



City of Ozark Missouri

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2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DEC. 31, 2019

CITY OF OZARK, MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2019

REPORT PREPARED AND SUBMITTED
BY THE FINANCE DEPARTMENT

Stephen Childers, City Administrator
And
Mary Edna Wilson, Finance Director

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City of Ozark, Missouri
Comprehensive Annual Financial Report
For the Year Ended December 31, 2019

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City of Ozark, Missouri
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SECTION I – INTRODUCTORY



June 26, 2020

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Ozark:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements. The City's financial statements are prepared on an accrual basis of accounting which complies with generally accepted accounting principles (GAAP). These statements are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the City of Ozark for the fiscal year ended December 31, 2019

This report consists of management's representations concerning the finances of the City of Ozark. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Ozark has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Ozark's financial statements in conformity with the accrual basis of accounting. Because the cost of internal controls should not outweigh their benefits, the City of Ozark's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Ozark's financial statements have been audited by Decker & DeGood, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Ozark for the fiscal year ended December 31, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, there was a reasonable basis for rendering an unqualified opinion that the City of Ozark's financial statements for the fiscal year ended December 31, 2019, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

GASB requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Ozark's MD&A can be found immediately following the report of the independent auditor.

Profile of the Government

The City of Ozark, incorporated on August 3, 1888, has been one of the fastest growing cities in the State of Missouri for the past 2 decades. We are located in the southwestern part of the state, in an area considered to be a



top growth area in the state. Ozark lies 10 minutes south of Springfield, the state's third largest city, and 20 minutes north of Missouri's number one tourist destination, Branson. The City of Ozark currently occupies a land area of approximately 12 square miles, and has the ability to service an additional 30.9 square miles outside of our current city limits with public water and sewer infrastructure, an area referred to as the "Urban Service Area." The City of Ozark is empowered to levy a property tax on real properties located within its boundaries, and historically only annexes property when petitioned by landowners.

The City of Ozark operates under the Mayor-Board of Aldermen form of government. Policy-making and legislative authority are vested in a governing Board consisting of the mayor and six Board of Aldermen. The governing Board is responsible, among other things, for passing ordinances, adopting the budget, approving appointments to committees, hiring the city administrator, and approving appointments of certain city officials. The city administrator is responsible for carrying out the policies and ordinances of the governing Board, and for overseeing the day-to-day operations of the government. The Board of Aldermen is elected on a non-partisan basis. Board members serve two-year staggered terms, with three Board members elected every year. The mayor is elected to serve a two-year term. Two Board members are elected from each of the city's three wards.

The City of Ozark provides the following services as authorized by its charter: public safety (police), highway and streets, sanitation, wastewater treatment, potable water, capital improvements, emergency management, municipal court, parks & recreation, planning and zoning, and general administrative services.

The annual budget serves as the foundation for the City of Ozark's financial planning and control. Each July, administration starts collecting data necessary to make preliminary revenue estimates for the coming fiscal year. Department heads are required to submit a statement of expected expenditures for the coming fiscal year by the end of August. In the fall of each year, administration reviews departmental requests, makes final revenue estimates for the coming fiscal year, and begins assembling the City budget in October and November. The city administrator presents this proposed budget to the Board, where the Board is required to hold public hearings on the proposed budget. The Board must adopt a final budget no later than December 31, the close of the City of Ozark's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Amendments to the budget must be approved by the governing Board. Budget-to-actual comparisons are provided in this report for each individual department within the General Fund for which an appropriated annual budget has been adopted.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Ozark operates.

Local economy

Although Ozark grew from a population of 5,000 to 18,000 in approximately 15 years, the economic crash of 2008 slowed Ozark's growth considerably between 2008 and 2010. Fortunately both residential and commercial development started again in 2011, and we expect that trend to continue through 2019 and beyond. Because of our geographic location between Springfield and Branson, our "pro-business" approach toward managing the city, and our available land and infrastructure, we feel the city shall remain as an attractive location for development in the decades to come.

Ozark offers a combination of rural beauty combined with urban land uses which provide for a diverse economic climate. We believe Ozark's core "quality of life" attributes such as an affordable cost of living; affordable cost of



development, low crime rate, and close proximity to good paying jobs in the City of Springfield makes Ozark a desirable place to live, retire, and raise a family. Our community is home to the beautiful Finley River Valley and its surrounding natural beauty, various housing options for families, outstanding park and recreation programs and facilities, and an exceptionally strong school district. The Ozark R-VI School District currently holds an A rating from the State Department of Elementary and Secondary Education with a total enrollment of approximately 5,679 students. The Ozark School District is the City's largest employer.

The City of Ozark is also home to the Ozark Technical Community College Richwood Valley Campus serving approximately 1,500 students. The community college was recently successful in obtaining voter approval for an increase in their general tax levy. With this new revenue they have expanded their services at the Richwood Valley Campus by bringing their Turf Management, Landscaping and Agricultural Programs to Ozark. A new facility for this program has been completed and was opened in 2019. The Richwood Valley Campus is encompassed by a wonderful pedestrian greenway trail, and that trail will be connected to other trail/sidewalk infrastructure in 2020 that will allow a continuous walkway from the campus to the City of Ozark's Central Business District.

Major manufacturers/Distributors: Tracker Marine, boat trailers; Third Street Sportswear, sports apparel; Concurrent Corporation, computer components; North American Tank, Stainless Steel Tanks; Republic Refrigeration, commercial & industrial refrigeration equipment, and Creative Audio an online retailer and distribution company for high end audio components and equipment.

Major retailers: Wal-Mart Super Center is the largest retail business in Ozark, employing approximately 271. Lowe's currently employs approximately 140. Lambert's restaurant employs approximately 246. Shoppers in Ozark can choose from historic downtown shops, antique shops and flea markets, or the latest in shopping malls. Our antique shops and flea markets are visited annually by an estimated 800,000 visitors.

Major Service businesses: Ozark Riverview Manor and Ozark Nursing and Care Center are major employers in Ozark and provide a valuable service to our senior citizens and their families. Apple Market, Price Cutter Grocery Stores and Orschelns Farm Supply Company are also major retailers that provide jobs and added tax revenue for the community. The City is also fortunate to have several dentists, medical physicians' offices, and eye care centers located here. The two major medical providers, Mercy & Cox Health, also have medical facilities in Ozark including a emergency walk in clinic as well as clinics that can perform minor medical procedures.

According to census figures, the City of Ozark's employed labor force is approximately 5,400.

Located along Highway 65, the City includes three fully functioning commercial interchanges which all connect to available development property.

- (1) North Ozark – Located at the NE corner of our northern most interchange is the nationally known destination restaurant "Lamberts," which draws over one-hundred thousand visitors a year. Two new local restaurants have also located at this intersection which are "The Vineyard" and "B-29's. Both are exceptional and have provided new economic benefits to Ozark. At the NW corner of this intersection is our newest commercial shopping center, Deerbrooke Commercial Place. This development boasts a new McDonald's, Kum & Go convenience store, and a new commercial strip center that will include a Prima's Mexican Cantina and other commercial venues. Deerbrooke has other large commercial lots that have not yet been developed but are zoned to accommodate hospitality and other retail uses. At the SW corner of this intersection is the Fremont Towne Centre. This development consists of several professional office buildings ranging in use from medical to construction services. The newest retailer to this area is the Christian County Discount Grocery Store, which includes over 25,000 square feet of new retail space. The newest professional office building, which is under construction, is the future home of the Cox Health Urgent Care facility. Anchoring the SE corner of this intersection is the newly renovated U.S Baseball stadium. This stadium recently completed



over \$3M of upgrades to the turf and scoreboard and has complete a state of the art indoor training facility and club house. U.S. Baseball Park hosts regularly scheduled minor league and college games, and will be hosting the Missouri High School Championship for the next five years.

- (2) Central Ozark - The NW corner of the intersection of Highway 65 and Highway 14 serves as the primary entrance into our Central Business District and is also a vital commercial area. This area provides both professional and retail services for local citizens and highway travelers consisting of gas stations, convenience stores, restaurants, movie theaters, lodging, antique retailers, automotive sales, financial institutions and various professional offices. The Ozark Corners Shopping Center is home to one of our McDonald's, Chambers Outlet Store, Family Center Farm & Home retail store, as well as several restaurant/service/office businesses.

B&B Movie Theatres opened at this location in November, 2011 in the Town and Country Commercial Subdivision. The theatre serves as the anchor for an additional 12,000 square feet of retail space housing the Marquee Suites Restaurant and Lounge, and a regional favorite restaurant: Big Whiskey's. This state of the art entertainment venue has digital technology that rivals most movie theaters in the area. For the first time in over forty years, Ozark residents can enjoy major, first run movies without having to drive into the City of Springfield. Also in the Town and Country development is a financial institution and the newly expanded jewelry store, Mitchem Jewelers.

- (3) South Ozark – The intersection of Highway 65 & FF is the access to our largest and most profitable commercial district called Ozark Center. The Ozark Centre shopping area is anchored by a Wal-Mart Super Center and Lowe's. The shopping center also offers retail and service businesses, restaurants, banking institutions, two car washes one being a full service car wash. Several strip centers and retail stores, including Walgreens, lie just to the east of Ozark Center including the offices of the Ozark Chamber of Commerce. The primary arterial serving south Ozark, South Street, was just widened by MoDot through a cost-share program between MoDot and the City of Ozark from three to five lanes opening up several tracts of land for future commercial opportunities.
- (4) Central Business District (CBD) – This district can be reached from any interchange in Ozark but is most directly served by the Highway 65/14 Central interchange. Business 65 runs through the heart of the city known as the Ozark Downtown River District. Within this district lies the beautiful Finley River, home to a new tourist destination called Finley Farms. Finley Farms consists of 54-master planned acres and will feature the newly renovated Ozark Mill restaurant, brewery, wedding chapel, cottages, outdoor education buildings, thousands of square feet of meeting space, Ozark Heritage Museum, and the Ozark Farmers Market. Ozark is the county seat of Christian County and within the center of our downtown (the square) sits the historic Christian County Courthouse which still houses many of the governmental offices for both Christian County and the City of Ozark. Along the perimeter of the square and across the street from the courthouse are many more historically significant buildings which have been renovated and repurposed as modern retail, office, and shopping locations. Some also include residential loft apartments on the upper floors. One new restaurant called "The Finley," which was the former Ozark Presbyterian Church is now an eatery, meeting space, and speakeasy. Also new to the historic downtown square is the recently opened Christian County Court Facility which will serve to make our community safer as well as provide much needed additional parking for downtown customers. A major capital enhancement project for the CBD is set to begin in the summer of 2020 and will be completed by the City in the winter of 2021 including new water, sewer, street, and pedestrian improvements.



Long-Term “Financial” Planning.

Planning for the future is essential to a growing city. Ozark has taken this seriously over the past decade and is conducting updates to all of its existing master plans. In March 2019 the Planning and Zoning Commission adopted an update to their Comprehensive Land Use Plan which sets forth the guidelines for land use and zoning to maximize the highest and best use for properties. This plan supports the goals and objectives that were established by the Board of Aldermen in their recently adopted 2016 Strategic Plan. These documents define the vision of the Community, identify the goals and establish action steps for city leaders and staff to implement actions that will help preserve, protect and promote the quality of life for our Citizens.

The Ozark Land Clearance for Redevelopment Authority (LCRA) and Public Funding Corporation (PFC) acquired approximately 15-acres of development land in the central business district after the economic crash in approximately 2009. The debt on this property is paid by the City of Ozark through a lease agreement with the LCRA and PFC. In 2015, the City consolidated the seven loans on this property with a single bank (Springfield First Community Bank-SFC) and refinanced the debt under one loan. Although this debt has impacted the general revenue fund significantly, city leaders decided to aggressively pay down the debt on this property which is scheduled to be paid off in early 2021. In order to make this property more marketable, the City has completed different land use plans over the years to make the property more marketable. In addition, the City has completed \$200,000 of upgrades to the area’s water and electric infrastructure and in partnership with Mo Dept. of Transportation completed a \$1.3 million upgrade to the 3rd Street intersection. Included in the intersection project is a new pedestrian sidewalk that links Ozark’s Central Business District to the Finley River Park. As a result of the planning and refinancing the LCRA/City re-platted and sold the first property for development which is planned to begin in the fall of 2020. The new project will consist of a two-story mixed use commercial building at the intersection of 3rd Street.

Ozark’s first sewer master plan was completed in 2005. According to this plan, and recognizing the pressure of new development on our older sewer facility, the Board of Aldermen decided to borrow over \$20M to construct the new Elk Valley Wastewater Treatment Plant and Interceptor gravity sewer main which became operational in September, 2009. This project was financed through the State Revolving Fund at 1.9% interest. The addition of this wastewater treatment facility to our sewer system provided for future growth and now that the economy is growing again will be able to provide sewer capacity for the new growth. However, as that occurred over a decade ago the city’s sewer system has aged and more improvements need to be made. The City’s Public Works Department has now completed an update to the sewer master plan and reestablished a new priority list of projects. This list of sewer projects is estimated to cost the city an additional \$13M over the next decade, which if approved by the Board of Aldermen in the fall of 2020 will require staggered sewer user rate increases used to fund the additional bond debt. The debt will be paid for from existing sewer reserve funds as well as the new revenue from user fees.

The Ozark Community Center (The O.C.) is a beautiful, 30,000 square foot facility and houses the parks & recreation department offices, banquet/meeting rooms, basketball courts, aerobic room, spinning room, arcade, snack bar, and a suspended indoor walking/running track, fitness facilities, indoor pool and other amenities and is currently meeting the recreational needs of our citizens. However, as the city grows so does the desire and demand for more recreational amenities such as trails, parks, open space, playgrounds, and sports fields. Our Park and Recreation Department completed a Park Master Plan at the end of 2018 which included a citizen survey outlining a list of priorities they wanted to see happen over the next decade. How to pay for these new amenities is the challenge and probably always will be so we are working to identify both public and private funding options.

The City of Ozark is in the process of completing needed improvements to our water delivery system. These much needed projects are being funded by two separate bond issues totaling \$14,205,000. We believe these improvement



will handle the current and future users and fire flow pressure requirements for citizens of the City of Ozark. To date, the Fremont, Becky Lane, and 17th Street water towers/wells have been completed. Two of the old water towers that were no longer efficient and/or effective were demolished in 2020. The final phases of a water main improvement is currently under construction in the Central Business District and should be completed by the end of 2020. The Board of Aldermen has already approved by ordinance for the water user fee increases that will generate the additional revenues to satisfy this long term bond debt. This water user fee increase was phased in over a 3-year period.

A significant challenge to the City of Ozark over the past decade has been finding the necessary revenues to maintain its rapidly deteriorating transportation network. Upkeep and maintenance of existing streets was inadequate and continued to compete with other departments within the General Revenue Fund such as public safety, planning and development services, and other administrative costs. That lack of available general fund revenue kept the City from implementing new transportation capital improvements such as intersection expansions, lane additions, turn lane extensions, as well as bridge and local street replacements which are all needed to support future economic development.

Fortunately, the City received voter approval in April 2017 for its first ever 3/8 cent transportation sales tax. This sales tax has a sunset clause of 5-years and is estimated to generate nearly \$5.5 million dollars in new revenue that will be dedicated to transportation improvements such as roads, bridges, sidewalks, and trails. The City also secured over \$15 million dollars of cost share funds for major projects on two segments of Business 65, and has partnered with Christian County and Ozark Special Road District to build a new bridge over the Finley River just up river and north of the Historic Downtown River District. These new projects will alleviate traffic congestion, improve safety, advance public recreation, and increase economic development.

Transportation planning and engineering have become priorities for the City of Ozark in the past few years. In 2018 the City was successful in obtaining three Transportation Alternative Program (TAP) grants from the Ozark Transportation Organization (OTO), a federally funded program that allows for the construction of new sidewalks, ADA ramps, and driveway replacements between single family neighborhoods, schools, and other important commercial/recreational areas throughout the city. In 2019, the City was successful in obtaining four more TAP grants totaling over \$1M in federal funding assistance. The second round of TAP grant projects are expected to begin in the fall of 2020 and be completed by the spring of 2021. In 2020 the City was also successful in obtaining a 50/50 cost share grant from MoDot, and through an Intergovernmental Agreement with the Ozark School District a financial partnership donation to install two pedestrian underpasses under Jackson Street. These new pedestrian underpasses will extend the Chadwick Flyer Greenway trail and provide a safe passage for students and citizens between the main Ozark School campuses on the north side of Jackson Street to the schools new Innovation Center on the south side of Jackson St. .

Working in conjunction with OTO, Mo Dept. of Transportation (MoDot) the City of Ozark will be accomplishing many major transportation projects in the next 5-years using the new sales tax revenue, State and Federal Funds.

Cash management policies and practices.

Cash temporarily idle during the year is invested in high yield savings or in certificates of deposit with maturities ranging from 30 days to 12 months.

Risk management.

During 2019, the City was insured by Missouri Public Risk (MPR) for Property/Casualty and General Liability coverage and Workers Compensation coverage. The City carries a blanket surety bond on all employees.



Pension and other post-employment benefits.

The City of Ozark participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan that provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the entire City staff. We would like to thank everyone who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Ozark's finances.

Respectfully submitted,

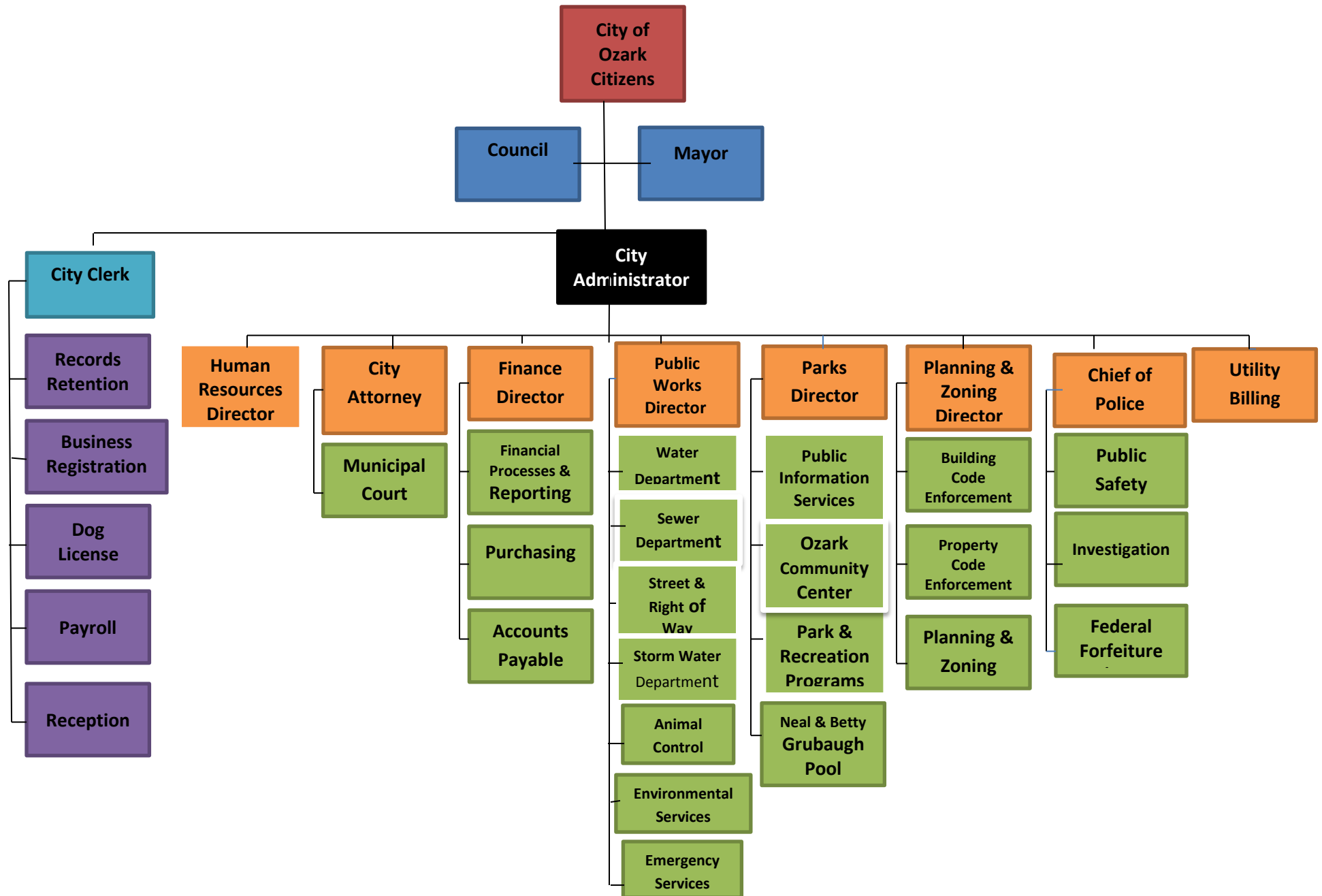
A handwritten signature in black ink that reads "Stephen Childers".

Stephen C. Childers
City Administrator

A handwritten signature in black ink that reads "Mary Edna Wilson".

Mary Edna Wilson
Finance Director

CITY OF OZARK ORGANIZATIONAL CHART





CITY OF OZARK, MISSOURI
ELECTED OFFICIALS AND ADMINISTRATION
December 31, 2019

ELECTED OFFICIALS

Mayor	Rick Gardner
Councilman – Ward I	John Torgeson
Councilman – Ward I	Nathan Posten
Councilman – Ward II	Bruce Galloway
Councilman – Ward II	Ted Smith
Councilman – Ward III	Jason Shaffer
Councilman – Ward III	Heather Alder

ADMINISTRATION

City Administrator	Steve Childers
City Attorney	Amanda Callaway
Municipal Judge	David Johnson
Municipal Court Clerk	Rachel Underwood
City Clerk	Chandra Hodges
Finance Director	Mary Edna Wilson
Police Chief	Justin Arnold
Public Works/EMA Director	Jeremy Parsons
Park Director	Samantha Payne
Planning & Development Director	Cameron Smith

City of Ozark, Missouri
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2019

SECTION II – FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen
City of Ozark, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ozark, Missouri, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Ozark, Missouri'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. 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, each major fund, and the aggregate remaining fund information of the City of Ozark, Missouri, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

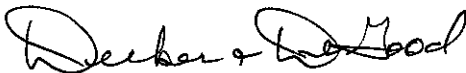
Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 3 through 12, and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 other supplementary information and introductory and statistical section, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We have applied certain limited procedures to the other 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

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 provided any assurance on them.



Decker & DeGood
Springfield, Missouri
June 22, 2020



MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Ozark's financial performance provides an overview of the City's financial activities for the year ended December 31, 2019. Please read it in conjunction with the City's financial statements, which begin on page 13.

Financial Highlights

- * The assets and deferred outflows of resources of the City of Ozark exceeded its liabilities and deferred outflows at the close of the most recent fiscal year by \$ 70,659,195 (net position). Of this amount, \$ 21,813,245 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- * As of December 31, 2019, governmental activities and business-type activities had net positions of \$ 31,897,581 and \$ 38,761,614, respectively.
- * At the end of the current fiscal year, the City of Ozark's governmental funds reported combined ending fund balances of \$ 10,099,061, an increase of \$ 1,960,783 in comparison with the prior year. Approximately 35.28% or \$ 3,562,669 is available for discretionary spending by the City of Ozark. The remaining fund balance is either restricted by outside parties or in nonspendable form.
- * The unassigned fund balance for the General Fund, \$ 3,572,496, is 73.09% of total General Fund expenditures, and is an increase in comparison with the prior year unassigned fund balance.
- * The City of Ozark's long-term debt obligations decreased by \$ 2,540,583, or 5.31% as compared to prior fiscal year.

Overview of the Financial Statements

This discussion and analysis provided here are intended to serve as an introduction to the City of Ozark's basic financial statements. The City of Ozark's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the basic financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial* statements are designed to provide readers with a broad overview of the City of Ozark's finances, in a manner like a private-sector business.

The *statement of net position* presents financial information on all the City of Ozark's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Ozark is improving or deteriorating.



The *statement of activities* presents information showing how the City of Ozark's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Ozark that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Ozark include general government, public safety, transportation, sanitation, culture, and recreation. The business-type activities include the Water and Sewer systems.

The government-wide financial statements can be found on pages 13 and 14 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Ozark, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City of Ozark can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Ozark maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Street Fund which are considered to be major funds. Data from the other three governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City of Ozark adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15-18 of this report.



Proprietary funds. The City of Ozark maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Ozark uses enterprises funds to account for its Water and Sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer operations which are considered to be major funds of the City of Ozark.

The basic proprietary fund financial statements can be found on pages 19-21 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-57 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City of Ozark's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 58-62 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions and major fund budgets. Combining fund statements and schedules can be found on pages 63-64 of this report.

The budget to actual of nonmajor governmental fund and capital project fund is presented immediately following the required supplementary information on pensions. The schedules can be found on page 65 of this report.

Government-Wide Overall Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the City of Ozark, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$ 70,659,195, at the close of the most recent fiscal year.

City of Ozark
Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current Assets and other assets	\$ 11,204,069	\$ 9,074,178	\$ 19,577,851	\$ 20,114,165	\$ 30,781,920	\$ 29,188,343
Capital Assets	41,400,746	39,260,060	46,049,274	45,074,571	87,450,020	84,334,631
Total Assets	52,604,815	48,334,238	65,627,125	65,188,736	118,231,940	113,522,974
Deferred Outflows of Resources						
Deferred on refunding	252,238	267,076	65,308	68,937	317,546	336,013
Deferred pension related	523,449	502,495	369,021	286,220	892,470	788,715
Total Deferred Outflows	775,687	769,571	434,329	355,157	1,210,016	1,124,728
Current Liabilities	1,359,705	1,308,960	2,625,467	2,732,832	3,985,172	4,041,792
Long-term Debt	19,588,478	20,121,030	24,362,825	26,130,878	43,951,303	46,251,908
Total Liabilities	20,948,183	21,429,990	26,988,292	28,863,710	47,936,475	50,293,700
Deferred Inflows						
Deferred pension related	534,738	569,689	311,548	357,372	846,286	927,061
Total Deferred Inflows	534,738	569,689	311,548	357,372	846,286	927,061
Net Position:						
Invested in						
capital assets-net	21,882,169	19,792,488	20,587,591	19,715,659	42,469,760	39,508,147
Restricted	694,910	819,556	5,681,280	5,613,182	6,376,190	6,432,738
Unrestricted	9,320,502	6,492,086	12,492,743	10,993,970	21,813,245	17,486,056
Total net position	\$ 31,897,581	\$ 27,104,130	\$ 38,761,614	\$ 36,322,811	\$ 70,659,195	\$ 63,426,941

By far, the largest portion of the City of Ozark's net position (60.10%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City of Ozark uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although, the City of Ozark's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Ozark's net position (9.02%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$ 21,813,245 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City of Ozark is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City of Ozark's overall net position improved \$ 7,232,254 or a difference of \$ 2,741,699 from the prior year's improvement.

City of Ozark
Changes in Net Position

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
Revenues:				
Program Revenues:				
Charge for services	\$ 2,478,030	\$ 2,349,866	\$ 8,356,951	\$ 8,195,716
Operating grants and contributions	56,376	25,414	-	-
Capital grants and contributions	2,349,038	1,950,444	1,156,890	1,073,536
General Revenues:				
Taxes	9,526,536	8,395,893	1,010,042	944,646
Interest	151,286	88,650	404,703	368,386
Other	54,384	37,092	8,328	13,314
Total Revenues	<u>14,615,650</u>	<u>12,847,359</u>	<u>10,936,914</u>	<u>10,595,598</u>
Expenses:				
Administration	1,333,588	1,511,583	-	-
Public Safety	2,973,267	3,139,038	-	-
Parks and recreation	2,997,065	2,926,520	-	-
Stormwater	26,848	20,028	-	-
Streets	1,746,300	1,644,791	-	-
Interest	845,131	892,475	-	-
Water	-	-	3,326,332	3,452,953
Sewer	-	-	4,181,467	4,369,956
Sanitation	-	-	890,312	995,058
Total Expenses	<u>9,922,199</u>	<u>10,134,435</u>	<u>8,398,111</u>	<u>8,817,967</u>
Other sources and (uses):				
Transfers	100,000	100,000	(100,000)	(100,000)
Change in Net Position	4,793,451	2,812,924	2,438,803	1,677,631
Net Position, beginning	<u>27,104,130</u>	<u>24,291,206</u>	<u>36,322,811</u>	<u>34,645,180</u>
Net Position, ending	<u>\$ 31,897,581</u>	<u>\$ 27,104,130</u>	<u>\$ 38,761,614</u>	<u>\$ 36,322,811</u>

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$ 4,793,451 which was an increase of \$ 1,980,527 as compared to the prior fiscal year with an ending balance of \$ 27,104,130. The increase was due to an increase in sales tax revenue of \$ 896,608 as compared to the prior year plus a contribution of street development for the street department.

Business-type Activities. For the City of Ozark's business-type activities, the results for the current fiscal year were positive in that the overall net position increased to reach an ending balance of \$ 38,761,614 or a \$ 2,438,800 increase which was \$ 761,172 more than the prior year. This increase was due mainly to an increase in sales of \$ 90,115 with a decrease in operating expenses.

Financial Analysis of the Governmental Funds

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

Governmental Funds

The focus of the City of Ozark'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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Some significant items are presented below for comparison and analysis.

	Percent of Total	2019	2018	Change Amount	%
Revenues:					
Property taxes	6.26%	\$ 912,779	\$ 865,025	\$ 47,754	5.52%
Franchise fees	4.31%	628,955	635,272	(6,317)	-0.99%
Sales taxes	48.47%	7,071,094	6,174,486	896,608	14.52%
Missouri motor fuel taxes	4.99%	727,251	717,511	9,740	1.36%
Licenses & permits	1.89%	275,254	256,903	18,351	7.14%
Charges for services	12.56%	1,832,567	1,732,060	100,507	5.80%
Fines & forfeitures	0.63%	91,946	118,860	(26,914)	-22.64%
Interest	1.04%	151,286	88,650	62,636	70.66%
Grants	0.66%	96,496	295,306	(198,810)	-67.32%
Miscellaneous	19.19%	2,799,825	1,867,243	932,582	49.94%
Total	100.00%	14,587,453	12,751,316	1,836,137	14.40%

	Percent of	2019	2018	Change	
	Total			Amount	%
Expenditures:					
General government	9.85%	1,254,101	1,220,641	33,460	2.74%
Police	22.81%	2,904,806	2,750,377	154,429	5.61%
Streets	5.96%	758,761	703,411	55,350	7.87%
Parks	20.50%	2,610,635	2,455,382	155,253	6.32%
Capital outlay	27.98%	3,562,916	2,761,174	801,742	29.04%
Debt service	12.91%	1,643,619	1,614,012	29,607	1.83%
	<u>100.00%</u>	<u>12,734,838</u>	<u>11,504,997</u>	<u>1,229,841</u>	<u>10.69%</u>

The General Fund revenue increased by \$ 1,466,848 over the prior year due an increase in sales tax of \$ 896,608 and contribution of streets over the prior year of \$ 932,582.

The Park/Storm Water Fund increased by \$ 73,057 over the prior year which again is attributable to an increase in sales tax of \$ 86,339 and park program fees of \$ 91,993 combining that with an increase of operating expenses of \$ 141,921.

Business-type Activities

In reviewing the current to the past year on the Waterworks and Sewerage Fund and Solid Waste Fund, we noted the following:

	2019	2018	Change	
			Amount	%
Waterworks and Sewerage				
Revenue	\$ 7,101,286	\$ 7,158,048	\$ (56,762)	-0.79%
Expense net of Depreciation and interfund	4,804,366	6,080,516	(1,276,150)	-20.99%
Operating Income	427,019	690,365	(263,346)	-38.15%
Solid Waste				
Revenue	1,155,665	1,008,788	146,877	14.56%
Expense net of Depreciation and interfund	890,312	995,058	(104,746)	-10.53%
Operating Income	265,353	13,730	251,623	1832.65%

In business type activities, the increase to operating income for the Waterworks and Sewerage Fund and the Solid Waste Fund is due to an increase in rates to provide sufficient income to cover debt payments for improvements to the systems and to the reduced time allowed between bills being issued and delinquent dates.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the City revises its annual budget estimates by increases/decreases in revenues and expenditures. In 2019 these changes included in the General Fund a decrease of \$111,502.00 in Municipal Court Costs and \$23,000.00 in Municipal Court Fines primarily due to regulation changes on the State level of Municipal Court management. Some increases to revenue included \$58,000.00 in building permits and \$166,000.00 increase from Christian County Sales Tax for road improvements.

The Park/Stormwater Fund budget was increased by Sales Tax Revenue of \$90,046.00 and Membership Fees of \$95,422.00.

CAPITAL ASSET AND DEBT ADMINISTRATION

On December 31, 2019, the City had \$ 87,450,020 invested in capital assets. (See table below). This represents an increase of \$3,115,389 from the prior year.

CITY OF OZARK'S CAPITAL ASSETS

(Net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 7,885,052	\$ 7,885,052	\$ 997,439	\$ 948,500	\$ 8,882,491	\$ 8,833,552
Improvements	18,537,436	16,141,053		-	18,537,436	16,141,053
Buildings	14,144,771	14,484,898	146,703	150,669	14,291,474	14,635,567
Water system	-	-	17,858,918	16,982,265	17,858,918	16,982,265
Waste system	-	-	27,020,925	26,709,868	27,020,925	26,709,868
Machinery & Equipment	833,487	749,057		-	833,487	749,057
Construction -in-Progress	-	-	25,289	283,269	25,289	283,269
	<u>\$ 41,400,746</u>	<u>\$ 39,260,060</u>	<u>\$ 46,049,274</u>	<u>\$ 45,074,571</u>	<u>\$ 87,450,020</u>	<u>\$ 84,334,631</u>

Additional information on the City's capital assets can be found in Note D of the notes to the financial statements of this report.

Debt

At year-end, the City had \$ 45,299,386 in outstanding notes as compared to the prior year of \$ 47,838,389.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenue Bonds	\$ -	\$ -	\$ 11,895,000	\$ 13,135,000	\$ 11,895,000	\$ 13,135,000
Special assessment debt	78,607	86,628	-	-	78,607	86,628
Certificates of Participation	18,461,768	18,736,816	12,808,184	13,213,184	31,269,952	31,950,000
Lease & Note Obligations	1,230,440	1,730,760	823,807	936,001	2,054,247	2,666,761
TOTALS	\$ 19,770,815	\$ 20,554,204	\$ 25,526,991	\$ 27,284,185	\$ 45,297,806	\$ 47,838,389

Additional information on the City's long-term debt can be found in Note E of the notes to the financial statements of this report.

ECONOMIC FACTORS

Transportation, sidewalks, and trails continue to be a priority for improvements for the City of Ozark. Due to the continued collection of our Transportation Sales Tax, \$896,263.13 was spent on resurfacing roads in 2019. The scope of work has increased to include 3 box culverts for trail connections and school use under Hwy 14 Project in a partnership with Missouri Department of Transportation for this road with completion dates in 2020 & 2021. Also, a comprehensive project for downtown Ozark including replacing and repairing water and sewer infrastructure, and road resurfacing has been started in 2020 and will continue through 2022.

NEXT YEAR'S BUDGET & RATES

The City of Ozark's 2020 Budget projects a modest increase in both revenues and expenses with the exception of Transportation Sales Tax funded projects. Riverside Bridge, Jackson Street Project and the Downtown Improvements expense increased over 200% from previous years. The cost of these projects is funded with an accumulation of Transportation Sales Tax collections.

The Water Fund also has modest projected increases in revenue and expense with the exception of their Capital Improvements funded with the 2016 Series Water bonds.

The 2020 Budget for the City of Ozark reflects expenses of \$29,084,056.77 and revenues of \$23,640,004.00. Expenditures are comprised of \$ 17,597,469.27 in operations, \$4,072,587.50 in debt repayment and \$7,414,000.00 in capital improvement projects. The revenue will cover 100% of the operational cost and the debt cost. Revenues will cover 27% of the capital improvements while the remaining 74% or \$5,444,052.50 will be covered with unassigned fund balance.

Capital Projects for governmental funds includes 3 new Police cars at a cost of \$135,000.00, \$750,000 in street overlay, \$2,232,000.00 in additional transportation projects, and \$550,000.00 in stormwater improvement projects, as well as additional equipment & software. The proprietary funds capital improvements include waterline extensions in the amount of \$1,620,000.00, and sewer line extensions in the amount of \$1,554,000.00. Also, in proprietary funds capital improvements are budgeted funds for additional equipment, vehicles, software, and a drone.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director's Office at 205 North 1st Street, Ozark, Missouri.

CITY OF OZARK, MISSOURI

STATEMENT OF NET POSITION

DECEMBER 31, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,932,172	\$ 11,677,705	\$ 19,609,877
Accounts receivable-			
Utilities, net	-	629,994	629,994
Real estate taxes, net	632,239	124,346	756,585
Sales taxes	643,584	75,729	719,313
Franchise taxes	70,337	-	70,337
Missouri motor fuel taxes	58,173	-	58,173
Interest	-	181,240	181,240
Other	52	-	52
Prepaid items	191,986	121,091	313,077
Security deposits	11,776	-	11,776
Restricted assets-cash and cash equivalents	1,453,549	6,767,746	8,221,295
Capital assets:			
Land	7,885,052	997,439	8,882,491
Construction in progress	-	25,289	25,289
Other capital assets, net of accumulated depreciation	33,515,694	45,026,546	78,542,240
Net pension assets	210,201	-	210,201
Total Assets	<u>52,604,815</u>	<u>65,627,125</u>	<u>118,231,940</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	252,238	65,308	317,546
Deferred amounts related to pensions	523,449	369,021	892,470
Total Deferred Outflows of Resources	<u>775,687</u>	<u>434,329</u>	<u>1,210,016</u>
LIABILITIES			
Accounts payable	167,171	199,604	366,775
Accrued wages and benefits	131,616	67,839	199,455
Accrued sales tax and primacy fee	-	4,999	4,999
Accrued interest	131,440	451,904	583,344
Noncurrent liabilities:			
Due within one year:			
Debt	800,464	1,831,549	2,632,013
Compensated absences	129,014	69,572	198,586
Debt due in more than one year:	18,970,351	23,695,442	42,665,793
Compensated absences	22,107	11,928	34,035
Customer deposits and bonds	596,020	612,751	1,208,771
Net pension liability	-	42,704	42,704
Total Liabilities	<u>20,948,183</u>	<u>26,988,292</u>	<u>47,936,475</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	<u>534,738</u>	<u>311,548</u>	<u>846,286</u>
NET POSITION			
Net investment in capital assets	21,882,169	20,587,591	42,469,760
Restricted for:			
Debt service	694,910	1,856,336	2,551,246
Construction projects	-	3,824,944	3,824,944
Unrestricted	9,320,502	12,492,743	21,813,245
Total Net Position	<u>\$ 31,897,581</u>	<u>\$ 38,761,614</u>	<u>\$ 70,659,195</u>

The accompanying notes are an integral part of these financial statements.

CITY OF OZARK MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 1,333,588	\$ 476,542	\$ -	\$ -	\$ (857,046)	\$ -	\$ (857,046)
Public safety:							
Police	2,916,151	53,413	51,539	-	(2,811,199)	-	(2,811,199)
Court	57,116	91,946	-	-	34,830	-	34,830
Storm water	26,848	-	-	-	(26,848)	-	(26,848)
Streets	1,746,300	-	4,837	2,289,478	548,015	-	548,015
Parks	2,997,065	1,856,129	-	59,560	(1,081,376)	-	(1,081,376)
Interest on long-term debt	845,131	-	-	-	(845,131)	-	(845,131)
Total governmental activities	9,922,199	2,478,030	56,376	2,349,038	(5,038,755)	-	(5,038,755)
Business-type activities:							
Water	3,326,332	3,737,980	-	610,477	-	1,022,125	1,022,125
Sewer	4,181,467	3,463,306	-	546,413	-	(171,748)	(171,748)
Sanitation	890,312	1,155,665	-	-	-	265,353	265,353
Total business-type activities	8,398,111	8,356,951	-	1,156,890	-	1,115,730	1,115,730
Total Government	<u>\$ 18,320,310</u>	<u>\$ 10,834,981</u>	<u>\$ 56,376</u>	<u>\$ 3,505,928</u>	<u>(5,038,755)</u>	<u>1,115,730</u>	<u>(3,923,025)</u>
General Revenues							
Property taxes for general purposes					748,917	-	748,917
Property taxes for park purposes					183,891	-	183,891
Property taxes for debt purposes					-	177,846	177,846
Franchise taxes					628,955	-	628,955
Sales taxes					7,071,094	832,196	7,903,290
Missouri motor fuel taxes					727,251	-	727,251
Christian County sales tax					166,428	-	166,428
Interest on investments					151,286	404,703	555,989
Miscellaneous					46,216	-	46,216
Transfers					100,000	(100,000)	-
Gain on sale of assets					8,168	8,328	16,496
Total general revenues, transfers and special items					<u>9,832,206</u>	<u>1,323,073</u>	<u>11,155,279</u>
Change in net position					4,793,451	2,438,803	7,232,254
Net position beginning					<u>27,104,130</u>	<u>36,322,811</u>	<u>63,426,941</u>
Net position ending					<u>\$ 31,897,581</u>	<u>\$ 38,761,614</u>	<u>\$ 70,659,195</u>

The accompanying notes are an integral part of these financial statements.

CITY OF OZARK, MISSOURI

BALANCE SHEET- GOVERNMENTAL FUNDS DECEMBER 31, 2019

ASSETS	General Fund	Park/ Stormwater Funds	Total Nonmajor Funds	Total Governmental Funds
Cash and cash equivalents	\$ 3,348,595	\$ 4,036,367	\$ 547,210	\$ 7,932,172
Accounts receivable-				
Real estate taxes	507,875	124,364	-	632,239
Sales tax	416,379	151,476	75,729	643,584
Franchise tax	70,337	-	-	70,337
Missouri motor fuel taxes	58,173	-	-	58,173
Other	52	-	-	52
Due from other funds	400,000	95,286	-	495,286
Prepaid items	129,712	62,274	-	191,986
Security deposits	-	11,776	-	11,776
Restricted assets: Cash and cash equivalents	785,921	667,628	-	1,453,549
	<u>\$ 5,717,044</u>	<u>\$ 5,149,171</u>	<u>\$ 622,939</u>	<u>\$ 11,489,154</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 101,955	\$ 65,216	\$ -	\$ 167,171
Accrued liabilities-				
Wages, taxes, and benefits payable	94,503	37,113	-	131,616
Security deposits	562,394	9,000	-	571,394
Court bonds and fees	24,626	-	-	24,626
Due to other funds	45,437	-	449,849	495,286
	<u>828,915</u>	<u>111,329</u>	<u>449,849</u>	<u>1,390,093</u>
FUND BALANCES				
Fund Balances -				
Nonspendable	529,712	62,274	-	591,986
Restricted	37,454	667,628	182,917	887,999
Assigned	748,467	4,307,940	-	5,056,407
Unassigned	3,572,496	-	(9,827)	3,562,669
	<u>4,888,129</u>	<u>5,037,842</u>	<u>173,090</u>	<u>10,099,061</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,717,044</u>	<u>\$ 5,149,171</u>	<u>\$ 622,939</u>	<u>\$ 11,489,154</u>

The accompanying notes are an integral part of these financial statements.

CITY OF OZARK, MISSOURI
RECONCILIATION OF THE GOVERNMENT FUNDS
BALANCE SHEET TO THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION
DECEMBER 31, 2019

Total Fund Balances-Governmental Funds		\$ 10,099,061
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		
Non-depreciable assets	7,885,052	
Depreciable assets	<u>33,515,694</u>	
		41,400,746
Certain amounts are not a use of financial resources and, therefore, are not reported in the governmental funds. These items consist of:		
Net pension asset	210,201	
Deferred outflows - pension related	523,449	
Deferred inflows - pension related	<u>(534,738)</u>	
		198,912
Long-term liabilities and deferred outflows are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Deferred amount on refunding	252,238	
Long-term liabilities at year-end consist of:		
Compensated absences	(151,121)	
Debt	(19,770,815)	
Accrued interest	<u>(131,440)</u>	
		<u>(19,801,138)</u>
Net position of governmental activities		<u><u>\$ 31,897,581</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF OZARK, MISSOURI
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund	Park/ Stormwater Funds	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property taxes	\$ 732,894	\$ 179,885	\$ -	\$ 912,779
Franchise taxes	628,955	-	-	628,955
Sales taxes	4,575,185	1,664,380	831,529	7,071,094
Intergovernmental revenue:				
Missouri motor fuel taxes	727,251	-	-	727,251
Christian County sales tax	166,428	-	-	166,428
Licenses & permits	275,254	-	-	275,254
Charges for services				
Park programs	-	1,779,154	-	1,779,154
Police services	53,413	-	-	53,413
Fines & forfeitures	91,946	-	-	91,946
Interest	71,692	71,657	7,937	151,286
Grants	96,496	-	-	96,496
Rents	87,080	76,975	114,208	278,263
Developers contributions	2,249,358	-	-	2,249,358
Impact fees	-	59,560	-	59,560
Miscellaneous	30,755	14,061	1,400	46,216
Total Revenues	<u>9,786,707</u>	<u>3,845,672</u>	<u>955,074</u>	<u>14,587,453</u>
EXPENDITURES				
Current:				
General government	1,254,101	-	-	1,254,101
Police	2,847,690	-	-	2,847,690
Court	57,116	-	-	57,116
Storm water	-	13,332	-	13,332
Streets	758,761	-	-	758,761
Parks	-	2,597,303	-	2,597,303
Capital outlay	3,397,343	165,573	-	3,562,916
Debt service:				
Principal retirement	23,609	260,000	498,741	782,350
Interest and fiscal agent fees	30,021	778,048	53,200	861,269
Total Expenditures	<u>8,368,641</u>	<u>3,814,256</u>	<u>551,941</u>	<u>12,734,838</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>1,418,066</u>	<u>31,416</u>	<u>403,133</u>	<u>1,852,615</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	870,000	499,317	433,117	1,802,434
Transfers out	(932,434)	-	(770,000)	(1,702,434)
Sale of assets	8,168	-	-	8,168
Total Other Sources (Uses)	<u>(54,266)</u>	<u>499,317</u>	<u>(336,883)</u>	<u>108,168</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>1,363,800</u>	<u>530,733</u>	<u>66,250</u>	<u>1,960,783</u>
FUND BALANCES - BEGINNING	<u>3,524,329</u>	<u>4,507,109</u>	<u>106,840</u>	<u>8,138,278</u>
FUND BALANCES - ENDING	<u>\$ 4,888,129</u>	<u>\$ 5,037,842</u>	<u>\$ 173,090</u>	<u>\$ 10,099,061</u>

The accompanying notes are an integral part of these financial statements.

CITY OF OZARK, MISSOURI
RECONCILIATION OF STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Net change in fund balances--total governmental funds	\$ 1,960,783
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Amounts reported for *governmental activities* in the statement of activities are different because:

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 outlays	3,630,831
Depreciation expense	(1,490,145)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the same statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt payments of principal	782,350
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Under the modified accrual basis of accounting used in the governmental funds, revenues are not recognized until funds are measurable and available to finance current expenditures. In the statement of activities, however, which is presented on the accrual basis, revenues are reported regardless of when financial resources are available. This is the net adjustment to property tax revenue in converting to the full accrual basis.

(15,610)

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.

Compensated absences	625
Pension expense	(59,245)
Amortization of deferred amount on refunding	(14,838)
Accrued interest	(1,300)

Change in net position of governmental activities	<u><u>\$ 4,793,451</u></u>
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The accompanying notes are an integral part of these financial statements.

CITY OF OZARK, MISSOURI

STATEMENT OF NET POSITION-

PROPRIETARY FUNDS

DECEMBER 31, 2019

	Waterworks and Wastewater Fund	Solid Waste Fund	Total
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 11,530,080	\$ 147,625	\$ 11,677,705
Receivables:			
Accounts receivables, net	456,822	173,172	629,994
Property taxes	124,346	-	124,346
Interest SRF	181,240	-	181,240
Sales tax	75,729	-	75,729
Prepaid items	121,091	-	121,091
Total Current Assets	<u>12,489,308</u>	<u>320,797</u>	<u>12,810,105</u>
Noncurrent assets:			
Restricted cash and cash equivalents			
Bond reserves	2,942,802	-	2,942,802
Construction	3,824,944	-	3,824,944
Capital assets:			
Land	997,439	-	997,439
Construction in progress	25,289	-	25,289
Other capital assets, net of accumulated depreciation	45,026,546	-	45,026,546
Total Noncurrent Assets	<u>52,817,020</u>	<u>-</u>	<u>52,817,020</u>
Total Assets	<u>65,306,328</u>	<u>320,797</u>	<u>65,627,125</u>
<u>Deferred Outflow of Resources</u>			
Discount on 2016 debt issue	65,308	-	65,308
Deferred amounts related to pensions	369,021	-	369,021
Total Deferred Outflows	<u>434,329</u>	<u>-</u>	<u>434,329</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	199,604	-	199,604
Accrued wages	67,839	-	67,839
Accrued sales tax and primacy fee	4,999	-	4,999
Accrued interest	451,904	-	451,904
Due within one year:			
Compensated absences	69,572	-	69,572
Debt	1,831,549	-	1,831,549
Total Current Liabilities	<u>2,625,467</u>	<u>-</u>	<u>2,625,467</u>
Noncurrent liabilities:			
Compensated absences	11,928	-	11,928
Revenue bonds payable	23,695,442	-	23,695,442
Customer deposits	612,751	-	612,751
Net pension liability	42,704	-	42,704
Total Noncurrent Liabilities	<u>24,362,825</u>	<u>-</u>	<u>24,362,825</u>
Total Liabilities	<u>26,988,292</u>	<u>-</u>	<u>26,988,292</u>
<u>Deferred Inflows of Resources</u>			
Deferred amounts related to pensions	311,548	-	311,548
<u>NET POSITION</u>			
Net investment in capital assets	20,587,591	-	20,587,591
Restricted for-			
Debt reserves	1,856,336	-	1,856,336
Construction projects	3,824,944	-	3,824,944
Unrestricted	12,171,946	320,797	12,492,743
Total Net Position	<u>\$ 38,440,817</u>	<u>\$ 320,797</u>	<u>\$ 38,761,614</u>

The accompanying notes are an integral part of these financial statements.

CITY OF OZARK, MISSOURI
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Waterworks and Wastewater Fund	Solid Waste Fund	Total
OPERATING REVENUES:			
Charges for services	\$ 6,577,685	\$ 1,155,665	\$ 7,733,350
Hookups and reconnect fees	480,290	-	480,290
Miscellaneous income	43,311	-	43,311
Total Operating Revenue	<u>7,101,286</u>	<u>1,155,665</u>	<u>8,256,951</u>
OPERATING EXPENSES:			
Wages and benefits	2,518,371	-	2,518,371
Insurance	260,636	-	260,636
Repairs and maintenance	772,485	-	772,485
Utilities	688,372	-	688,372
Contracted refuse hauling and other expense	-	890,312	890,312
All other expense	564,502	-	564,502
Depreciation	1,869,901	-	1,869,901
Total Operating Expenses	<u>6,674,267</u>	<u>890,312</u>	<u>7,564,579</u>
OPERATING INCOME	<u>427,019</u>	<u>265,353</u>	<u>692,372</u>
NON-OPERATING REVENUES (EXPENSES):			
Property taxes	177,846	-	177,846
Sales taxes	832,196	-	832,196
Sale of assets	8,328	-	8,328
Lease income	22,800	-	22,800
Interest income-checking and savings	404,703	-	404,703
Interest expense and agent fees	(756,332)	-	(756,332)
Total Non-operating Revenues	<u>689,541</u>	<u>-</u>	<u>689,541</u>
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>1,116,560</u>	<u>265,353</u>	<u>1,381,913</u>
CAPITAL TRANSFERS AND CONTRIBUTIONS			
Capital contributions	1,156,890	-	1,156,890
Transfers	-	(100,000)	(100,000)
Total	<u>1,156,890</u>	<u>(100,000)</u>	<u>1,056,890</u>
CHANGE IN NET POSITION	2,273,450	165,353	2,438,803
TOTAL NET POSITION - BEGINNING	<u>36,167,367</u>	<u>155,444</u>	<u>36,322,811</u>
TOTAL NET POSITION - ENDING	<u>\$ 38,440,817</u>	<u>\$ 320,797</u>	<u>\$ 38,761,614</u>

The accompanying notes are an integral part of these financial statements.

CITY OF OZARK, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Waterworks and Sewerage Fund	Solid Waste Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 7,211,160	\$ 1,104,719	\$ 8,315,879
Payments to suppliers	(2,360,593)	(1,050,754)	(3,411,347)
Payments to employees	(2,488,047)	-	(2,488,047)
Net Cash Provided by Operating Activities	2,362,520	53,965	2,416,485
CASH FLOWS FROM NONCAPITAL ACTIVITIES:			
Transfers (to)	-	(100,000)	(100,000)
Sale of assets	8,328	-	8,328
Lease income	22,800	-	22,800
Property taxes	177,846	-	177,846
Sales taxes	832,196	-	832,196
Net Cash Provided by (Used for) Noncapital Activities	1,041,170	(100,000)	941,170
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital contributions	1,156,890	-	1,156,890
Payments for capital acquisitions	(2,844,604)	-	(2,844,604)
Principal Repayments	(1,757,194)	-	(1,757,194)
Interest paid	(795,129)	-	(795,129)
Net Cash (Used for) Capital and Related Financing Activities	(4,240,037)	-	(4,240,037)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest earned	404,703	-	404,703
Net Cash Provided by Investing Activities	404,703	-	404,703
NET CASH (DECREASE) FOR THE YEAR	(431,644)	(46,035)	(477,679)
CASH AT BEGINNING OF YEAR	18,729,470	193,660	18,923,130
CASH AT END OF YEAR	\$ 18,297,826	\$ 147,625	\$ 18,445,451
SUMMARY OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	\$ 11,530,080	\$ 147,625	\$ 11,677,705
Restricted assets-Cash and cash equivalents	6,767,746	-	6,767,746
	\$ 18,297,826	\$ 147,625	\$ 18,445,451
Reconciliation of operating income to net cash provided by operating activities:			
Operating Income	\$ 427,019	\$ 265,353	\$ 692,372
Adjustments to reconcile net operating income to net cash provided by operating activities:			
Depreciation expense	1,869,901	-	1,869,901
(Increase) Decrease in accounts receivable	65,454	(50,946)	14,508
(Increase) Decrease in prepaid items	(9,794)	-	(9,794)
Increase (Decrease) in accounts payable	(7,644)	(160,442)	(168,086)
Increase (Decrease) in accrued wages and benefits	15,555	-	15,555
Increase (Decrease) in pensions	14,769	-	14,769
Increase (Decrease) in other liabilities	(57,160)	-	(57,160)
Increase in customer deposits	44,420	-	44,420
Net Cash Provided by Operating Activities	\$ 2,362,520	\$ 53,965	\$ 2,416,485

The accompanying notes are an integral part of these financial statements.

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Ozark, Missouri, (the City) were prepared in accordance with accounting principles generally accepted in the United States of America for governmental entities (U.S. GAAP). The following summary of the more significant policies of the City is presented to assist the reader in interpreting these financial statements, and should be viewed as an integral part of this report.

THE REPORTING ENTITY

The City of Ozark, Missouri, was incorporated August 3, 1888. The City operates under a form of government which is comprised of an elected Board of Aldermen and an elected mayor. As authorized by its charter, the City provides the following services; public safety (police and municipal court), highway and streets, sanitation, public improvements, recreation, zoning and planning, and general administrative services. The accompanying basic financial statements include the transactions of all of the City's funds. The City's funds are established under statutory authority.

Entity status for financial reporting purposes is governed by the Governmental Accounting Standards Board (GASB). The GASB is the standard-setting body for the establishment of GAAP in governmental entities. The financial statements of the City present the financial activities of the City and any component units. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's Board or because the component unit will provide a financial benefit or impose a financial burden on the City. The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units.

Blended component units

Ozark Public Funding Corporation (PFC) and Land Clearance for Redevelopment Authority (LRCA) are, in substance, the same as the Government, as their boards are appointed by mayor and council. In addition, they receive all their funding from the City which is used to pay off long term debt. Therefore, they are reported as part of the primary government as a debt service fund. They have a governing body that is substantially the same as the governing body of the Government; provide services entirely, or almost entirely, to the Government; or otherwise exclusively, or almost exclusively, benefit the Government even though they do not provide services directly to the Government.

Ozark Public Funding Corporation (PFC) – The Ozark Public Funding Corporation of the City of Ozark, Missouri, is a not-for-profit corporation duly organized and existing under the General Not-For-Profit Corporation, Chapter 355 of the Revised Statutes of Missouri, 1986 as amended, for the purpose of benefiting and carrying out the purpose of the City of Ozark, Missouri, by providing for the acquisition, construction, improvement, extension, repair, remodeling, renovation and financing of municipal sites, buildings, facilities, furnishings and equipment for the use of the City.

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

THE REPORTING ENTITY- continued

Land Clearance For Redevelopment Authority of the City of Ozark, Missouri (LCRA) – The LCRA was formed under sections 99.300 to 99.660 of RSMo 1994, the “Land Clearance For Redevelopment Authority Law.” It was approved by voters in February 3, 2004. The LCRA is a legally separate entity whose purpose is to eliminate blight within the City limits by acquiring and preparing land for redevelopment.

The City has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the City’s financial statements. In addition, the City is not aware of any entity which would exercise such oversight which would result in the City being considered a component unit of the entity.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Government-wide financial statements do not provide information by fund, but distinguish between the City’s governmental activities and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Fund financial statements. Separate financial statements are provided for governmental funds and proprietary funds. Separate columns are presented for each major governmental fund and for each major enterprise fund. Non-major funds are aggregated and presented in a single column labeled “Nonmajor Governmental Funds.”

Governmental Fund Types: 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 following are the City’s major governmental funds:

General Fund – The General Fund is the government’s primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purpose or designated to finance particular functions or activities of the City. The reporting entity includes the following special revenue funds:

Park/Storm Water Funds – These funds are combined under one group heading as they all relate to park improvement and operations and are used exclusively for the following:

Pool Fund – Accounts for taxes received that are legally restricted for pool recreational services, grants and revenues received and expenditures paid for recreational services provide by the pool.

Park Fund – Accounts for taxes received that are legally restricted for recreational services, grants and donations, and revenues received and expenditures paid for recreational service provided by the park department.

Park/Stormwater Sales Tax Fund – Accounts for sales taxes that are legally restricted for use by the park and for storm water control.

Park Impact Fee Fund – Accounts for the park impact fees legally restricted for park equipment and facilities.

Proprietary Fund Types: Proprietary funds are used to account for the City’s ongoing activities that are similar to those often found in the private sector. The following are the City’s major proprietary funds:

Enterprise Funds: Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise funds:

Waterworks and Sewerage Fund: Accounts for the operation of the water and sewer system of the City.

Solid Waste Fund: Accounts for the operations of the sanitation services of the City.

Nonmajor Fund Types:

Debt Service Funds – This fund represents the component units PFC and LCRA which receive transfers from the General Fund \$ 433,117 for use in paying the principal and interest on bank loans.

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nonmajor Fund Types: - continued

Capital Improvement Fund – This fund is used exclusively for the revenues of and expense from the ¼ cent capital improvement sales tax legally restricted for various capital improvement projects.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recognized at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable, and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales tax, intergovernmental taxes, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. General revenues include all taxes.

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - continued

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation, the principal operating revenues of the enterprise fund are charges for services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets.

All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS, LIABILITIES AND NET POSITION/FUND BALANCE

Cash and Cash Equivalents

The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash account is available to meet current operating requirements.

Cash balances from the majority of funds recorded as restricted accounts are pooled for investment purposes. Earnings from such investments are allocated to the respective funds based on applicable cash participation by each fund. The investment pools are managed such that all participating funds have the ability to deposit and withdraw cash as if they were demand deposit accounts, and therefore all balances representing participants' equity in the investment pools are classified as cash equivalents for purposes of these statements. For investments which are held separately from the pools, those which are highly liquid (including restricted assets) with an original or remaining maturity of 90 days or less when purchased are considered to be cash equivalents.

Statement of Cash Flows

For cash flow statement purposes, the City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

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

Due to and due from other funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable and Allowances

All receivables were stated at gross because the amounts were collected within the following 30 days except for solid waste, water and sewer utilities receivable which had \$ 30,392 for water and sewer, \$ 5,882 for solid waste, and \$ 11,342 for property taxes as allowances for doubtful accounts. An estimated amount has been recorded for services rendered, but not yet billed, as of the close of the year.

Prepaid items

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items. The cost of governmental fund-type prepaids is recorded as an expenditure when consumed rather than when purchased.

Restricted assets

Enterprise Funds, because of certain bond covenants, are required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt. The bond account is used only for the payment of principal and interest on revenue bonds. The depreciation and replacement account is to be expended only for repairs or replacements to the water and sewer fund. The bond reserve account is to be used only to pay bonds at maturity or interest as it becomes due and to the extent other funds are not available for this purpose.

Certain General Fund monies are classified as restricted assets on the Statement of Net Position and Balance Sheet because their use is limited by covenants of the capital lease agreement. The reserve account is to be used solely for the purpose of making lease payments on the applicable due dates when and to the extent other funds are not available for this purpose. The lease payment account is used only for the payment of the principal and interest on the lease obligation.

Inventories

The City does not maintain material amounts of supplies and maintenance materials; therefore, no inventory amount is reflected in the financial statements. Inventories are recorded as expenditures/expenses at the time of purchase, and, therefore, no balances for inventory on hand are reported in the statements.

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets and Depreciation

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$ 2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. The estimated useful lives for each major class of depreciable capital assets are as follows:

Buildings	20-50 years
Building improvements	15-20 years
Utility plant and extensions	33-40 years
Infrastructure	10-40 years
Machinery, furniture and equipment	3-10 years
Vehicles	5-10 years

Bond Premiums/Discounts, and Issuance Costs

In the government-wide and proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, a method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period in which the debt is issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period in which the debt is issued. The face amount of debt issued and any related premiums or discounts are reported as other financing sources/uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures during the year they are incurred.

Deferred Outflows of Resources/Loss on Refunded Debt

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *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. At this time, the City has two items that meet the definition of deferred outflows of resources. One is the deferred

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

charge on refunding reported in the government-wide statement of net position and the statement of net position for proprietary funds. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the amount related to pension outflows as per GASB 68.

Deferred Inflows of Resources/Unavailable Revenue

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *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 government has two types of items that qualify for reporting in this category. One is in the governmental funds which is unavailable revenues from one source: real estate taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The second item is in the Governmental Activities as related to pension inflows as per GASB 68.

Obligation for Bond Arbitrage Rebate

Pursuant to Section 148(f) of the U.S. Internal Revenue Code, the City must rebate to the United State Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. Arbitrage rebate, if any, is due and payable on each five year anniversary of the respective debt issue. As of December 31, 2019, the City had no outstanding arbitrage rebate liability.

Vacation, sick leave, and other compensated absences

City employees are entitled to certain compensated absences based on their length of employment. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Pensions

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

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances-Governmental Funds

As of December 31, 2019, fund balances of the governmental funds are classified as follows:

Non-spendable-This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted-This classification includes amounts that can be spent only for specific purposes because of the City Charter, City Code, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed-This classification includes amounts that can be used only for specific purposes determined by a formal action by the City Council. Such formal action may be in the form of an ordinance and may only be modified or rescinded by a subsequent formal action.

Assigned-This classification is used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily.

Unassigned-This classification represents the residual positive balance within the General Fund, which has not been restricted, committed, or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assigned actions.

The fund balance of the City's General Fund has accumulated cash to provide stability and flexibility to respond to unexpected adversity and/or opportunities. Currently the General Fund has set aside \$ 639,758.

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net investment in capital assets amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Restrictions of Net Position

The City records restrictions to indicate that a portion of the net position is legally segregated for a specific future use. The following details the description and amounts of all restrictions used by the City as of December 31, 2019:

Proprietary Fund Types-Business Type Activities

<u>Waterworks and Sewerage System Fund</u>	<u>Total</u>
Debt reserve	\$ 1,835,968
Depreciation and replacement	1,106,834
	<u>\$ 2,942,802</u>
Construction projects	<u>\$ 3,824,944</u>

Governmental Activities

Debt reserves	<u>\$ 695,270</u>
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Use of Estimates

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results could differ from those estimates.

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1, and are due and payable at that time. All unpaid taxes levied October 1 become delinquent January 1, of the following year. Valuation for 2019 was \$ 295,108,123 with the levy set at \$.2922 total broken down \$.2337 for General Fund and \$.0585 Parks and Recreation.

Revenue Recognition - Sales Tax authorizations

Sales tax authorizations consist of a one-cent general sales recorded in the General Fund (\$ 3,328,784), 3/8 cent Transportation sales tax (\$ 1,246,401) (expires September 30, 2022) plus a Christian County sales tax (\$ 166,428), ¼ cent Capital Improvement sales tax (\$ 831,529), ½ cent Park/Storm Water sales tax (\$ 1,664,380) and ¼ cent Sewer sales tax for Capital Improvements (\$ 832,196).

Interest Earned on SRF Bond Reserves

On the debt issues funded under the State Revolving Funds the City earns interest on reserve accounts established by the Federal Government and State of Missouri which is applied to reduce the required interest payments for the City.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The City is required by Missouri State Law RSMo 105.485 to prepare a budget each year based on estimates of revenues and expected expenditures which include at a minimum a budget message, budget summary, schedule with prior year comparison of estimated revenue and expenditures, schedule of bonded debt obligations and budget approval letter. The accompanying statement of revenues, expenditures and changes in fund balance-budget and actual includes the budgeted expenditures for the year, along with management's estimate of revenues for the year for both the original budget and the final budget which is reflective of any amendments throughout the fiscal year. The legal level of budgetary control is at the total fund level.

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (modified accrual basis) for all governmental funds.

Excess of expenditures over appropriations

For the year ended December 31, 2019, expenditures did not exceed appropriations in any of the Governmental Funds.

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY(Continued)

Bond Reserve Compliance

The City was in compliance with required bonded debt reserves for the year.

Legal Debt Margin

The City's assessed value supports a general obligation bond limit of \$ 29,510,812. The City did not have any general obligation bonds outstanding as of December 31, 2019.

DETAILED NOTES ON ALL FUNDS

NOTE B – DEPOSITS AND INVESTMENTS

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

As of December 31, 2019, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

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

*Bonds of the State of Missouri, of the United States, or of any wholly owned corporation of the United States.

*Other short-term obligations of the United States.

Investment Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have a written investment policy covering credit risk.

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE B – DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City's policy is to limit the length of investments to meet cash flow requirements for ongoing operations, thereby avoiding the need to sell securities before maturity.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City policy is to invest in only those instruments approved by the State of Missouri which have minimal risk.

Custodial Credit Risk is the risk that in the event of a broker/agent failure, securities that are uninsured and not registered in the name of the City and are held by either the counterparty to the transaction or the counterparty's trust department or agent but not in the government's name will not be returned to the City. The City does have a written investment policy on custodial credit risk which all investments are either insured or registered in the City's name and held by the City's agent.

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE C – RESTRICTED ASSETS

For December 31, 2019, restricted cash accounts were as follows:

ENTERPRISE FUND	Restricted Cash	Required Per Bond Agreements
Waterworks and Sewerage Fund		
Debt Reserves	\$ 2,032,336	\$ 955,815
Depreciation and replacement Projects	910,466 3,824,944	900,521 -
	<u>\$ 6,767,746</u>	<u>\$ 1,856,336</u>
 GOVERNMENTAL ACTIVITIES	 Restricted Cash	 Required Per Bond Agreements
Park Fund		
Debt reserves	\$ 667,628	\$ 667,268
General Fund		
Debt reserves	27,642	\$ 27,642
Grants and donations	117,064	
Court	1,457	
Operation reserves	639,758	
	<u>\$ 1,453,549</u>	

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE D – CAPITAL ASSETS AND DEPRECIATION

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

Governmental Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 7,885,052	\$ -	\$ -	\$ 7,885,052
Total capital assets not being depreciated	<u>7,885,052</u>	<u>-</u>	<u>-</u>	<u>7,885,052</u>
Capital assets, being depreciated:				
Land improvements	22,083,000	3,243,777	-	25,326,777
Buildings	18,091,688	-	-	18,091,688
Machinery and Vehicles	<u>3,720,842</u>	<u>319,139</u>	<u>157,993</u>	<u>3,881,988</u>
Total capital assets being depreciated	<u>43,895,530</u>	<u>3,562,916</u>	<u>157,993</u>	<u>47,300,453</u>
Less: Accumulated depreciation for:				
Land improvements	5,941,945	847,396	-	6,789,341
Buildings	3,581,200	365,717	-	3,946,917
Machinery and Vehicles	<u>2,929,462</u>	<u>277,032</u>	<u>157,993</u>	<u>3,048,501</u>
Total accumulated depreciation	<u>12,452,607</u>	<u>1,490,145</u>	<u>157,993</u>	<u>13,784,759</u>
Total capital assets being depreciated, net	<u>31,442,923</u>	<u>2,072,771</u>	<u>-</u>	<u>33,515,694</u>
Governmental activities capital assets, net	<u>\$ 39,327,975</u>	<u>\$ 2,072,771</u>	<u>\$ -</u>	<u>\$ 41,400,746</u>

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

Governmental activities:

General government	\$ 75,069
Police	86,463
Storm water	13,516
Streets	916,290
Parks	<u>398,807</u>
	<u>\$ 1,490,145</u>

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE D – CAPITAL ASSETS AND DEPRECIATION (Continued)

Business Type Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 948,500	\$ 48,939	\$ -	\$ 997,439
Construction in progress	283,269	-	257,980	25,289
Total capital assets not being depreciated	<u>\$ 1,231,769</u>	<u>\$ 48,939</u>	<u>\$ 257,980</u>	<u>\$ 1,022,728</u>
Capital assets, being depreciated:				
Buildings	\$ 198,337	\$ -	\$ -	\$ 198,337
Water system	25,186,033	1,508,149	-	26,694,182
Waste water system	46,154,004	1,545,496	64,345	47,635,155
Total capital assets being depreciated	<u>71,538,374</u>	<u>3,053,645</u>	<u>64,345</u>	<u>74,527,674</u>
Less accumulated depreciation for:				
Buildings	47,668	3,966	-	51,634
Water system	8,203,768	631,496	-	8,835,264
Waste water system	19,444,136	1,234,439	64,345	20,614,230
Total accumulated depreciation	<u>27,695,572</u>	<u>1,869,901</u>	<u>64,345</u>	<u>29,501,128</u>
Total capital assets being depreciated, net	<u>\$ 43,842,802</u>			<u>\$ 45,026,546</u>
Business-type activities capital assets, net	<u>\$ 45,074,571</u>			<u>\$ 46,049,274</u>

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

Business-type activities:

Water	\$ 658,299
Wastewater	<u>1,211,602</u>
	<u>\$ 1,869,901</u>

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE E – LONG-TERM DEBT

Business-type activities

The following is a summary of debt transactions of the City for the year ended December 31, 2019 as it relates to the business type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount due Within one Year
Revenue Bonds	\$ 13,135,000	\$ -	\$ 1,240,000	\$ 11,895,000	\$ 1,318,000
Cert. of Part.	13,213,184	-	405,000	12,808,184	400,760
NID Bonds	936,001	-	112,194	823,807	112,789
Totals	<u>\$ 27,284,185</u>	<u>\$ -</u>	<u>\$ 1,757,194</u>	<u>\$ 25,526,991</u>	<u>\$ 1,831,549</u>
Compensated Absences	<u>\$ 69,572</u>	<u>\$ 117,936</u>	<u>\$ 106,008</u>	<u>\$ 81,500</u>	<u>\$ 69,572</u>

As reported on the financial statement:

Amount due within one year

Debt	\$ 1,831,549
Compensated absences	69,572

Amount due in more than one year:

Revenue bonds	10,577,000
NID Bonds	711,018
Certificate of participation	12,407,424
Compensated absences	<u>11,928</u>
	<u>\$ 25,608,491</u>

Accrued compensation liability are liquidated in proportion to the Water and Sewer Departments.

The bond ordinances require that the City establish rates and charges for its water and sewer services, such that the revenues derived from the water and sewer system are sufficient to provide for the payment of principal and interest on the revenue bonds and for the operation and maintenance of the water and sewer system. NID bonds are debt payments are provided by a special assessment property tax and capital leases payment comes from operation and maintenance funds.

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE E – LONG-TERM DEBT (Continued)

State Revolving Fund Program Bonds: The City has \$ 11,730,000 of State Revolving Fund Program Bonds. In conjunction with this issuance, the City entered into an agreement with the Missouri Department of Natural Resources whereby the state of Missouri will advance monies to establish a reserve fund in an amount up to 70% of the outstanding bonds. This reserve fund will serve as collateral on the State Revolving Fund Program Bonds in the event of default and interest earnings on the reserve fund will be used to reduce the City's interest payment on the outstanding bonds. As of December 31, 2019, the reserve fund has approximately \$ 8,576,021.

The Proprietary Funds long-term debt as of December 31, 2019 follows:

Revenue Bonds

\$ 975,000, 2001A Series, Waterworks and Sewerage System Revenue Bonds due in annual installments of principal ranging from \$ 35,000 to \$ 65,000 and with interest rates ranging from 4.0% to 5.0% payments are made monthly to trustee with the debt maturing January 1, 2022. State Revolving Fund Program.	\$ 190,000
\$ 7,980,000, 2006A Series, Waterworks and Sewerage System Revenue Bonds due in annual installments of principal ranging from \$ 305,000 to \$ 480,000 and with interest rates ranging from 4.0% to 5.25% payments are made monthly to trustee with the debt maturing July 1, 2026. State Revolving Fund Program.	3,145,000
\$ 15,125,000, 2007A Series, Waterworks and Sewerage System Revenue Bonds due in annual installments of principal ranging from \$ 495,000 to \$ 2,175,000 and with interest rates ranging from 4.0% to 4.375% payments are made monthly to trustee with the debt maturing January 1, 2028. State Revolving Fund Program.	8,395,000
\$ 435,000, 2012 Series, Combined Waterworks and Sewerage System Refunding Revenue Bonds due in annual installments of principal ranging from \$ 25,000 to \$ 40,000 with interest paid semiannual at rates ranging from 2.3% to 4.0%. Debt matures December 1, 2025.	165,000
	<u>\$ 11,895,000</u>

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE E – LONG-TERM DEBT (Continued)

The annual requirements to amortize revenue bonded debt as of December 31, 2019 follows:

Year Ending December 31,	Principal	Interest	Total
2020	\$ 1,285,000	\$ 513,393	\$ 1,798,393
2021	1,325,000	407,507	1,732,507
2022	1,380,000	394,183	1,774,183
2023	1,360,000	329,161	1,689,161
2024	1,410,000	265,901	1,675,901
2025-2028	5,135,000	426,346	5,561,346
	\$ 11,895,000	\$ 2,336,491	\$ 14,231,491

Certificate of Participation:

\$ 7,815,000, 2013 Series, Refunding Water System Improvement Certificates of Participation, paying principal annually ranging from \$ 50,000 to \$ 720,000 with stated interest rates of 2.00% to 4.625%. Principal and interest due 5/1 and interest only 11/1 with debt maturing 5/1/2033. \$ 307,727 of debt was issued to the General Fund or 4.12% and the remaining \$ 7,457,273 or 95.88% to the Water Department.	\$ 6,153,184
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\$ 6,700,000, 2016 Series, For Water System Improvements, Certificates of Participation, paying principal annually ranging from \$ 85,000 to \$ 890,000 with stated interest rates of 2.00% to 3.25%. Principal and interest due 5/1 and interest only 11/1 with debt maturing 5/1/2038.	6,655,000
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Total Certificates of Participations	\$ 12,808,184
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CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE E – LONG-TERM DEBT (Continued)

Year Ending December 31,	Water Department		General Fund	
	Principal	Interest	Principal	Interest
2020	\$ 433,760	\$ 447,497	\$ 15,246	\$ 10,366
2021	438,559	434,863	16,038	9,897
2022	443,559	421,368	16,236	9,412
2023	505,752	406,001	17,118	8,895
2024	534,750	388,187	19,008	8,300
2025-2029	2,844,349	1,621,718	103,158	30,016
2030-2034	4,217,455	972,497	69,964	9,101
2035-2038	3,390,000	224,901	-	-
	<u>\$ 12,808,184</u>	<u>\$ 4,917,032</u>	<u>\$ 256,768</u>	<u>\$ 85,987</u>

Neighborhood Improvement District Bonds

\$ 1,165,000 2006 Series Kirkwood Improvement District. \$ 407,750
Principal paid annually with \$ 58,250 due each year and
semiannual interest payments at 4.95% with debt maturing
September 1, 2026.

\$ 797,500 2006 Series Stonegate Improvement District. 279,125
Principal paid annually with \$ 39,875 due each year and
semiannual interest payments at 4.45% with debt maturing
June 30, 2026.

\$ 270,000 2006 Series Laurel Hills Improvement District. 136,932
Principal paid annually ranging from \$ 10,897 to \$ 19,777 and
semiannual interest payments at 4.35% with debt maturing
March 1, 2027.

\$ 823,807

Special improvement bonds were issued to pay for sewer
improvements and are paid by a special property tax assessment.

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE E – LONG-TERM DEBT (Continued)

The annual requirements to amortize special assessment debt as of December 31, 2019 is as follows:

Year Ending December 31,	Principal	Interest	Total
2020	\$ 112,789	\$ 37,759	\$ 150,548
2021	113,443	32,389	145,832
2022	114,109	27,063	141,172
2023	114,805	21,709	136,514
2024	115,521	16,355	131,876
2025-2027	253,140	17,221	270,361
	<u>\$ 823,807</u>	<u>\$ 152,496</u>	<u>\$ 976,303</u>

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE E – LONG-TERM DEBT (Continued)

Governmental activities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amount due Within one Year
Special Assessment Bonds	\$ 86,628	\$ -	\$ 8,021	\$ 78,607	\$ 8,372
Certificates of Participation	18,736,816	-	275,048	18,461,768	290,246
PFC & LCRA Notes payable	1,729,181	-	498,741	1,230,440	501,846
	<u>\$ 20,552,625</u>	<u>\$ -</u>	<u>\$ 781,810</u>	<u>\$ 19,770,815</u>	<u>\$ 800,464</u>
Compensated absences	<u>\$ 152,526</u>	<u>\$ 163,286</u>	<u>\$ 164,691</u>	<u>\$ 151,121</u>	<u>\$ 129,014</u>

As reported on the financial statement:

Amount due within one year	
Debt	\$ 800,464
Compensated absences	129,014
Amount due in more than one year:	
Notes payable	728,594
Special Assessment Bonds	70,235
Certificates of Participation	18,171,522
Compensated absences	<u>22,107</u>
Total	<u>\$ 19,921,936</u>

For governmental activities, liability for compensated absences are generally liquidated by the General Fund.

The Governmental long-term special obligation debt as of December 31, 2019 follows:

\$ 155,000, December 31, 2007, Bluff Drive Community Improvement District Bonds for the purpose of signalization project. Payments are annual of \$11,920 with an interest rate of 4.50%. Debt matures matures July 17, 2027.	<u>\$ 78,607</u>
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CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE E – LONG-TERM DEBT (Continued)

The annual requirement to amortize special obligation bonded debt as of December 31, 2019 is as follows:

Year Ending December 31,	Principal	Interest	Totals
2020	\$ 8,372	\$ 3,547	\$ 11,919
2021	8,759	3,161	11,920
2022	9,153	2,766	11,919
2023	9,565	2,354	11,919
2024	9,990	1,929	11,919
2025-2027	32,768	2,991	35,759
	<u>\$ 78,607</u>	<u>\$ 16,748</u>	<u>\$ 95,355</u>

The Governmental long-term certification of participation debt as of December 31, 2019 follows:

\$ 19,350,000, 2014 Series, Refunding Certificate of Participation
paying principal annually ranging from \$ 200,000 to \$ 2,765,000
with stated interest rates of 2.00% to 4.00%. Principal and interest
due 9/1 and interest only 3/1 with debt maturing September 1, 2044. \$ 18,205,000

\$ 7,815,000, 2013 Series, Refunding Water System Improvement
Certificates of Participation, paying principal annually ranging from
\$ 50,000 to \$ 720,000 with stated interest rates of 2.00% to 4.625%.
Principal and interest due 5/1 and interest only 11/1 with debt
maturing 5/1/2033. \$ 309,767 of debt was issued to the General
Fund or 3.96% and the remaining \$ 7,505,233 or 96.04% to the
Water Department.

256,768

\$ 18,461,768

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE E – LONG-TERM DEBT (Continued)

The annual requirement to amortize the certificate of participation debt as of December 31, 2019 is as follows:

Year Ending December 31,	Principal	Interest	Totals
2020	\$ 290,246	\$ 799,004	\$ 1,089,250
2021	311,038	790,285	1,101,323
2022	331,236	780,950	1,112,186
2023	352,118	770,983	1,123,101
2024	379,008	756,988	1,135,996
2025-2029	2,343,158	3,627,910	5,971,068
2030-2034	3,199,964	2,884,541	6,084,505
2035-2039	4,180,000	2,137,802	6,317,802
2040-2044	7,075,000	1,099,538	8,174,538
	<u>\$ 18,461,768</u>	<u>\$ 13,648,001</u>	<u>\$ 32,109,769</u>

Component units

The following is a summary of debt transactions of the PFC and LCRA for the year ended December 31, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount due Within one Year
Note payables	<u>\$ 1,729,181</u>	<u>\$ -</u>	<u>\$ 498,741</u>	<u>\$ 1,230,440</u>	<u>\$ 501,846</u>

As reported on the financial statement:

Amount due within one year	\$ 501,846
Amount due in more than one year:	
Note payables	<u>728,594</u>
Total	<u>\$ 1,230,440</u>

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE E – LONG-TERM DEBT (Continued)

The Component Units note payables debt as of December 31, 2019 follows:

Public Financing Corporation

\$ 886,400 note payable entered into February 25, 2009, for purchase of 2009 land acquisition. Payable with quarterly principal and interest payments of \$12,018.68 and annual adjustable interest rate of 4.00%. With final payment October 8, 2021 \$ 248,885

\$ 300,000 note payable entered into November 2016, for purchase of real estate at 203-207 E. Brick Street. Payable monthly principal and interest payments of \$ 3,901.39 and interest rate of 2.50%. December 2023. 169,567

\$ 430,922 Lease obligation entered into on August 1, 2017 for the purchase Office Warehouse at 751 N. 9th Street. Payable quarterly payments of \$ 17,255.43 including principal and interest at 3.18% interest rate with the final payment September 1, 2024 302,831

Total \$ 721,283

Land Clearance for Redevelopment Authority

\$ 1,535,582 note payable entered into October 8, 2015 for the redemption of other notes for the purchase of property. Terms are \$ 24,066.42 per month at 4.00% interest with final payment October 8, 2021. \$ 509,157

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE E – LONG-TERM DEBT (Continued)

The annual requirement to amortize the note payables as of December 31, 2019 is as follows:

Year Ending December 31,	Principal	Interest	Totals
2020	\$ 501,846	\$ 33,573	\$ 535,419
2021	465,154	16,418	481,572
2022	109,210	6,717	115,927
2023	103,299	3,586	106,885
2024	50,931	871	51,802
	<u>\$ 1,230,440</u>	<u>\$ 61,165</u>	<u>\$ 1,291,605</u>

NOTE F – 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 maintains commercial insurance coverage for property damage and various Missouri Official's bonds. Management believes coverage is sufficient to preclude any significant uninsured losses to the City.

At December 31, 2019, the City maintained commercial insurance coverage for building and contents and employee theft. In the past three years the City had no losses that exceeded commercial insurance coverage.

NOTE G – DEFINED BENEFIT PENSION PLAN

The City of Ozark participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee retirement plan for units of local government which is legally separate and fiscally independent of the State of Missouri. The retirement system covers all full-time City employees.

Plan description

The City of Ozark's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City of Ozark 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

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE G – DEFINED BENEFIT PENSION PLAN (Continued)

persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits provided

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

	2019 Valuation			
Benefit Multiplier:	1.50%			
Final Average Salary:	3 years			
Member Contributions:	0.00%			

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

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits					41
Inactive employees entitled to but not yet receiving benefits					34
Active employees					105
Total					180

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 0% of their gross pay to the pension plan. Employer's contribution rates are 12.11% General and 11.9% Police of annual covered payroll.

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE G – DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability

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

Actuarial assumptions

The total pension liability in the February 28, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation					
Salary increase	3.25% to 6.55% including wage inflation					
Investment rate of return	7.25% net of investment expenses					

Mortality rates were based on the 1994 Group Annuity Mortality Table set back 0 years for both males and females.

The actuarial assumptions used in the February 28, 2019 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing 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	Long-Term Expected		
	Allocation	Real Rate of Return		
Equity	39.00%	4.16%		
Fixed Income	28.00%	0.89%		
Real Assets	33.00%	2.09%		

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE G – DEFINED BENEFIT PENSION PLAN (Continued)

Discount rate

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

Changes in the Net Pension Liability

			Increase (Decrease)		
			Total Pension	Plan Fiduciary	Net Pension
			Liability	Net Position	Liability
			(a)	(b)	(a)+(b)
Balances at 7/1/2018			\$ 14,037,675	\$ (14,459,724)	\$ (422,049)
Changes for the year:					
	Service Cost		468,241	-	468,241
	Interest		1,021,297	-	1,021,297
	Changes in benefits terms		-	-	-
	Difference between expected and actual experience		183,106	-	183,106
	Contribution - employer		-	(539,556)	(539,556)
	Net investment income		-	(965,758)	(965,758)
	Benefit payments, including refunds		(368,121)	368,121	-
	Administrative expense		-	19,689	19,689
	Other changes		-	67,533	67,533
	Net changes		1,304,523	(1,049,971)	254,552
Balances at 6/30/2019			\$ 15,342,198	\$ (15,509,695)	\$ (167,497)

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE G – DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity of the net pension liability to changes in the discount rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25% for General Division and 7.25% for Police Division, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower 6.25% for General Division and 6.25% for Police Division or one percentage point higher 8.25% for General Division and 8.25% for Police Division than the current rate.

	Current Single Discount			
1% Decrease		Rate Assumption		1% Increase
6.25%		7.25%		8.25%
\$ 2,325,714		\$ (167,497)		\$ (2,190,570)

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

For the year ended June 30, 2019 the employer recognized pension expense of \$ 613,759. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows	
	of Resources	of Resources	
Differences in experience	\$ 350,620	\$ (356,813)	
Differences in assumptions	268,673	(94,093)	
Excess(deficit) in investment returns	-	(395,380)	
Contributions subsequent to the measurement date*	273,177	-	
Total	\$ 892,470	\$ (846,286)	

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an increase in the Net Pension Asset for the year ending December 31, 2020.

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE G – DEFINED BENEFIT PENSION PLAN (Continued)

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

Year ended:				
2020	\$	(26,158)		
2021		(195,042)		
2022		(78,781)		
2023		29,434		
2024		25,695		
Thereafter		17,859		
Total	\$	<u>(226,993)</u>		

Payable to the Pension Plan

At December 31, 2019, the City of Ozark reported a payable of \$ 0.00 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2019.

NOTE H – GRANTS

Intergovernmental awards received by the City are subject to audit and adjustment by the grantor agencies. If grant revenues are received for expenditures, which are subsequently disallowed, the City may be required to repay the revenues to the funding agencies. No disallowed costs have resulted from this audit and management believes that further examination will not result in any disallowed costs.

NOTE I – CONTINGENCIES

Litigation – Various claims and lawsuits are pending against the City. In the opinion of the City's management, the potential loss on all claims and lawsuits will not be significant to the City's financial statements.

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE J – INTERFUND TRANSFERS

Interfund transfers as follows were used for operations and property lease payments as set forth in the approved budget:

	To	From
Operation transfers:		
General Fund	\$ 100,000	\$ 499,317
Park Fund	499,317	-
Solid Waste	-	100,000
	<u>\$ 599,317</u>	<u>\$ 599,317</u>
Debt service:		
General Fund	\$ -	\$ 433,117
Debt Service Fund	433,117	-
	<u>\$ 433,117</u>	<u>\$ 433,117</u>

NOTE K – INTERFUND TRANSFERS FOR CAPITAL IMPROVEMENTS

During the year, the following funds paid from the Capital Improvement Fund for reimbursements of capital improvements and assets transferred from component units to Waterworks and Sewerage System Fund are as follows:

	To	From
General Fund	\$ 770,000	\$ -
Capital Improvement Fund	-	770,000
	<u>\$ 770,000</u>	<u>\$ 770,000</u>

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE L – TOWER LEASES

The City leases space on the City's water towers to various wireless providers for the placement of antennae. A total of \$ 78,758 was received during the year ended December 31, 2019 and is reported in the General Fund. For the next five years, scheduled payments to receive are:

	2020		\$ 85,375			
	2021		88,487			
	2022		91,740			
	2023		94,993			
	2024		98,246			

NOTE M –EQUIPMENT LEASE

The City leases fitness equipment for the Park OC Center. The following is a summary of future lease payments:

			Fitness		
			<u>Equipment</u>		
	2020		\$ 61,804		

It is the City's policy at the end of the lease to return all of the equipment and begin a new lease on new equipment.

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE N – CONSTRUCTION IN PROGRESS

Construction in progress is authorized by actions of the City Council (governing body). A summary of construction in progress as of December 31, 2019 is as follows:

Project	Cost of Project	Construction in Progress	Remaining Cost to Complete
Waterworks and Sewerage Fund			
Third Street Water Improvements	\$ 718,517	\$ 25,289	\$ 693,228
	<u>\$ 718,517</u>	<u>\$ 25,289</u>	<u>\$ 693,228</u>

NOTE O – FUTURE ACCOUNTING PRONOUNCEMENTS

The accounting principles governing the reported amounts, presentation and related disclosures are subject to change from time to time based on new pronouncements and/or rules issued by various governing bodies. The Governmental Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments.

The City adopted the following statements during the year ended December 31, 2019:

GASB Statement No. 75, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for OPEB. This Statement replaces the requirements of Statements No. 45 and No. 57. The Statement is effective for periods beginning after June 15, 2018.

GASB Statement No. 85, *Omnibus 2019 Activities*, issued March 2018, will be effective for the City beginning after June 15, 2018. This Statement is to address practice issues that have been identified during implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE O– FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, issued May 2018, will be effective for the City beginning after June 15, 2018. This Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

GASB Statement No. 90, *Majority Equity Interests-An Amendment of GASB Statements No. 14 and No. 61*, issued August 2018, will be effective for the City for reporting periods beginning after December 15, 2018. The primary objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organizations should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

GASB Statement No. 84, *Fiduciary Activities*, issued January 2018, will be effective for the City beginning after December 15, 2018. This Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, issued April 2018, will be effective for the City for reporting periods beginning after June 15, 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

The City did not have any changes to report for the year ending December 31, 2019 upon adopting GASB 75, 84, 85, 86, 88 and 90.

CITY OF OZARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE O– FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)

The Statements which might impact the City are as follows:

GASB Statement No. 83, *Certain Asset Retirement Obligations*, issued November 2016, will be effective for the City beginning with its fiscal year ending December 31, 2019. This Statement is to provide financial statement users with information about assets retirement obligations (AROs) that were not addressed in GASB standards establishing uniform accounting and financial reporting requirement for these obligations.

GASB Statement No. 87, *Leases*, issued June 2018, will be effective for the City beginning after December 25, 2019. This Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*, issued June 2018, will be effective for the City for reporting periods beginning after December 15, 2019. The primary objective of this Statement is (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

The City's management has not yet determined the effect these statements will have on the City's financial statements.

City of Ozark, Missouri
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2019

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF OZARK, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

REVENUES	General Fund			
	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Taxes:				
Property taxes	\$ 677,750	\$ 692,153	\$ 732,894	\$ 40,741
Franchise taxes	553,000	604,810	628,955	24,145
Sales taxes	4,296,050	4,430,450	4,575,185	144,735
Intergovernmental:				
Missouri motor fuel taxes	720,000	720,000	727,251	7,251
Christian County sales tax	30,000	196,701	166,428	(30,273)
Charge for services:				
Police services	80,000	55,000	53,413	(1,587)
Licenses & permits	172,500	265,826	275,254	9,428
Fines & forfeitures	223,952	93,943	91,946	(1,997)
Interest	8,443	42,340	71,692	29,352
Grants	19,600	94,558	96,496	1,938
Rents	77,000	78,200	87,080	8,880
Developers contribution	-	2,249,358	2,249,358	-
Miscellaneous	5,000	20,177	30,755	10,578
Total Revenues	<u>6,863,295</u>	<u>9,543,516</u>	<u>9,786,707</u>	<u>243,191</u>
EXPENDITURES				
Current:				
General government	1,703,028	1,390,779	1,254,101	136,678
Police	3,028,839	2,891,558	2,847,690	43,868
Court	49,810	55,035	57,116	(2,081)
Street	870,895	880,883	758,761	122,122
Capital outlay	854,000	3,444,209	3,397,343	46,866
Debt service:				
Principal	25,000	25,000	23,609	1,391
Interest and fees	5,500	5,500	30,021	(24,521)
Total Expenditures	<u>6,537,072</u>	<u>8,692,964</u>	<u>8,368,641</u>	<u>324,323</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>326,223</u>	<u>850,552</u>	<u>1,418,066</u>	<u>567,514</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	870,000	870,000	870,000	-
Transfers (to) other funds	(1,834,590)	(869,590)	(932,434)	(62,844)
Sale of assets	-	8,168	8,168	-
	<u>(964,590)</u>	<u>8,578</u>	<u>(54,266)</u>	<u>(62,844)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (638,367)</u>	<u>\$ 859,130</u>	<u>1,363,800</u>	<u>\$ 504,670</u>
FUND BALANCES - BEGINNING			<u>3,524,329</u>	
FUND BALANCES - ENDING			<u>\$ 4,888,129</u>	

CITY OF OZARK, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Park/Stormwater Funds			
	Budgeted Amounts			Variance With
REVENUES	Original	Final	Actual	Final Budget
Taxes:				
Property taxes	\$ 165,750	\$ 165,750	\$ 179,885	\$ 14,135
Sales taxes	1,313,505	1,403,551	1,664,380	260,829
Charge for services:				
Park programs	1,847,195	2,088,349	1,779,154	(309,195)
Interest	6,000	35,881	71,657	35,776
Rents	1,800	1,800	76,975	75,175
Impact fees	75,000	90,518	59,560	(30,958)
Miscellaneous	1,000	1,000	14,061	13,061
Total Revenues	<u>3,410,250</u>	<u>3,786,849</u>	<u>3,845,672</u>	<u>58,823</u>
Current:				
Administration park department	2,861,486	2,792,124	2,597,303	194,821
Storm water	66,000	45,545	13,332	32,213
Capital outlay	70,000	118,048	165,573	(47,525)
Debt service:				
Principal	260,000	260,000	260,000	-
Interest and fees	799,438	776,240	778,048	(1,808)
Total Expenditures	<u>4,056,924</u>	<u>3,991,957</u>	<u>3,814,256</u>	<u>177,701</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(646,674)	(205,108)	31,416	236,524
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	<u>463,590</u>	<u>495,268</u>	<u>499,317</u>	4,049
NET CHANGE IN FUND BALANCE	<u>\$ (183,084)</u>	<u>\$ 290,160</u>	530,733	<u>\$ 240,573</u>
FUND BALANCES - BEGINNING			<u>4,507,109</u>	
FUND BALANCES - ENDING			<u>\$ 5,037,842</u>	

CITY OF OZARK, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON INFORMATION
DECEMBER 31, 2019

Explanation of Budgetary Process

The City Council follows the procedures outlined below in establishing the budgetary data reflected in the basic financial statements:

- a. City department directors prepare departmental operating budgets and the Director of Finance makes revenue projections on or before September 1st.
- b. Departmental meetings are conducted during the month of October with the City Manager and the Director of Finance to allow the departments to support their budgets.
- c. Preliminary budget summaries of revenues and expenditures/expenses are prepared for review by the City Manager.
- d. Final budget decisions are made by the City Manager by mid-November.
- e. A proposed budget is submitted to the City Council by the end of November.
- f. Prior to January 1st, the budget is legally enacted. Projected expenditures cannot exceed estimated revenues plus fund balances at the beginning of the year.
- g. Budgetary control is exercised by the City Council at the department and fund levels. This is the legal level of control. All unexpended appropriations lapse at year-end.

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles.

The budgeted amounts included in the basic financial statements are as originally adopted or amended by the City Council, pursuant to State Statutes. The City Council adopts annual budgets for the General Fund, Park/Storm Water Fund, Capital Improvement Fund and Debt Service Fund.

For the year ended December 31, 2019, actual expenditures were within budget.

CITY OF OZARK, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED DECEMBER 31,

	2019	2018	2017	2016	2015
Total Pension Liability					
Service costs	\$ 468,241	\$ 384,253	\$ 368,306	\$ 359,531	\$ 359,695
Interest on Total Pension Liability	1,021,297	871,188	808,447	731,857	688,854
Changes in benefits terms		1,254,378	-	-	-
Difference between expected and actual experience	183,106	(91,636)	41,033	(138,114)	(165,300)
Changes in assumptions	-	-	(175,642)	596,565	-
Benefit payments, including refunds	(368,121)	(409,120)	(297,516)	(361,316)	(221,179)
Net change in total pension liability	1,304,523	2,009,063	744,628	1,188,523	662,070
Total Pension Liability-beginning	14,037,675	12,028,612	11,283,984	10,095,461	9,433,391
Total Pension Liability-ending	<u>\$ 15,342,198</u>	<u>\$ 14,037,675</u>	<u>\$ 12,028,612</u>	<u>\$ 11,283,984</u>	<u>\$ 10,095,461</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ (539,556)	\$ (488,853)	\$ (409,182)	\$ (401,675)	\$ (449,197)
Contributions - employee	-	-	-	-	(6,291)
Net investment income	(965,758)	(1,633,648)	(1,353,122)	15,442	(225,128)
Benefits payments, including refunds	368,121	409,120	297,516	361,316	221,179
Pension Plan Administrative Expense	19,689	13,320	12,898	12,118	12,956
Other (Net Transfer)	67,533	52,301	16,999	110,197	(245,288)
Net change in plan fiduciary net position	(1,049,971)	(1,647,760)	(1,434,891)	97,398	(691,769)
Plan Fiduciary Net Position-beginning	(14,459,724)	(12,811,964)	(11,377,073)	(11,474,471)	(10,782,702)
Plan Fiduciary Net Position-ending	<u>\$ (15,509,695)</u>	<u>\$ (14,459,724)</u>	<u>\$ (12,811,964)</u>	<u>\$ (11,377,073)</u>	<u>\$ (11,474,471)</u>
Net Pension Liability/(Asset)	<u>\$ (167,497)</u>	<u>\$ (422,049)</u>	<u>\$ (783,352)</u>	<u>\$ (93,089)</u>	<u>\$ (1,379,010)</u>
Plan fiduciary net position as a percentage of the total pension liability	101.09%	103.01%	106.51%	100.82%	113.66%
Covered payroll	\$ 4,593,400	\$ 4,253,903	\$ 4,199,370	\$ 4,163,024	\$ 4,070,250
Net Pension liability as a percentage of covered payroll	-3.65%	-9.92%	-18.65%	-2.24%	-33.88%

Notes to schedule:

*Information not available as this represents the first actuarial valuation performed pursuant to GASB Statement No. 67.

This schedule is intended to cover ten years. The City implemented GASB Statement No. 67 in fiscal year 2014. Information for years prior to fiscal year 2014 is therefore unavailable.

CITY OF OZARK, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION-UNAUDITED
SCHEDULE OF PENSION PLAN CONTRIBUTIONS
LAST TEN FISCAL YEARS
FOR THE YEARS ENDED DECEMBER 31

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2010	\$ 519,220	\$ 502,289	\$ 16,931	\$ 3,926,061	12.79%
2011	505,881	505,881	-	3,859,744	13.11%
2012	524,410	524,410	-	3,971,697	13.20%
2013	490,150	490,150	-	3,908,394	12.54%
2014	477,794	477,794	-	4,045,031	11.81%
2015	416,846	416,846	-	4,070,250	10.24%
2016	394,221	394,221	-	4,163,024	9.47%
2017	394,221	394,221	-	4,163,024	9.47%
2018	542,495	542,495	-	4,404,436	12.32%
2019	543,940	543,940	-	4,519,135	12.04%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: February 28, 2019

Notes: The roll-forward of total pension liability from February 28, 2019 to June 30, 2019 reflects expected service cost and interest reduced by actual benefit payments.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal and Modified Terminal Funding
Amortization Method	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. 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 18 years
Asset Valuation Method	5-Year smoothed market: 20% corridor
Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increases	3.25% to 6.55% including wage inflation
Investment Rate of Return	7.25%, net of investment expenses
Retirement Age	Experience-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 males and females. The pre-retirement mortality tables used were the RP-2014 employees 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.

Other information: None

City of Ozark, Missouri
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2019

OTHER SUPPLEMENTAL INFORMATION

CITY OF OZARK, MISSOURICOMBINING BALANCE SHEET-
NONMAJOR GOVERNMENTAL FUNDSDECEMBER 31, 2019

	Debt Service Fund	Capital Improvement Fund	Total
ASSETS			
Cash and cash equivalents	\$ 440,022	\$ 107,188	\$ 547,210
Accounts receivable-sales tax	-	75,729	75,729
TOTAL ASSETS	<u>\$ 440,022</u>	<u>\$ 182,917</u>	<u>\$ 622,939</u>
LIABILITIES			
Due to other funds	\$ 449,849	\$ -	\$ 449,849
Total Liabilities	<u>449,849</u>	<u>-</u>	<u>449,849</u>
FUND BALANCES			
Restricted-			
Capital Improvements	-	182,917	182,917
Unassigned (Deficit)	(9,827)	-	(9,827)
Total Fund Balances	<u>(9,827)</u>	<u>182,917</u>	<u>173,090</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 440,022</u>	<u>\$ 182,917</u>	<u>\$ 622,939</u>

CITY OF OZARK, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Debt Service Fund	Capital Improvement Fund	Total
REVENUES;			
Sales tax	\$ -	\$ 831,529	\$ 831,529
Interest	7,937	-	7,937
Rents	114,208	-	114,208
Miscellaneous	1,400	-	1,400
Total Revenues	<u>123,545</u>	<u>831,529</u>	<u>955,074</u>
EXPENDITURES:			
Debt service:			
Principal	498,741	-	498,741
Interest and fees	53,200	-	53,200
Total Expenditures	<u>551,941</u>	<u>-</u>	<u>551,941</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	(428,396)	831,529	403,133
OTHER FINANCING SOURCES (USES)			
Transfers In	433,117	-	433,117
Transfers (out)	<u>-</u>	<u>(770,000)</u>	<u>(770,000)</u>
NET CHANGE IN FUND BALANCE	4,721	61,529	66,250
FUND BALANCES - BEGINNING	<u>(14,548)</u>	<u>121,388</u>	<u>106,840</u>
FUND BALANCES - ENDING (DEFICIT)	<u>\$ (9,827)</u>	<u>\$ 182,917</u>	<u>\$ 173,090</u>

CITY OF OZARK, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

Capital Improvement Fund				
	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes:				
Sales taxes	\$ 772,650	\$ 825,447	\$ 831,529	\$ 6,082
Total Revenues	<u>772,650</u>	<u>825,447</u>	<u>831,529</u>	<u>6,082</u>
OTHER FINANCING SOURCES (USES)				
Transfers (to) other funds	<u>(770,000)</u>	<u>(770,000)</u>	<u>(770,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,650</u>	<u>\$ 55,447</u>	61,529	<u>\$ 6,082</u>
FUND BALANCES - BEGINNING			<u>121,388</u>	
FUND BALANCES - ENDING			<u>\$ 182,917</u>	

Debt Service Fund				
	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes:				
Interest	\$ 8,000	\$ 8,000	\$ 7,937	\$ (63)
Rents	115,000	115,000	114,208	(792)
Miscellaneous	-	-	1,400	1,400
Total Revenues	<u>123,000</u>	<u>123,000</u>	<u>123,545</u>	<u>545</u>
EXPENDITURES				
Debt service:				
Principal	498,741	498,741	498,741	-
Interest	53,200	53,200	53,200	-
Total Expenditures	<u>551,941</u>	<u>551,941</u>	<u>551,941</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>(428,941)</u>	<u>(428,941)</u>	<u>(428,396)</u>	<u>545</u>
OTHER SOURCES (USES)				
Transfers in	<u>433,117</u>	<u>433,117</u>	<u>433,117</u>	<u>-</u>
Total Other Sources	<u>433,117</u>	<u>433,117</u>	<u>433,117</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,176</u>	<u>\$ 4,176</u>	4,721	<u>\$ 545</u>
FUND BALANCES - BEGINNING			<u>(14,548)</u>	
FUND BALANCES - ENDING (DEFICIT)			<u>\$ (9,827)</u>	

City of Ozark, Missouri
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2019

SECTION III - STATISTICAL SECTION

(Unaudited)

City of Ozark, Missouri

Statistical Section Overview

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

Contents	Pages
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Financial Trends

These Schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	67-72
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Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources.	73-79
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Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	80-84
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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	85-87
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Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	88-90
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Sources: Unless otherwise noted, the information in these schedules is derived from the audited annual financial reports for the relevant year.

CITY OF OZARK, MISSOURI
Net Position by Component
Last 10 Fiscal Years

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities										
Net investment in capital assets	\$ 21,882,169.00	\$ 19,792,488.00	\$ 16,388,853	\$ 13,521,562	\$ 11,821,889	\$ 10,957,196	\$ 10,591,749	\$ 7,923,661	\$ 7,755,881	\$ 8,962,641
Restricted	69,490.00	819,556.00	2,182,340	2,151,834	1,545,000	2,147,170	1,943,269	2,063,000	2,518,620	2,338,884
Unrestricted	9,945,922.00	6,492,086.00	5,720,013	6,341,012	6,912,707	4,048,708	3,155,439	3,856,784	3,181,374	2,019,480
Total governmental activities net position	\$ 31,897,581.00	\$ 27,104,130.00	\$ 24,291,206	\$ 22,014,408	\$ 20,279,596	\$ 17,153,074	\$ 15,690,457	\$ 13,843,445	\$ 13,455,875	\$ 13,321,005
Business-type activities										
Net investment in capital assets	\$ 20,587,591.00	\$ 19,715,659.00	\$ 15,068,037	\$ 10,695,017	\$ 14,521,276	\$ 12,847,034	\$ 10,420,509	\$ 16,766,895	\$ 15,457,380	\$ 14,232,920
Restricted	5,681,280.00	5,613,182.00	7,987,036	9,782,390	6,682,768	9,164,804	10,400,424	4,797,075	5,483,079	5,724,473
Unrestricted	12,492,743.00	10,993,970.00	11,590,107	12,523,614	9,641,344	6,641,671	6,792,540	4,890,347	4,180,589	3,342,822
Total business-type activities net position	\$ 38,761,614.00	\$ 36,322,811.00	\$ 34,645,180	\$ 33,001,021	\$ 30,845,388	\$ 28,653,509	\$ 27,613,473	\$ 26,454,317	\$ 25,121,048	\$ 23,300,215
Primary government										
Net investment in capital assets	\$ 42,469,760.00	\$ 39,508,147.00	\$ 31,456,890	\$ 24,216,579	\$ 26,343,165	\$ 23,804,230	\$ 21,012,258	\$ 24,690,556	\$ 23,213,261	\$ 23,195,561
Restricted	5,750,770.00	6,432,738.00	10,169,376	11,934,224	8,227,768	11,311,974	12,343,693	6,860,075	8,001,699	8,063,357
Unrestricted	22,438,665.00	17,486,056.00	17,310,120	18,864,626	16,554,051	10,690,379	9,947,979	8,747,131	7,361,963	5,362,302
Total primary government net position	\$ 70,659,195.00	\$ 63,426,941.00	\$ 58,936,386	\$ 55,015,429	\$ 51,124,984	\$ 45,806,583	\$ 43,303,930	\$ 40,297,762	\$ 38,576,923	\$ 36,621,220

CITY OF Ozark, MISSOURI
Changes in Net Position
Last Ten Fiscal Years
Page 1 of 2

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Government Activities										
Administration	\$ 1,333,588	\$ 1,511,583	\$ 1,252,244	\$ 1,218,057	\$ 1,150,947	\$ 1,145,806	\$ 1,062,310	\$ 1,100,849	\$ 1,401,799	\$ 1,259,316
Public Safety	\$ 2,973,267	\$ 3,139,038	2,947,731	\$ 2,930,467	\$ 2,628,419	\$ 2,690,892	\$ 2,848,087	\$ 2,517,193	\$ 2,505,658	\$ 2,562,377
Parks & Recreation	\$ 2,997,065	\$ 2,926,520	2,708,982	2,675,328	2,568,444	2,707,119	2,531,024	2,793,859	2,498,403	2,552,525
Stormwater	\$ 26,848	\$ 20,028	43,121	-						
Streets	\$ 1,746,300	\$ 1,644,791	1,675,404	1,332,357	1,315,161	1,190,263	641,003	905,895	987,582	1,002,473
Interest	\$ 845,131	\$ 892,475	899,101	912,468	1,063,885	995,707	994,263	907,636	890,339	908,406
Total Government Activities	\$ 9,922,199	\$ 10,134,435	9,526,583	9,068,677	8,726,856	8,729,787	8,076,687	8,225,432	8,283,781	8,285,097
Business -type Activities										
Water	\$ 3,326,332	\$ 3,452,953	3,008,455	2,606,761	2,474,304	2,486,968	2,247,757	2,159,614	1,969,881	1,916,786
Sewer	\$ 4,181,467	\$ 4,369,956	4,072,227	4,310,197	3,838,042	4,531,729	4,312,506	4,485,363	3,988,930	4,094,586
Sanitation	\$ 890,312	\$ 995,058	867,357	835,928	797,122	783,707	738,503	717,109	639,265	673,435
Total Business-type Activities	\$ 8,398,111	\$ 8,817,967	7,948,039	7,752,886	7,109,468	7,802,404	7,298,766	7,362,086	6,598,076	6,684,807
Program Revenues										
Government Activities										
Charges for services	\$ 2,478,030	\$ 2,349,866	2,294,580	2,268,975	2,249,655	2,239,833	2,140,970	2,058,264	1,732,918	1,823,037
Operating grants and contributions	\$ 56,376	\$ 25,414	46,812	81,829	123,174	97,032	125,259	45,630	393,020	322,711
Capital grants and contributions	\$ 2,349,038	\$ 1,950,444	1,755,873	887,685	676,169	560,616	152,082	567,570	61,865	668,800
Total Government Activities	\$ 4,883,444	\$ 4,325,724	4,097,265	3,238,489	3,048,998	2,897,481	2,418,311	2,671,464	2,187,803	2,814,548
Business-type Activities										
Charges for services	\$ 8,356,951	\$ 8,195,716	7,916,878	7,909,416	7,594,158	7,399,442	6,675,797	6,652,252	6,115,118	6,243,958
Operating grants and contributions	\$ -		-	56,173	-				54,000	
Capital grants and contributions	\$ 1,156,890	\$ 1,073,536	808,097	1,100,650	179,615	106,970	496,600		808,315	579,487
Total Business-type Activities	\$ 9,513,841	\$ 9,269,252	\$ 8,724,975	\$ 9,066,239	\$ 7,773,773	\$ 7,506,412	\$ 7,172,397	\$ 6,652,252	\$ 6,977,433	\$ 6,823,445

CITY OF OZARK, MISSOURI
Changes in Net Position
Last Ten Fiscal Years
Page 2 of 2

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net (Expense)/Revenue										
Government Activities	\$ (5,038,755)	\$ (5,808,711)	\$ (5,429,318)	\$ (5,830,188)	\$ (5,677,858)	\$ (5,832,306)	\$ (5,658,376)	\$ (5,553,968)	\$ (6,095,978)	\$ (5,470,549)
Business-type Activities	1,115,730	451,285	776,936	1,313,353	664,305	(295,992)	(126,369)	(709,834)	379,357	138,638
Total Net Expense	(3,923,025)	(5,357,426)	(4,652,382)	(4,516,835)	(5,013,553)	(6,128,298)	(5,784,745)	(6,263,802)	(5,716,621)	(5,331,911)
General Revenues And Other Changes In Net Position										
Government Activities										
Taxes	9,526,536	8,395,893	7,563,977	7,460,776	7,272,166	7,129,502	6,410,750	6,247,166	6,084,899	5,653,830
Interest	151,286	88,650	21,916	23,139	16,923	13,551	16,980	64,390	55,343	44,309
Other	46,216	37,092	37,223	(40,813)	101,145	62,877	28,937	12,636	40,106	325,283
Transfers In/(out)	100,000	100,000	83,000	121,898	78,000	65,000	282,641	(362,618)	50,500	45,000
Gain on Sale of Assets	8,168									
Total Government Activities	9,832,206	8,621,635	7,706,116	7,565,000	7,468,234	7,270,930	6,739,308	5,961,574	6,230,848	6,068,422
Business-type Activities										
Taxes	1,010,042	944,646	888,284	909,443	892,753	868,521	794,978	922,403	796,574	706,002
Interest	404,703	368,386	61,939	54,735	47,475	383,414	593,179	622,872	660,942	789,507
Other		13,314		-		149,093	(135,780)	2,378	34,460	2,581
Transfers In/(out)	(100,000)	(100,000)	(83,000)	(121,898)	(78,000)	(65,000)	(282,641)	529,037	(50,500)	(45,000)
Gain on Sale of Assets	8,328									
Total Business-type Activities	1,323,073	1,226,346	867,223	842,280	862,228	1,336,028	969,736	2,076,690	1,441,476	1,453,090
Total Primary Government	11,155,279	9,847,981	8,573,339	8,407,280	8,330,462	8,606,958	7,709,044	8,038,264	7,672,324	7,521,512
Changes in Net Position										
Government Activities	4,793,451	2,812,924	2,276,798	1,734,812	1,790,376	1,438,624	1,080,932	407,606	134,870	597,873
Business-type Activities	2,438,803	1,677,631	1,644,159	2,155,633	1,526,533	1,040,036	843,367	1,366,856	1,820,833	1,591,728
Total Change in Net Position	\$ 7,232,254	\$ 4,490,555	\$ 3,920,957	\$ 3,890,445	\$ 3,316,909	\$ 2,478,660	\$ 1,924,299	\$ 1,774,462	\$ 1,955,703	\$ 2,189,601

CITY OF OZARK, MISSOURI
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund										
Nondisposable	\$ 529,712	\$ 457,087	\$ 472,799	\$ 449,606	\$ 478,973	\$ 57,978	\$ 37,796	\$ 13,034	\$ 689,602	
Restricted	37,454	194,144	209,894	204,884	198,350	293,161	328,567	472,422	59,062	\$ 51,663
Assigned	748,467	625,412	77,147	101,927	91,606	119,432	492,004	201,135	1,350	
Unassigned	3,572,496	2,247,686	1,615,972	2,153,872	2,005,477	1,816,601	1,274,005	1,326,853	754,388	1,068,406
Total General Fund	4,888,129	3,524,329	\$ 2,375,812	\$ 2,910,289	\$ 2,774,406	\$ 2,287,172	\$ 2,132,372	\$ 2,013,444	\$ 1,504,402	\$ 1,120,069
Park/Stormwater Funds										
Nondisposable	62,274	117,611	\$ 142,266	\$ 133,388	\$ 105,054	\$ 12,064	\$ 10,045	\$ 16,615	\$ 115,647	
Restricted	667,628	4,389,498	3,907,167	3,826,765	3,665,524	3,405,473	2,472,033	2,928,394	2,397,061	2,269,411
Assigned	4,307,940						855,855		1,234,906	
Unassigned								789,029		629,006
Total Park/Stormwater Fund	5,037,842	4,507,109	\$ 4,049,433	\$ 3,960,153	\$ 3,770,578	\$ 3,417,537	\$ 3,337,933	\$ 3,734,038	\$ 3,747,614	\$ 2,898,417
All Other Governmental Funds										
Nondisposable		667	-	667					165,043	8,055
Restricted	182,917	106,173	270,419	130,379	228,000	247,538	137,288	142,435	61,147	9,755
Assigned				232,170	188,730				221,788	
Unassigned	(9,827)					(17,684)	(16,189)			322,068
Total All Other Governmental Funds	173,090	106,840	\$ 270,419	\$ 363,216	\$ 416,730	\$ 229,854	\$ 121,099	\$ 142,435	\$ 447,978	\$ 339,878
Total Governmental Fund Balances	\$ 10,099,061	\$ 8,138,278	\$ 6,695,664	\$ 7,233,658	\$ 6,961,714	\$ 5,934,563	\$ 5,591,404	\$ 5,889,917	\$ 5,699,994	\$ 4,358,364

CITY OF OZARK, MISSOURI
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
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		Fiscal Year									
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
REVENUES											
Taxes	\$	8,877,552	\$ 7,757,022	\$ 7,012,037	\$ 6,915,236	\$ 6,743,832	\$ 6,495,888	\$ 5,873,628	\$ 5,749,856	\$ 5,530,710	\$ 5,118,118
Franchise Fees		628,955	635,272	553,334	543,546	564,066	596,678	545,249	483,334	554,189	535,710
Licenses and permits		275,254	256,903	197,903	270,224	176,018	146,519	161,862	130,762	112,851	110,431
Fines and forfeitures		91,946	118,860	122,656	195,666	407,433	482,172	467,503	359,914	260,422	286,819
Investment earnings		151,286	88,650	21,916	23,139	16,923	13,551	16,980	64,390	55,343	44,309
Other Fees		59,560	44,899	84,447	78,023			15,750	3,250	57,661	64,871
Donations and grants		2,345,854	295,306	515,693	937,514	787,630	176,622	221,711	609,950	442,597	515,659
Miscellaneous revenues		324,479	279,135	287,154	157,045	163,550	148,425	119,916	121,252	493,725	994,183
Charge for Services		1,832,567	1,687,161	1,608,690	1,585,249	1,549,487	1,487,520	1,452,929	1,455,257	849,486	832,289
Total Revenues		14,587,453	11,163,208	10,403,830	10,705,642	10,408,939	9,547,375	8,875,528	8,977,965	8,356,984	8,502,389
EXPENDITURES											
Current:											
Administrative fees		1,254,101	1,220,641	1,269,810	1,219,136	1,121,368	1,152,485	1,019,583	1,070,383	1,359,891	1,386,827
Public Safety		2,904,806	2,750,377	2,742,996	2,625,386	2,435,041	2,471,331	2,426,985	2,360,466	2,254,698	2,280,680
Streets		772,093	703,411	892,549	709,681	765,585	756,113	454,316	583,011	677,451	919,295
Recreation		2,597,303	2,455,382	2,280,012	2,210,641	2,121,315	2,284,614	2,175,295	2,203,969	1,852,028	1,951,120
Capital Outlay		3,562,916	2,761,174	4,011,156	2,651,472	1,762,335	1,526,257	1,344,582	866,364	500,510	1,281,433
Debt service:											
Principal retirement		782,350	734,092	668,573	583,298	266,321	357,207	1,342,500	441,208	341,153	255,000
Interest and fiscal agent fees		861,269	879,920	883,546	902,587	1,057,328	1,007,361	994,150	907,636	920,398	913,631
Total Expenditures	\$	12,734,838	\$ 11,504,997	\$ 12,748,642	\$ 10,902,201	\$ 9,529,293	\$ 9,555,368	\$ 9,757,411	\$ 8,433,037	\$ 7,906,129	\$ 8,987,986

CITY OF OZARK, MISSOURI
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
Page 2 of 2

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Excess (Deficiency) Of Revenues Over Expnditures	\$ 1,852,615	\$ (341,789)	\$ (2,344,812)	\$ (196,559)	\$ 879,646	\$ (7,993)	\$ (881,883)	\$ 544,928	\$ 450,855	\$ (485,597)
OTHER FINANCING SOURCES (USES)										
Transfer from other funds	1,802,434	1,558,826	1,721,497	1,952,334	1,287,842	531,693	1,074,321	991,584	648,021	1,296,250
Transfer to other funds	(1,702,434)	(1,458,826)	(1,638,497)	(1,830,436)	(1,209,842)	(466,693)	(999,321)	(1,354,202)	(597,521)	(1,251,250)
Lease Pymt to PFC & LCRA			-				207,641			
Insurance Claims			30,388	10,678	52,811	22,804	7,577	17,656	11,167	
Debt issuance cost			-			112,385				
Loan proceeds			430,922	300,000	1,535,582	19,350,000	309,707		829,108	
Retirement of Notes Payable					(1,532,102)	(19,695,333)				
Sale of capital assets	8,168	3,851	2,342	3,927	1,501	15,270		6,191		8,283
Developers Contribution		1,657,348	1,272,047			481,026		(16,234)		
Shared Cost of Riverside Bridge			(200,000)							
Impact Fees		23,204	14,945	32,000	11,713					
Total Other Financing Sources (Uses)	108,168	1,784,403	1,633,644	468,503	147,505	351,152	599,925	(355,005)	890,775	53,283
Net Change in Fund Balances	\$ 1,960,783	\$ 1,442,614	\$ (711,168)	\$ 271,944	\$ 1,027,151	\$ 343,159	\$ (281,958)	\$ 189,923	\$ 1,341,630	\$ (432,314)
Debt service as a percentage of noncapital expenditures	17.92%	18.46%	17.76%	18.01%	17.04%	17.00%	27.77%	17.83%	17.04%	15.16%

CITY OF OZARK, MISSOURI
Tax Revenues By Source, Governmental Funds
Last Ten Fiscal Years

Fiscal Year	Property Taxes	Sales Tax - City & County	Franchise Tax - Cable & Gas	Missouri Motor Fuel Tax	Other Taxes	Total Revenues
2019	\$ 931,474	\$ 7,237,522	\$ 628,955	\$ 727,251	\$ 1,334	\$ 9,526,535
2018	\$ 864,401	\$ 6,174,486	\$ 635,272	\$ 717,511	\$ 624	\$ 8,392,294
2017	\$ 857,905	\$ 5,432,563	\$ 553,334	\$ 720,627	\$ 942	\$ 7,564,429
2016	\$ 792,159	\$ 5,414,821	\$ 543,546	\$ 707,187	\$ 1,069	\$ 7,457,713
2015	\$ 782,078	\$ 5,263,539	\$ 564,066	\$ 697,088	\$ 1,130	\$ 7,306,771
2014	\$ 854,731	\$ 4,965,800	\$ 596,678	\$ 674,993	\$ 364	\$ 7,092,202
2013	\$ 765,404	\$ 4,461,502	\$ 545,249	\$ 646,477	\$ 245	\$ 6,418,632
2012	\$ 729,647	\$ 4,378,554	\$ 483,334	\$ 641,461	\$ 194	\$ 6,232,996
2011	\$ 707,506	\$ 4,429,514	\$ 554,189	\$ 387,025	\$ 376	\$ 6,078,234
2010	\$ 555,458	\$ 4,063,577	\$ 535,710	\$ 369,932	\$ 326	\$ 5,524,677

Note:

As set out in Section 32.057 of the Missouri Revised State Statues, it is a violation to make known in any manner the tax returns of departmental records derived from the Missouri Department of Revenue, including sales taxes, franchise fees, and other tax sources. Due to the confidentiality of earnings information, the above alternative information is provided to assist the users in understanding these revenue sources, including sales taxes, the City's largest own-source revenue.

CITY OF OZARK, MISSOURI
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
City of Ozark (Real Only)	0.2922	0.2922	0.2922	0.2922	0.2922	0.2944	0.2944	0.2944	0.2930	0.2919
Ozark Schools	4.1400	4.1400	4.1400	4.1400	4.1400	4.1400	4.1400	4.1400	4.1400	4.1400
Ozark Fire District	0.6343	0.6366	0.6380	0.6380	0.6380	0.6398	0.6398	0.3888	0.3888	0.3888
Ozark Special Road District	0.1477	0.1482	0.1482	0.1482	0.1482	0.1488	0.1488	0.1488	0.1404	0.1404
County Revenue	0.0540	0.0620	0.0557	0.0715	0.0715	0.0000	0.0000	0.0000	0.0000	0.0000
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Library	0.2009	0.2009	0.2009	0.0887	0.0887	0.0887	0.0887	0.0887	0.0882	0.0875
Junior College	0.1990	0.2023	0.1498	0.1500	0.1494	0.1494	0.1479	0.1408	0.1405	0.1396
Ambulance	0.1311	0.1324	0.1324	0.1324	0.1324	0.1324	0.1324	0.1324	0.1305	0.1305
Senate Bill 40 Board	0.0790	0.0799	0.0799	0.0799	0.0799	0.0799	0.0799	0.0799	0.0794	0.0788
Health	0.0439	0.0444	0.0444	0.0444	0.0444	0.0444	0.0444	0.0444	0.0441	0.0438
Senior Citizens	0.0495	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Total District Overlapping	6.0016	6.0189	5.9615	5.8653	5.8647	5.7978	5.7963	5.5382	5.5249	5.5213

Source: Christian County Collector

CITY OF OZARK, MISSOURI
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended December 31	Residential	Agricultural	Commercial	Local Railroad and Utilities	Commercial/ State RRU	Total Taxable Assessed Value	Estimated Actual Value	Assessed Value as a Percentage of Actual Value	Total Direct Levy
2019	167,761,530	127,960	75,313,250	640,050	3,375,228	247,218,018	1,131,923,404	21.84%	0.2922
2018	158,650,630	124,650	76,405,210	465,380	2,434,322	238,080,192	1,083,869,916	21.97%	0.2922
2017	152,584,930	126,780	72,759,990	505,390	2,715,626	228,692,716	1,041,575,723	21.96%	0.2922
2016	144,852,320	119,420	68,051,060	458,400	2,674,642	216,155,842	985,826,117	21.93%	0.2922
2015	142,104,790	120,500	67,914,600	410,720	2,797,515	213,348,125	971,182,973	21.97%	0.2922
2014	137,967,770	113,490	64,646,100	381,800	2,542,682	205,651,842	938,249,977	21.92%	0.2944
2013	135,606,830	136,800	64,809,070	381,810	2,276,269	203,210,779	925,694,999	21.95%	0.2944
2012	134,644,730	123,720	59,040,120	193,810	1,956,834	195,959,214	900,908,611	21.75%	0.2944
2011	132,968,650	131,940	56,543,710	193,810	1,952,455	191,790,565	884,340,672	21.69%	0.2930
2010	132,690,640	229,390	54,679,620	193,810	1,827,703	189,621,163	877,474,413	21.61%	0.2919

Source: Christian County Clerk

NOTES: Residential property is assessed at 19% of appraised value, agriculture at 12% and commercial and industrial at 32%.
City of Ozark assesses property tax levy on real property only.

CITY OF OZARK, MISSOURI
Principal Property Taxpayers
Current Year and 2010

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Wal-Mart	\$ 2,875,420	1	1.16%	\$ 3,132,400	1	1.65%
Lowes	2,162,210	2	0.87%	2,414,620	2	1.27%
Ozark Riverview Manor	2,046,790	3	0.83%			
B & B Movie Theaters	2,039,170	4	0.82%			
Ozark MO Medical LLC	1,345,700	5	0.54%			
RCR Ozark LLC	1,283,170	6	0.52%			
HMR Properties LLP	1,228,290	7	0.50%	1,233,760	4	0.65%
OPV-PC LLC	1,132,160	8	0.46%	1,248,130	3	0.66%
FRS, LLC				1,101,180	5	0.58%
Old South Plantation, LLC	1,126,700	9	0.46%	1,013,440	6	0.53%
Tracker Marine, LP				913,150	7	0.48%
MFI, LLC				838,750	8	0.44%
Skyscapes of Ozark, LLC				839,400	9	0.44%
Sequiota Real Estate LLC	1,012,060	10	0.41%			
Curran Properties				794,280	10	0.42%
Total	\$ 16,251,670		6.16%	\$ 13,529,110		7.13%

Source: Christian County Assessor

CITY OF OZARK, MISSOURI
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections as of 12/31/19	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2019	705,902	681,270	96.5%	-	681,270	96.5%
2018	695,672	667,670	96.0%	22,884	690,554	99.3%
2017	668,548	645,865	96.6%	19,773	665,638	99.6%
2016	632,492	592,249	93.6%	37,456	629,705	99.6%
2015	622,610	596,532	95.8%	24,893	621,425	99.8%
2014	605,010	577,525	95.5%	27,458	604,983	100.0%
2013	597,675	559,419	93.6%	38,256	597,675	100.0%
2012	576,080	545,009	94.6%	31,070	576,079	100.0%
2011	562,955	510,440	90.7%	52,515	562,955	100.0%
2010	553,259	506,851	91.6%	46,408	553,259	100.0%

Notes: The City of Ozark, Missouri levies property tax on real property only.
Christian County bills and collects property taxes on behalf of the City and retains a percentage of
the taxes collected for costs of assessment and collection.
Collections may exceed the levy due to adjustments made by the county subsequent to the initial levy.

Source: Christian County Collector's Office

CITY OF OZARK, MISSOURI
Direct City Sales Tax Revenue by Type
Last Ten Fiscal Years

Fiscal Year	Direct Sales Tax Rate	1% General	0.50% Parks & Stormwater	0.25% Wastewater	0.25% Capital Improvement	0.375% Transportation	Total
2019	2.375%	3,328,784	1,664,380	\$ 831,529	\$ 831,529	\$ 1,246,401	7,902,623
2018	2.375%	3,156,059	1,578,041	789,014	789,014	530,277	6,842,405
2017	2.375%	2,964,891	1,482,397	741,013	741,221	154,869	6,084,391
2016	2.000%	3,001,815	1,500,908	750,438	750,437	-	6,003,598
2015	2.000%	2,938,129	1,468,905	734,762	734,760	-	5,876,556
2014	2.000%	2,791,105	1,382,428	691,748	691,747	-	5,557,028
2013	2.000%	2,485,434	1,242,576	621,358	621,359	-	4,970,727
2012	2.000%	2,413,654	1,204,648	603,413	603,413	-	4,825,128
2011	2.000%	2,440,434	1,208,098	610,088	610,100	-	4,868,720
2010	2.000%	2,231,875	1,115,254	557,931	557,958	-	4,463,018

Source: Missouri Department of Revenue

CITY OF OZARK, MISSOURI
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year	City Direct Rate	Christian County 911	Christian County Rate	State Rate	Total Rate
2019	2.375%	0.250%	1.500%	4.225%	8.350%
2018	2.375%	0.250%	1.500%	4.225%	8.350%
2017	2.375%	0.250%	1.500%	4.225%	8.350%
2016	2.000%	0.250%	1.500%	4.225%	7.975%
2015	2.000%	0.250%	1.500%	4.225%	7.975%
2014	2.000%	0.250%	1.500%	4.225%	7.975%
2013	2.000%	0.250%	1.500%	4.225%	7.975%
2012	2.000%	0.250%	1.500%	4.225%	7.975%
2011	2.000%	0.250%	1.500%	4.225%	7.975%
2010	2.000%	0.250%	1.500%	4.225%	7.975%

Source: Missouri Department of Revenue

CITY OF OZARK, MISSOURI
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	GOVERNMENTAL					BUSINESS-TYPE				Total Outstanding Debt			
	Special Obligation Bond	Lease Obligations	Special Assessment Bonds	Certificates of Participation	PFC & LCRA Notes Payable	Lease Obligations	Special Assessment Bonds	Certificates of Participation	Revenue Bonds	Total Outstanding Debt	Percentage of Personal Income	Population	Debt Per Capita
2019	-	-	\$ 78,952	\$ 18,711,112	\$ 1,235,473	-	\$ 823,807	\$ 12,808,184	\$ 11,820,000	45,477,528	8.97%	20,482	2,220
2018	-	-	86,628	18,736,816	1,730,760	-	936,000	13,213,184	13,135,000	47,838,388	9.69%	20,291	2,358
2017	-	-	94,304	18,989,200	2,204,792	-	1,047,608	13,579,504	14,515,000	50,430,408	10.42%	19,905	2,534
2016	-	-	101,649	19,233,456	2,190,842	-	1,158,653	13,926,544	15,875,000	52,486,144	11.53%	19,308	2,718
2015	-	-	108,665	19,454,792	2,245,787	-	1,269,137	7,380,670	17,185,000	47,644,051	11.21%	19,032	2,503
2014	-	-	115,392	19,657,727	2,298,966	-	1,379,127	7,457,273	18,445,000	49,353,485	10.78%	18,779	2,628
2013	800,000	10,056	121,829	18,774,707	2,637,700	23,051	1,488,624	7,505,293	19,675,000	50,236,260	11.73%	18,499	2,716
2012	800,000	20,381	127,989	18,970,000	3,458,715	42,448	1,597,646	-	20,875,000	45,092,179	10.61%	18,300	2,464
2011	800,000	30,710	133,868	19,395,000	4,577,233	61,418	1,706,187	-	22,190,000	48,094,416	11.68%	18,109	2,656
2010	-	2,112	139,510	19,730,000	4,225,477	4,225	1,814,320	-	23,520,000	49,435,644	12.27%	17,940	2,756

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

CITY OF OZARK, MISSOURI
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds		Fund Balance Debt Service Fund		Net General Bonded Debt		Percentage of Actual Taxable Value of Property (1)	Net Bonded Debt per Capita
2019	\$	-	\$	-	\$	-	0.00%	-
2018	\$	-	\$	-	\$	-	0.00%	-
2017		-		-		-	0.00%	-
2016		-		-		-	0.00%	-
2015		-		-		-	0.00%	-
2014		-		-		-	0.00%	-
2013		-		-		-	0.00%	-
2012		-		-		-	0.00%	-
2011		-		-		-	0.00%	-
2010		-		-		-	0.00%	-

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

CITY OF OZARK, MISSOURI
Direct and Overlapping Governmental Activities Debt
December 31, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated share of direct and overlapping debt
Ozark School District	\$ 55,560,000	52.18%	\$ 28,988,725
Ozark Fire District	-	57.48%	-
City of Ozark direct debt	<u>20,025,537</u>	100%	<u>20,025,537</u>
Subtotal, overlapping debt	55,560,000		28,988,725
Subtotal, direct debt	20,025,537		20,025,537
Total direct and overlapping debt	<u>\$ 75,585,537</u>		<u>\$ 49,014,262</u>

Source: Ozark School District, Ozark Fire Department

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

The percentage of overlapping debt applicable is estimated using the assessed property values. The applicable percentage is estimated by dividing the City's assessed valuation by the applicable governmental unit's total assessed valuation.

CITY OF OZARK, MISSOURI
Legal Debt Margin Information
December 31, 2019

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed Value	<u>\$ 247,218,018</u>
Debt limit (10% of assessed value)	<u>\$ 24,721,802</u>
City Debt applicable to debt Limit:	
General obligation bonds	<u>-</u>
Total net debt applicable to limit	<u>\$ -</u>
Legal debt margin	<u>\$ 24,721,802</u>

	Last Ten Fiscal Years									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Assessed valuation, January 1	<u>\$ 247,218,018</u>	<u>\$ 238,080,192</u>	<u>\$ 230,724,002</u>	<u>\$ 217,865,409</u>	<u>\$ 214,834,872</u>	<u>\$ 206,894,219</u>	<u>\$ 204,211,841</u>	<u>\$ 195,679,551</u>	<u>\$ 191,538,751</u>	<u>\$ 189,621,163</u>
Debt limit	24,721,802	23,808,019	23,072,400	21,786,541	21,483,487	20,689,422	20,421,184	19,567,955	19,153,875	18,962,116
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 24,721,802</u>	<u>\$ 23,808,019</u>	<u>\$ 23,072,400</u>	<u>\$ 21,786,541</u>	<u>\$ 21,483,487</u>	<u>\$ 20,689,422</u>	<u>\$ 20,421,184</u>	<u>\$ 19,567,955</u>	<u>\$ 19,153,875</u>	<u>\$ 18,962,116</u>
Total net debt applicable to the limit as a percentage	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Section 95.115 of the 1978 Missouri Revised Statutes permits any county or city, by vote of two-thirds of qualified electors voting thereon, to incur additional indebtedness for city purposes not to exceed five (5) percent of the taxable tangible property therein, as shown by the last assessment.

Section 95.120 of the 1978 Missouri Revised Statutes permits any county or city, by vote of two-thirds of qualified electors voting thereon, to incur additional indebtedness for city purposes not to exceed five (5) percent of the taxable tangible property therein, as shown by the last assessment.

Sections 95.125 and 95.130 of the 1978 Missouri Revised Statutes provide that any city may become indebted, not exceeding in the aggregate, an additional ten (10) percent for the purposes of acquiring right-of-ways, constructing, extending and improving streets and avenues and/or sanitary or storm sewer system, and an additional ten (10) percent for purchasing or construction of waterworks, electric or other light plants, provided the total general obligation indebtedness of the city does not exceed twenty (20) percent of the assessed valuation.

CITY OF OZARK, MISSOURI
Pledged-Revenue Coverage by Fund
Last Ten Fiscal Years

Water system revenue bond coverage (1)

Fiscal Year	Operating Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2019	3,737,980	3,326,332	411,648	465,000	462,237	927,237	0.44
2018	3,722,018	2,243,516	1,478,502	451,320	625,158	1,076,478	1.37
2017	3,659,305	2,027,147	1,632,158	393,760	488,494	882,254	1.85
2016	3,574,036	1,715,021	1,859,015	175,000	272,936	447,936	4.15
2015	3,584,374	1,729,924	1,854,450	95,000	300,452	395,452	4.69
2014	3,304,906	1,716,591	1,588,315	87,050	311,383	398,433	3.99
2013	2,799,912	1,499,333	1,300,579	50,000	147,360	197,360	6.59
2012	2,718,141	1,696,872	1,021,269	50,000	20,839	70,839	14.42
2011	2,433,549	1,521,189	912,360	45,000	33,372	78,372	11.64
2010	2,451,082	1,465,713	985,369	45,000	37,996	82,996	11.87

Sanitary sewer system revenue bond coverage (1)

Fiscal Year	Operating Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2019	3,463,306	4,181,467	(718,161)	1,219,999	163,422	1,383,421	-0.52
2018	3,464,910	3,031,464	433,446	1,406,607	180,378	1,586,985	0.27
2017	3,288,199	2,523,579	764,620	931,351	341,777	1,273,128	0.60
2016	3,409,720	2,333,203	1,076,517	560,000	776,816	1,336,816	0.81
2015	3,131,203	2,293,451	837,752	545,000	319,381	864,381	0.97
2014	3,203,026	2,304,372	898,654	1,145,000	999,954	2,144,954	0.42
2013	3,047,171	2,065,715	981,456	1,120,000	1,032,951	2,152,951	0.46
2012	3,149,609	1,984,878	1,164,731	1,695,000	1,139,401	2,834,401	0.41
2011	3,586,805	1,979,993	1,606,812	1,305,000	1,062,682	2,367,682	0.68
2010	3,619,209	1,885,995	1,733,214	1,285,400	1,127,837	2,413,237	0.72

(1) Revenue bonds and their related interest are payable solely from the revenues derived from the operation of the enterprise owned by the City. The taxing power of the City is not pledged to secure payment of the bonds and interest.

(2) Operating revenue includes service charges, related utility-based fees and penalties.

(3) Operating expenses excludes depreciation and non-operating expenses.

(4) In 2015, 2016, 2017 Sanitary Sewer Payments for a bond issue Principal Payments were covered by remaining bond funds and not counted as principal payments. Principal payments resumed in July, 2017.

CITY OF OZARK, MISSOURI
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Median Age (1)	Per Capita Income (1)	Median Household Income (1)	Public School Enrollment (2)	Unemployment Rate (3)
2019	20,482	34	24,740	54,031	5,787	2.8%
2018	20,291	33.6	24,319	52,696	5,727	2.0%
2017	19,905	33.6	24,319	52,696	5,579	3.1%
2016	19,308	33.8	23,568	49,116	5,466	3.9%
2015	19,032	33.1	22,334	45,695	5,390	4.2%
2014	18,779	33.9	24,384	47,046	5,361	6.9%
2013	18,499	32.8	23,149	46,668	5,325	5.5%
2012	18,300	31.7	23,215	48,992	5,435	5.1%
2011	18,109	31.6	22,745	50,638	5,384	7.5%
2010	17,940	30.9	22,457	48,473	5,284	8.4%

Sources:

- (1) U.S. Census Bureau (actual and estimated)
- (2) Missouri Department of Elementary and Secondary Education
- (3) U.S. Department of Labor

CITY OF OZARK, MISSOURI
Principal Employers
Current Year and 2010

	2019		2010	
Employer	Total Employees	Rank	Total Employees	Rank
Ozark School District	1,111	1	904	1
Wal-Mart	271	2	375	2
Lamberts	246	3	219	3
Christian County	219	4	192	4
NetSmart	158	5		
Lowe's	140	6	125	5
Tracker Marine	139	7		
City of Ozark	111	8	106	6
OTC Richwood Valley	77	9	75	9
Ozark Bank	60	10	74	10
Prestressed Casting			100	7
Price Cutter			85	8
Total	<u>2,532</u>		<u>2,255</u>	

Source: City Clerk's Office, Springfield Area Chamber of Commerce, US Census Bureau

CITY OF OZARK, MISSOURI
Property Value and Construction
Last Ten Fiscal Years

Fiscal Year	Total Estimated Actual Value (1)	New Construction						Building
		Residential (2)		Commercial (2)		Alterations and Additions (2)		Demolitions (2)
		Number of Permits	Estimated Cost of Construction	Number of Permits	Estimated Cost of Construction	Number of Permits	Estimated Cost of Construction	Number of Permits
2019	1,131,923,404	157	29,180,669	9	6,248,000	22	1,783,428	17
2018	1,083,869,916	143	27,179,900	16	11,989,462	26	4,900,495	11
2017	1,041,575,723	104	18,332,000	9	5,241,665	29	500,430	10
2016	985,826,117	169	33,118,400	10	14,324,862	40	14,569,915	29
2015	971,182,973	116	13,137,699	24	7,327,900	46	7,288,205	5
2014	938,249,977	78	9,347,300	20	7,614,233	38	959,093	8
2013	925,694,999	85	10,477,258	20	4,317,000	33	938,719	16
2012	900,908,611	53	7,795,500	22	3,968,600	32	2,629,400	8
2011	884,340,672	42	4,684,800	19	3,738,500	37	687,866	5
2010	877,474,413	39	5,036,000	26	9,505,365	44	506,730	6

(1) Source: Christian County Assessor

(2) Source: City of Ozark Planning Department

CITY OF OZARK, MISSOURI
Full-Time Equivalent Employees by Function/Programs
Last Ten Fiscal Years

Function/Programs	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government										
Administrative Services	3	3	3	3	3	4	4	6	6	6
Municipal Court	4	3	3	3	3	3	3	3	3	3
Human Resources	1	1	1	1	1	1	1	1	0	0
Planning & Development	4	3	3	3	3	3	3	3	3	3
Building Inspections	2	2	2	2	1	1	1	2	1	2
Finance	3	3	3	3	3	4	3	3	3	3
Police										
Officers	33	32	33	32	28	31	31	31	31	30
Civilians*	3	5	5	5	5	5	5	5	5	7
Parks and recreation	16	16	16	15	17	16	16	15	16	14
Utility Billing	7	7	7	7	7	7	6	6	7	6
Public Works										
Administration	4	4	5	5	5	5	5	5	5	5
Vehicle maintenance	2	2	2	2	2	2	2	2	2	2
Street Maintenance	7	9	9	10	10	10	10	7	7	7
Water	12	7	7	7	7	7	7	7	7	7
Wastewater	9	8	8	8	9	8	8	9	9	9
Animal Control	1	2	2	2	2	2	2	2	2	2
Total	111	107	109	108	106	109	107	107	107	106

Source: City of Ozark Human Resource Department

CITY OF OZARK, MISSOURI
Operating Indicators by Function
Last Ten Fiscal Years

Function/Programs	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government										
Business licenses issued	618	600	538	471	467	576	572	577	552	540
New Residential building permits issued	157	143	104	169	116	78	85	53	42	39
New Commercial building permits issued	9	16	9	10	24	20	20	22	19	26
Building inspections completed (3)	3,870	2,560	2,313	2,237	1,667	1,463	1,824	1,344	1,629	1,188
Police-Patrol (4)										
Calls for Services	18,057	18,192	16,486	16,278	20,312	20,871	19,093	16,457	16,101	9,112
Arrests	934	1,259	1,030	951	1,113	1,377	1,208	863	721	688
Tickets issued	1,510	1,345	1,024	1,763	3,523	4,851	5,131	3,575	1,514	796
Accidents	666	649	613	634	674	634	663	608	628	588
Public Works										
Streets resurfaced (miles)*	1.6	1.4	2.1	2.1	1.1	0.8	0.7	0.48	0.9	0.62
Number of water towers	9	9	8	8		7	7	7	6	6
Number of wells	13	13	12	12	11	11	11	11	11	11
Number of water meters	9,048	8,894	8,724	8,534	8,350	8,256	8,152	8,041	7,900	7,829
Average daily well production (MGD)	3.2	3.0	2.8	2.7	2.6	2.7	2.6	2.7	2.6	2.5
WWTP average daily flow (MGD)	1.6	1.5	1.5	1.4	1.5	1.3	1.4	1.4	1.4	1.5
Recreation										
Number of recreational programs	50	49	45	43	43	41	39	31	29	28
Number of special events offered	14	14	12	11	11	11	9	9	8	8
Number of Fitness Center memberships	4,952	4,338	4,227	3,967	3,956	3,589	3,893	3,429	2,941	2,622

Source: City department records.

(3) Estimated inspections based on TOTAL # of permits

(4)Fluctuations in police statistics are a result of evolving policing strategies and practices over the reporting period.

CITY OF OZARK, MISSOURI
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government										
Area (square miles)	11.32	11.32	11.32	11.32	11.36	11.33	11.33	11.29	11.25	11.25
Number of general governmental buildings	2	2	2	2	2	2	2	2	2	2
Public Safety										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Miles of water mains	162.8	160.9	159.4	154.6	146.9	142.5	141.0	138.9	138.7	138.7
Miles of sanitary sewers	145.1	140.7	136.4	129.6	125.7	124.5	124.5	124.5	124.5	120.8
Miles of sanitary force mains	10.60	10.60	10.40	10.40	10.40	10.40	10.40	10.40	10.30	10.30
Wastewater treatment capacity (MGD)	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Recreation										
Number of parks	7	7	7	7	7	7	7	7	7	7
Park acreage	62.63	62.63	62.63	62.63	62.63	62.63	62.63	62.63	62.63	62.63
Number of recreational facilities	3	3	3	3	3	3	3	3	3	3
Number of baseball/softball fields	6	6	6	6	6	6	6	6	6	6
Number of soccer fields	4	4	4	4	4	4	4	4	4	4

Source: City departmental records.



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