978	3,966	3,923	3,937	3,950	3,944	3,955	4,188	4,105	4,178
Daily average consumption in gallons	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000	880,000	880,000

Source: City Department Heads

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Management	5	5	4	4	3	3	3	3	3	3
Finance	7	6	7	6	7	6	6	7	8	8
Codes*	4	4	4	2	2	-	-	-	-	-
Community Development/Codes	2	2	2	3	3	4	5	5	4	4
Police										
Officers	21	23	25	23	23	24	23	20	23	23
Civilians	6	6	6	6	5	6	6	8	6	6
Animal control	2	2	2	1	2	2	2	2	2	3
Court	1	1	1	1	1	1	1	2	2	2
Fire/EMS										
Firefighters*	1	1	1	1	-	-	1	1	-	
Director/Paramedics/Firefighters	19	17	15	19	21	19	18	17	20	20
Clerk	1	1	1	1	1	1	1	1	1	1
Public Works										
Engineering	1	1	1	1	1	1	1	-	-	0
Streets	2	7	7	8	8	8	8	8	9	8
Electric	9	8	8	7	8	10	11	8	8	9
Water	13	13	12	12	12	12	12	12	10	13
Wastewater	4	4	4	4	4	4	4	4	4	4
Airport	1	1	1	1	1	1	1	1	1	1
Community Center/Parks	11	11	10	8	10	11	11	11	10	10
Total	110	113	111	108	112	113	114	110	111	115

For 2014 the Codes Department is combined with Community Development
For 2014 the Fire Fighter category is combined with Paramedics

CITY OF HARRISONVILLE, MISSOURI

REQUIRED COMMUNICATIONS AND MANAGEMENT LETTER

For the Year Ended December 31, 2018

COCHRAN HEAD VICK & CO., P.C.

Certified Public Accountants

1251 NW Briarcliff Pkwy
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Other offices in
Missouri and Kansas

April 26, 2019

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

We have audited the financial statements of the governmental activities, business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Harrisonville, Missouri (the City) for the year ended December 31, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 13, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. During the year, the City changed accounting policies related to postemployment benefits other than pensions by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Significant accounting estimates used by the City's management include determining the allowance for doubtful accounts, the estimated historical cost of infrastructure and the related estimated useful lives used in recording depreciation and accumulated depreciation for capital assets, and the estimated obligation relating to pension benefits and other post-employment plans. We evaluated the key factors and assumptions used in developing the above estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of our audit procedures were corrected by management:

- Adjustments to record bond trust activity and refunding debt issuance totaling $5,015,653 and $6,609,888, respectively.
- Adjustments to record unavailable revenues related to property taxes totaling $479,746.
- Adjustments to record emergency medical services transportation contract receivable totaling $28,935.
- Adjustments and reclassifications to record inventory balances totaling $116,735.
- Adjustments and reclassifications to correct duplicated entry totaling $94,907.
- Adjustments to correct cash and deferred revenues related to property taxes collected at year-end totaling $217,343.
- Adjustments to correct accounts receivable and related allowance totaling $26,130.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 26, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to City's management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, schedule of employer contributions, and schedule of changes in net OPEB liability and related ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and schedules which accompany the financial statements but are not RSI. With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency in the City's internal control described under Financial Reporting to be a material weakness.

As part of our annual audit, we try to identify opportunities for improving the management of financial resources and for improving the internal controls over financial reporting. We are submitting, for your consideration, our observations and recommendations with regard to these matters.

The City's written responses to the recommendations identified in our audit have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

CURRENT YEAR COMMENTS

Financial Reporting – Material Weakness

Management is responsible for establishing, maintaining and monitoring internal controls over financial reporting, and for the fair presentation of the financial statements and related notes in conformity with U.S. generally accepted accounting principles. Under our professional standards, we have to assess the City's controls over preparing the financial statements including assessing the skills and competencies necessary to prevent, detect, and correct a material misstatement.

As noted above under *Corrected and Uncorrected Misstatements*, our audit procedures identified adjustments that were required to properly report certain transactions of the City in accordance with generally accepted accounting principles. These adjustments were not initially identified by the City's internal controls over financial reporting.

We recommend that management review bank reconciliations and year-end closing procedures to ensure that transactions are properly recorded in accordance with generally accepted accounting principles. In addition, due to the complexities of financial reporting, we recommend that management explore various alternatives for improving the controls over financial reporting including the use of governmental accounting standards, reference guides and continuing education and training courses.

Management's Response

Management agrees with this recommendation and has completed some training with INCODE, the City's financial software provider. Additional training will be completed as the conversion to INCODE 10 is completed in 2019. Additionally, management will more closely review the bank reconciliations monthly. Additional training opportunities will be taken as they are afforded.

Accounts Receivable and Allowance for Doubtful Accounts

During the audit we again noted that the City's accounts receivables related to utility billings, emergency services, and the community center contained old outstanding balances requiring adjustments to the allowance for doubtful accounts. We continue to recommend that management periodically analyze and review the receivable accounts and the amounts in the allowance for uncollectable accounts to adjust these accounts for balances that were previously written off and will not be collected. We also suggest that the City review its collection efforts and monitoring of slow paying or past due accounts to improve overall collections.

Management's Response

Management agrees with this recommendation and will work to implement procedures to periodically analyze and review the receivable accounts and the amounts in the allowance for uncollectable accounts to adjust these accounts for balances that were previously written off and will not be collected. We will also review the City's collection efforts and monitoring of slow paying or past due accounts to improve overall collections.

Future Accounting Pronouncements

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

- GASB Statement 83 – *Certain Asset Retirement Obligations*, effective for the fiscal year beginning January 1, 2019.
- GASB Statement 84 – *Fiduciary Activities*, effective for the fiscal year beginning January 1, 2019.
- GASB Statement 87 – *Leases*, effective for the fiscal year beginning January 1, 2020.
- GASB Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements,* effective for the fiscal year beginning January 1, 2019.
- GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period,* effective for the fiscal year beginning January 1, 2020.
- GASB Statement No. 90 – *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61,* effective for the fiscal year beginning January 1, 2019.

We recommend management review these standards to determine the impact they may have on the City's financial reporting.

Management's Response

Management agrees with this recommendation and will review these standards to determine the impact they may have on the City's financial reporting.

Prior Year Comments

In the prior year, we issued certain comments and recommendations in regard to City accounting, internal control and financial reporting issues. The following table summarizes the nature of these comments, the significance of the comments as described in the prior year's reports and our determination of the current year status of those comments.

Financial Reporting	During our testing, we noted adjustments that were required to properly report certain transactions of the City in accordance with generally accepted accounting principles. We recommended that management review year-end closing procedures to ensure that transactions are properly recorded in accordance with generally accepted accounting principles. In addition, we recommended that management explore various alternatives for improving the controls over financial reporting including the use of governmental accounting standards, reference guides and continuing education and training courses.	Comment repeated in the current year.
Accounts Receivable and Allowance for Doubtful Accounts	During out audit, we noted that the City's accounts receivables related to utility billings, emergency services, and the community center contained old outstanding balances requiring significant adjustments to the allowance for doubtful accounts. We recommended that management periodically analyze and review the receivable accounts and the amounts in the allowance for uncollectible to adjust these accounts for balances that were previously written off and will not be collected. We also suggested that the City review its collections efforts and monitoring of slow paying or past due accounts to improve overall collections.	Comment repeated in the current year.
State Audit	In May of 2017, the Missouri State Auditor's office released an audit report for the City with many recommendations for improvement. We recommended that the City continue to review and implement the suggestions from the State Auditor's reports in order to continue strengthening the City's internal controls.	Recommendation implemented in the current year.

This information is intended solely for the information and use of the Mayor and the Board of Aldermen and the management of the City, and is not intended to be and should not be used by anyone other than these specified parties.

Cochran Head Vick & Co., P.C.

CITY OF HARRISIONVILLE, MISSOURI

SINGLE AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

City of Harrisonville, Missouri
Single Audit Report

For the Year Ended December 31, 2018

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C H V & CO

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And other offices in
Missouri and Kansas

Independent Auditor's Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Harrisonville, Missouri (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated April 26, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Cochran Head Vick & Co., P.C.

Kansas City, Missouri
April 26, 2019

ADDITIONAL INFORMATION

City of Harrisonville, Missouri
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Program	CFDA#	Grant Number	Federal Expenditures
U.S. Department of Transportation:			
Passed Through Missouri Highways and Transportation Commission-			
Highway Planning and Construction Cluster			
Jefferson Parkway	20.205	STP-2900 (410)	80,160
Total Highway Planning and Construction Cluster			80,160
Passed Through Missouri Division of Highway Safety -			
Highway Safety Cluster			
Hazardous Moving Violations	20.600	18-M2HVE-05-004	3,000
Enforcing Underage Drinking Laws	20.607	18-154-AL-059	2,623
Seatbelt	20.616	18-PT-02-027	2,785
Total Highway Safety Cluster			8,408
Total U.S. Department of Transportation			88,568
U.S. Environmental Protection Agency			
Passed Through Missouri Department of Natural Resources -			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW291356-01	3,942,564
Total U.S. Environmental Protection Agency			3,942,564
Total Expenditures of Federal Awards			$ 4,031,132

See accompanying notes to the schedule.

City of Harrisonville, Missouri
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Note 1. Organization

The City of Harrisonville, Missouri (the City), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies are included on the Schedule of Expenditures of Federal Awards.

Note 2. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City and is presented on the modified-accrual basis of accounting. The information presented in this schedule is in accordance with the requirements of Title 2 U.S. *Code of Federal Regulation* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 3. Local Government Contributions

Local cost sharing, as defined by Title 2 CFR Part 200, Subpart D, Section 200.306 is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

Note 4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results that may result in disallowed costs to the City. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position at December 31, 2018.

Note 5. Indirect Cost Rate

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

City of Harrisonville, Missouri
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

Section 1 - Summary of Auditor's Results

Financial Statements:

Type Audit Report Issued on the Basic Financial Statements of Auditee

Unmodified

Internal Control over Financial Reporting

One material weaknesses identified. No significant deficiencies reported.

General Compliance

The audit did not disclose any instances of noncompliance which would be material to the basic financial statements.

Federal Awards:

Internal Control Over Major Programs

No material weaknesses identified. No significant deficiencies reported.

Type Audit Report Issued on Compliance for Major Programs

Unmodified

Audit Findings

None

Major Programs

CFDA Number	Name of Federal Program
66.468	Capitalization Grants for Drinking Water State Revolving Funds

Dollar Threshold Used to Distinguish Between Type A and Type B Program

$750,000

Auditee Qualified as a Low-risk Auditee

No

City of Harrisonville, Missouri
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

Section 2 – Financial Statement Findings

Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards

2018-001 Financial Reporting

Condition
Management is responsible for establishing, maintaining and monitoring internal controls over financial reporting, and for the fair presentation of the financial statements and related notes in conformity with U.S. generally accepted accounting principles. Under our professional standards, we have to assess the City's controls over preparing the financial statements including assessing the skills and competencies necessary to prevent, detect, and correct a material misstatement.

Our audit procedures identified adjustments that were required to properly report certain transactions of the City in accordance with generally accepted accounting principles. These adjustments were not initially identified by the City's internal controls over financial reporting.

Criteria
Internal controls should be in place to ensure year-end balances and external financial reporting conforms to generally accepted accounting principles and the City's accounting policies.

Cause
Year-end procedures were not sufficient to identify the adjustments listed above in a timely manner.

Effect
Potential exists for misstatements to the financial statements.

Recommendation
We recommend that management review bank reconciliations and year-end closing procedures to ensure that transactions are properly recorded in accordance with generally accepted accounting principles. In addition, due to the complexities of financial reporting, we recommend that management explore various alternatives for improving the controls over financial reporting including the use of governmental accounting standards, reference guides and continuing education and training courses.

Management's Response

Management agrees with this recommendation and has completed some training with INCODE, the City's financial software provider. Additional training will be completed as the conversion to INCODE 10 is completed in 2019. Additionally, management will more closely review the bank reconciliations monthly. Additional training opportunities will be taken as they are afforded.

City of Harrisonville, Missouri
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

Summary Schedule of Prior Audit Findings

2017-001 Financial Reporting

Condition
Management is responsible for establishing, maintaining and monitoring internal controls over financial reporting, and for the fair presentation of the financial statements and related notes in conformity with U.S. generally accepted accounting principles. Under our professional standards, we have to assess the City's controls over preparing the financial statements including assessing the skills and competencies necessary to prevent, detect, and correct a material misstatement.

Our audit procedures identified adjustments that were required to properly report certain transactions of the City in accordance with generally accepted accounting principles. These adjustments were not initially identified by the City's internal controls over financial reporting.

Recommendation
We recommended that management review year-end closing procedures to ensure that transactions are properly recorded in accordance with generally accepted accounting principles. In addition, due to the complexities of financial reporting, we recommended that management explore various alternatives for improving the controls over financial reporting including the use of governmental accounting standards, reference guides and continuing education and training courses.

Current Year Status
Comment repeated in the current year as part of finding 2018-001

Section 3 – Federal Award Findings and Questioned Costs

Federal Award Findings Required to be Reported in Accordance with the Uniform Guidance

None

Summary Schedule of Prior Audit Findings

None

COMPLIANCE REPORTS

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Harrisonville, Missouri (the City), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 26, 2019.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a material weakness.

Compliance and Other Matters

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

The City's Response to the Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Cochran Head Vick & Co., P.C.

Kansas City, Missouri
April 26, 2019

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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

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

Report on Compliance for the Major Federal Program

We have audited the City of Harrisonville, Missouri's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2018. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the City's Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

Report on Internal Control over Compliance

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

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

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

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

Cochran Head Vick & Co., P.C.

Kansas City, Missouri
April 26, 2019

City of Harrisonville est. 1836

STAFF REPORT

TO: **Board of Aldermen**

FROM: **Happy Welch, City Administrator**

DATE: **May 1, 2019**

SUBJECT: **City Admin Rpt 5-6-18**

__Type of Item:__ *Report*

CITY ADMINISTRATOR REPORT

May 6, 2019

1. We will be working on new medical marijuana legislation needed to allow dispensaries, cultivation centers, and testing in the city, along with allowing possession for card holders. This will mostly entail changes to the zoning code but will involve business licenses and possession from the Offenses section of the code. A rough draft be forwarded to the Board prior to the first public meeting at Planning and Zoning on May 16.

2. Park staff continues to make repairs to the outdoor pool to get it ready to open Memorial Day weekend.

3. We had two more vehicles sell on eBay this week. This has proved to be a quicker, easier way to sell cars and trucks that we are rotating out of our fleet.

4. I will be out of the office Thursday and Friday, May 23 & 24.

A. Action Item (ID # 3198)

City Admin Rpt 5-6-18