

City of Harrisonville, Missouri

Basic Financial Statements Year Ended December 31, 2024



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Introductory Section



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June 26, 2025

Honorable Mayor and Members of the Board of Aldermen:

The Finance Department is pleased to present the Annual Comprehensive Financial Report of the City of Harrisonville, Missouri (the City), for the fiscal year ended December 31, 2024. This report is required under RSMo. 105.145 and is submitted for your information and review.

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

The City's Finance Department prepares the year end trial balances and supporting schedules and assists in the preparation of the financial statements, which undergo an annual audit by an independent certified public accountant. The City's financial statements have been audited by the accounting firm of KPM and that audit resulted in an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2024, are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. That opinion, and the procedures and testing that led to it, is found in the "Independent Auditors' Report" at the beginning of the beginning of the Financial section of the Comprehensive Annual Financial Report.

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

Profile of the City of Harrisonville

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

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

The City of Harrisonville, Missouri, is a fourth-class city organized under Missouri statutes and is governed by a Mayor and eight-member Board of Aldermen (the Board), two from each of the four wards. The Mayor and Board appoint a City Administrator to serve as the chief administrative officer of the City, and to oversee the operations of all City departments. Harrisonville provides a full complement of general governmental services including police and fire

protection, emergency medical services, parks and recreation, public works services, an airport, and general administrative services. The City also provides electrical distribution, water, and sanitary services, all of which are accounted for in the financial statements as business-type activities.

Factors Affecting Financial Conditions

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

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

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

The preparation of this report would not have been possible without the year-round dedication and hard work of the staff of the Finance Department. The City's independent audit firm of KPM CPAs was instrumental in the preparation of this report and highly professional in their dealings with our staff. I would also like to thank the Mayor, the Board of Aldermen, City Administrator Brad Ratliff, and Director Jeremy Smith for their continued interest and support of the maintenance of the financial health of our city.

Respectfully submitted,

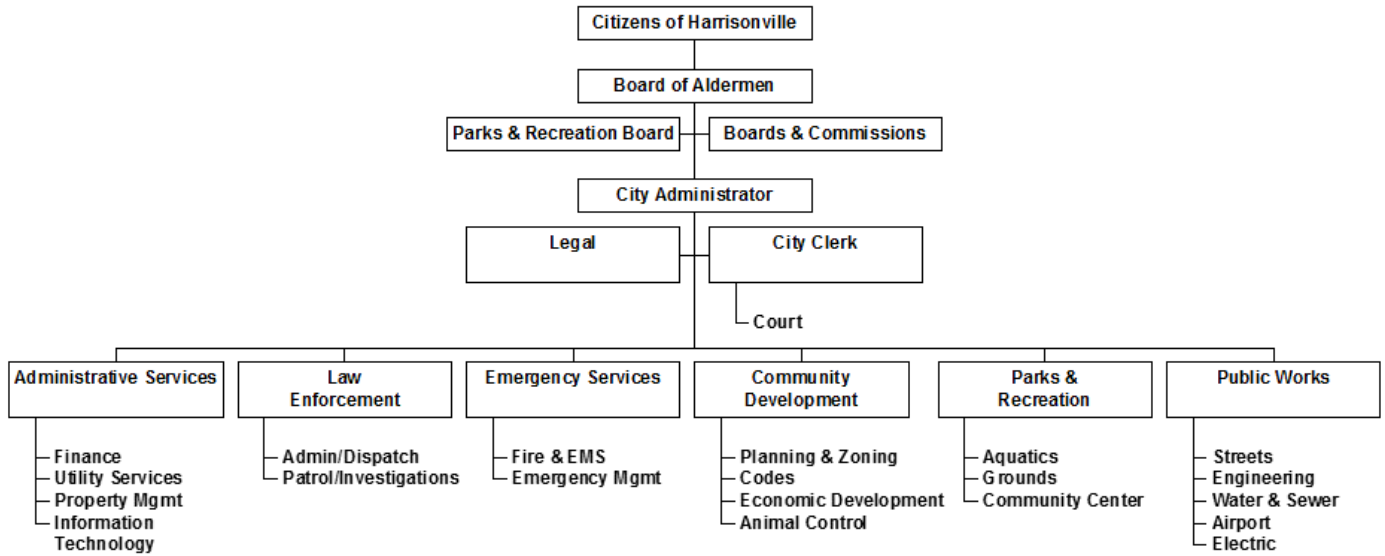
A handwritten signature in cursive script that reads "Kim Hubbard".

Kim Hubbard
Finance Manager

City of Harrisonville

Organizational Chart

December 31, 2024



City of Harrisonville

Principal Officials

December 31, 2024

Mayor and Board of Aldermen

Michael Zaring	Mayor
Dave Doerhoff	Alderman Ward 1
Kile Chaney	Alderman Ward 1
Marcia Milner	Alderwoman Ward 2
Larry Pfautsch	Alderman Ward 2
Sandy Franklin	Alderwoman Ward 3
Bill Mills	Alderman Ward 3
Matt Turner	Alderman Ward 4
Gary Davidson	Alderman Ward 4

Administration and Department Heads

Brad Ratliff	City Administrator
Patty Hilderbrand	Public Works Director
Grant Purkey	Parks & Recreation Director
Christina Stanton	Community Development Director
Jeremy Smith	Director of Administrative Services
Vacant	Police Chief
Rusty Sullivan	Fire Chief
Steve Mauer	City Attorney
Don Lagrasso	Municipal Judge
Madison Touchstone (December 2023 – June 2024)	City Prosecuting Attorney
Gerald Furnell (June 2024 – present)	City Prosecuting Attorney

Independent Auditor

KPM CPAs, PC	Springfield, Missouri
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Financial Section



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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Harrisonville, Missouri, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Harrisonville, Missouri, as of December 31, 2024, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Harrisonville and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As described in Note 1 to the financial statements, in 2024, the City adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. The City restated net position retrospectively for this change in accounting principle, as described in Note 16. Additionally, as described in Note 17 to the financial statements, the City restated fund balances and net position as a result of a change in the reporting entity. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, budgetary comparison, and pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying combining nonmajor funds financial statements, nonmajor budgetary comparison financial statements, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, nonmajor budgetary comparison financial statements, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2025, on our consideration of the City of Harrisonville, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Harrisonville, Missouri's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
June 26, 2025

Management's Discussion and Analysis

City of Harrisonville

Management's Discussion and Analysis

December 31, 2024

The management's discussion and analysis of the City of Harrisonville, Missouri's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2024. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to the financial statements.

Financial Highlights

The net position of the City's governmental activities increased by \$8.8 million for the year as a result of current year activities. The net position of the City's business-type activities increased by \$2.7 million for the year.

Total assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflow of resources as of December 31, 2024, by \$91.9 million (net position). Of this amount, \$11.9 million was unrestricted and may be used to meet future obligations of the City.

Total liabilities of the City decreased \$2.4 million.

The City's governmental funds reported combined ending fund balances of \$38.9 million, which is an increase of \$1.5 million from the prior year. Nonspendable and restricted fund balances were \$25.1 million. Unassigned fund balance of the General Fund was \$13.6 million, which is 38.8% of General Fund balance and 34.9% of the total governmental fund balance.

During the year ended December 31, 2024, the City adopted GASB Statement No. 101 – *Compensated Absences*. Beginning net position has been restated to reflect the application of the new pronouncement. The tables in the Management's Discussion and Analysis for the year ended December 31, 2023, have been updated for the restatement activity.

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. Additionally, this report also contains required and supplementary information.

Government-Wide Financial Statements

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, liabilities and deferred inflows/outflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net position and changes in them. The City's net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the City's financial health. Over time, increases or decreases in the City's net position are indicators of whether its financial health is improving or deteriorating.

City of Harrisonville

Management's Discussion and Analysis

December 31, 2024

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

Governmental Activities: Most of the City's basic services are reported here, including general government, public safety, community development, streets, airport, emergency services, community center, and parks and recreation. Taxes (sales, property, and franchise), charges for services, intergovernmental revenue, and licenses and permits are the primary source of financing for these activities. Additionally, the City reports its internal service fund as a governmental activity.

Business-Type Activities: The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's electric, water, sewer, and refuse services are provided here.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds and not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the Board of Aldermen establishes many other funds to help it control and manage money for a particular purpose or to show that it is meeting legal responsibilities for using certain taxes and grants. The City maintains governmental, proprietary, and fiduciary funds. Funds are fiscal entities with a set of self-balancing accounts that record financial resources, together with all related liabilities and residual balances, and the changes therein. These accounting entities are separated for the purpose of carrying on specific activities in accordance with regulations, restrictions, or limitations.

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

Proprietary Funds: When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. Additionally, the City reports its internal service fund as a proprietary fund.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements since the resources of those funds are not available to support the City's operations.

Notes to the Basic Financial Statements

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

City of Harrisonville

Management's Discussion and Analysis

December 31, 2024

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains certain required supplementary information that further explains and supports certain information in the financial statements, such as budgetary comparison and pension information. The report also contains other supplementary information that provides certain combining and individual fund statements and schedules.

Government-Wide Financial Analysis

Net Position

The following table presents the condensed Statement of Net Position for the City as of December 31, 2024 and 2023, as restated:

	Governmental Activities	Business-Type Activities	Total December 31, 2024	Total December 31, 2023
Assets				
Current and other assets	\$ 40,845,158	\$ 22,484,144	\$ 63,329,302	\$ 62,084,808
Net pension asset	2,388,618	731,927	3,120,545	3,458,309
Capital assets	31,202,513	48,037,718	79,240,231	71,364,928
Total Assets	74,436,289	71,253,789	145,690,078	136,908,045
Deferred Outflow of Resources	1,912,071	755,988	2,668,059	2,173,428
Liabilities				
Other liabilities	2,182,622	2,756,640	4,939,262	5,022,505
Long-term liabilities outstanding	31,236,093	19,793,129	51,029,222	53,347,506
Total Liabilities	33,418,715	22,549,769	55,968,484	58,370,011
Deferred Inflow of Resources	466,250	-	466,250	349,321
Net Position				
Net investment in capital assets	21,927,433	30,749,305	52,676,738	44,203,641
Restricted	24,620,722	2,718,835	27,339,557	27,974,079
Unrestricted	(4,084,760)	15,991,868	11,907,108	8,184,421
Total Net Position	\$ 42,463,395	\$ 49,460,008	\$ 91,923,403	\$ 80,362,141

Total net position of the City increased by \$11.6 million mainly due to the receipt of federal and state grants for assets that are capitalized. Total liabilities for the City decreased \$2.4 million, \$2.3 million of the decrease is due to a decrease in long-term liabilities primarily due to principal payments made on existing debt outweighing the inclusion of new debt. Restricted net position of the City totaled \$27.3 million as of December 31, 2024. This amount represents monies that are restricted for unspent proceeds of \$23.3 million from prior year debt issuances for capital improvements and \$4.0 million of assets held in reserve for debt service.

City of Harrisonville

Management's Discussion and Analysis

December 31, 2024

The amounts presented above for the year ended December 31, 2023, are shown as restated.

Changes in Net Position

The following table reflects the revenues and expenses for the City's activities for years ending December 31, 2024 and 2023.

	Governmental Activities	Business-Type Activities	Total Year Ended December 31, 2024	Total Year Ended December 31, 2023
Revenues				
Program Revenues				
Charges for services	\$ 3,347,909	\$ 20,728,626	\$ 24,076,535	\$ 23,887,096
Operating grants and contributions	52,456	-	52,456	3,229,314
Capital grants and contributions	4,291,244	2,105,032	6,396,276	1,016,262
General Revenues				
Taxes	12,890,300	-	12,890,300	12,370,770
Interest	1,742,705	596,820	2,339,525	1,735,542
Other revenue	1,908,904	57,418	1,966,322	1,168,991
Gain on disposal of assets	32,750	-	32,750	133,240
Transfers	1,892,480	(1,892,480)	-	-
Total Revenues and Transfers	26,158,748	21,595,416	47,754,164	43,541,215
Expenses				
General government	3,024,238	-	3,024,238	7,766,089
Law enforcement	4,394,664	-	4,394,664	4,236,936
Community development	786,162	-	786,162	779,505
Public works	1,373,046	-	1,373,046	1,724,186
Airport	284,657	-	284,657	337,845
Municipal court	132,914	-	132,914	130,369
Emergency services	3,071,255	-	3,071,255	3,532,556
Community center	223,418	-	223,418	1,609,996
Park and recreation	2,470,234	-	2,470,234	693,106
Interest and fees	1,555,546	-	1,555,546	1,281,109
Electric	-	12,124,116	12,124,116	11,790,136
Water and sewer	-	6,011,253	6,011,253	5,768,979
Refuse	-	741,399	741,399	720,030
Aquatic	-	-	-	269,921
Total Expenses	17,316,134	18,876,768	36,192,902	40,640,763
Changes in Net Position	\$ 8,842,614	\$ 2,718,648	\$ 11,561,262	\$ 2,900,452

City of Harrisonville

Management's Discussion and Analysis

December 31, 2024

Governmental Activities

Governmental activities increased the net position of the City by \$8.8 million. Tax revenues for the City were \$12.9 million, which represents 49% of the funding of these activities. Program revenues for the functions totaled \$7.7 million, or 29%, of the funding. The following table shows the cost of the City's programs as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the taxpayers by each of these functions.

Net Cost of the City of Harrisonville's Governmental Activities

	Total Cost of Services	Net Cost of Services
General government	\$ 3,024,238	\$ 2,922,033
Law enforcement	4,394,664	4,253,456
Community development	786,162	785,964
Public works	1,373,046	1,011,897
Airport	284,657	(3,985,188)
Municipal court	132,914	8,102
Emergency services	3,071,255	1,690,494
Community center	223,418	223,418
Park and recreation	2,470,234	1,158,803
Debt Service	1,555,546	1,555,546
	<u>\$ 17,316,134</u>	<u>\$ 9,624,525</u>

Business-Type Activities

Business-type activities increased the City's net position by \$2.7 million. Charges for services constituted 96% of business-type revenues.

Financial Analysis of the City's Funds

Governmental Funds

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

The combined fund balance of the City's governmental funds as of December 31, 2024, was \$38.9 million. In total, the governmental funds increased by \$1.5 million. Fund balances consist of \$545,104 in nonspendable form, \$24.6 million in restricted fund balance for debt service and capital improvements, \$684,522 in assigned for specific purposes, and \$13.1 million is unassigned and can be used for general operations.

City of Harrisonville

Management's Discussion and Analysis

December 31, 2024

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The net position of the electric fund was \$13.6 million, which is an increase of \$606,248 from the prior year. The net position of the combined water and sanitary sewer (CWSS) fund totaled \$35.6 million, which is an increase of \$2.1 million from the prior year.

General Fund Budgetary Highlights

Revenues

The original General Fund budget had total budgeted revenues of \$13,512,583. Actual revenues were \$14,900,220. The City amended General Fund total budgeted revenues to \$42,128,999. The majority of the amendment was to intergovernmental revenues of \$28,688,791, which were expected, but not received in 2024.

Expenditures

The original General Fund budget had total budgeted expenditures of \$15,912,065. The City amended the General Fund budgeted expenditures to \$46,474,100. Actual expenditures were \$15,495,867. The inflation in the amended budget was for the purposes of capital outlay in the increased amount of \$29,807,756, which was not expended in 2024.

Capital Assets and Debt Administration

Capital Assets

Capital assets, net of accumulated depreciation, of the City, consist of the following:

	Governmental Activities	Business-Type Activities	Total Year Ended December 31, 2024	Total Year Ended December 31, 2023
Land	\$ 838,674	\$ 2,527,931	\$ 3,366,605	\$ 2,426,705
Construction in progress	2,052,081	7,184,321	9,236,402	6,229,383
Buildings and improvements	13,089,959	18,883,201	31,973,160	32,053,356
Machinery and equipment	1,866,156	1,968,129	3,834,285	3,921,090
Vehicles	831,821	685,461	1,517,282	1,751,486
Infrastructure	12,190,057	16,788,675	28,978,732	24,682,537
Leased assets				
Vehicles	333,765	-	333,765	300,371
Total Capital Assets, net	\$ 31,202,513	\$ 48,037,718	\$ 79,240,231	\$ 71,364,928

Capital assets of the governmental activities were \$31.2 million, net of accumulated depreciation, as of December 31, 2024. This represents a net increase of \$6.3 million from the prior year. Current year additions were \$7,802,931, most of which were additions relating to the airport project in the amount of \$4,812,349. Provisions for current year depreciation was \$1,504,736.

City of Harrisonville

Management's Discussion and Analysis

December 31, 2024

Capital assets for business-type activities were \$48.0 million, net of accumulated depreciation, as of December 31, 2024. This represents a net increase of \$1.6 million from the prior year. The net increase is due to current year additions of \$3.7 million and provisions for current year depreciation of \$2.2 million. The majority of business-type capital additions during the year was \$3.4 million of improvements in the CWSS Fund most of which was related to the south sewer improvement project.

The amounts presented above for the year ended December 31, 2023, are shown as restated.

Debt

Long-term liabilities of the City consist of the following:

	Governmental Activities	Business-Type Activities	Total Year Ended December 31, 2024	Total Year Ended December 31, 2023
Tax increment revenue bonds	\$ 2,250,000	\$ -	\$ 2,250,000	\$ 2,750,000
Revenue bonds	-	8,433,100	8,433,100	9,458,200
Certificates of participation	27,295,000	10,005,000	37,300,000	37,790,000
Financed purchases	706,777	288,568	995,345	1,380,458
Loan	-	97,376	97,376	-
Leases	290,435	-	290,435	303,930
Premiums	109,053	735,102	844,155	888,776
Discounts	(307,607)	-	(307,607)	(318,215)
Compensated absences	892,435	233,983	1,126,418	1,094,357
Total Long-term Debt, net	\$ 31,236,093	\$ 19,793,129	\$ 51,029,222	\$ 53,347,506

Total long-term liabilities of the governmental activities as of December 31, 2024, was \$31.2 million, which is down from the prior year by \$1.2M. The net decrease is mainly due to the payment of principal and amortization costs of premiums

Long-term liabilities of the business-type activities as of December 31, 2024, was \$19.8 million, which is a net decrease of \$1,087,728 from the prior year. The business-type activities had additions of \$97,376 for an interest-free loan relating to the Lake Harrisonville spillway project. The reductions, consisting primarily of principal and amortization of premiums amounts to \$1.2 million.

The amounts presented above as related to compensated absences, for the year end ended December 31, 2023, are shown as restated.

Economic Factors and Next Year's Budget

Economic Outlook

The City's economic base continues to show strong performance. Sales tax collection within the City is driven by retail trade and food services areas of consumer spending and showed an increase over 2023 collections. Franchise fee collections also performed better than expected and showed an increase from 2023.

City of Harrisonville

Management's Discussion and Analysis

December 31, 2024

There was a high number of vacancies in 2024 which resulted in expenditure savings across all departments.

The City was awarded a total of \$3,578,369 in grant money, from the following: State and Federal Grants for the runway reconstruction at the Airport totaling \$3,434,831, MODOT Grant of \$21,190 for the purchase of an E-Citation equipment by the Police Department, CDBG Grant of \$97,348 for the demolition of the old water/electric building, AARP Wish Grant of \$15,000 for the construction of sidewalks, and University of MO-Missouri Extension of \$10,000 for the summer camp program at the community center.

The projects completed in 2024 were: Reconstruct Runway, Airport Hanger Door Seals repaired, Asphalt, Sidewalk & Curb Programs, 1-49 & MO Hwy diverging diamond interchange Harrisonville sign on bridge, Southland interceptor, replacement of 3 sludge pumps at the water treatment plant, replacement of sump pumps at the waste water treatment plant, sewer line repair/replacement at Blueberry, James and Crestwood, Meadowlark, and emergency sanitary sewer repair on Oakvale, lead service line inventory and the demolition of the old water/electric building.

The economy remains uncertain due to possible tariff increases, elimination of some grants, and rising costs of goods and services. The Mayor & Board of Aldermen and City staff take a vigilant approach to monitoring the City's financial health, identifying and acting on trends to anticipate any major problems.

The City's 2025 \$41,997,191 operating budget was approved by the Board of Aldermen at the December 2, 2024, meeting. The budget reflects the goals and priorities of the Board of Aldermen and routine capital outlay.

Contacting the City's Financial Management

For additional information or questions, please contact any of the following members of City management at:

City of Harrisonville
300 East Pearl Street
Harrisonville, Missouri 64701
(816) 380-8907

Kim Hubbard, Finance Manager

City of Harrisonville

Statement of Net Position

December 31, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and cash equivalents	\$ 4,360,844	\$ 1,991,965	\$ 6,352,809	\$ 207,935
Investments	7,960,098	12,393,906	20,354,004	-
Accounts receivable, net	474,124	2,751,291	3,225,415	-
Taxes receivable	1,908,987	-	1,908,987	350,325
Intergovernmental receivable	685,483	206,959	892,442	-
Internal balances	5,876	(5,876)	-	-
Due from component unit	275,000	-	275,000	-
Inventory	196,701	696,133	892,834	-
Prepaid expenses	348,403	183,621	532,024	-
Restricted cash and cash equivalents	111,957	1,547,310	1,659,267	-
Restricted investments	24,517,685	2,718,835	27,236,520	-
Net pension asset	2,388,618	731,927	3,120,545	-
Capital Assets				
Nondepreciable	2,890,755	9,712,252	12,603,007	-
Depreciable, net	28,311,758	38,325,466	66,637,224	-
Total Assets	74,436,289	71,253,789	145,690,078	558,260
Deferred Outflows of Resources				
Deferred charge on refunding	32,763	-	32,763	-
Deferred pension outflow	1,879,308	755,988	2,635,296	-
Total Deferred Outflows of Resources	1,912,071	755,988	2,668,059	-
Liabilities				
Overdrawn cash	1,212,355	-	1,212,355	-
Accounts payable	65,757	987,493	1,053,250	-
Retainage payable	196,805	90,850	287,655	-
Accrued expenses	208,705	50,932	259,637	-
Court bonds payable	6,630	-	6,630	-
Unearned revenue	55,244	-	55,244	-
Accrued interest payable	434,836	80,055	514,891	112,927
Customer deposits	2,290	1,547,310	1,549,600	-
Due to primary government	-	-	-	275,000
Noncurrent liabilities				
Portion due within one year	1,829,990	1,243,955	3,073,945	-
Portion due in more than one year	29,406,103	18,549,174	47,955,277	12,854,517
Total Liabilities	33,418,715	22,549,769	55,968,484	13,242,444
Deferred Inflow of Resources				
Deferred pension inflow	466,250	-	466,250	-
Total Deferred Inflow of Resources	466,250	-	466,250	-
Net Position				
Net investment in capital assets	21,927,433	30,749,305	52,676,738	-
Restricted	24,620,722	2,718,835	27,339,557	-
Unrestricted	(4,084,760)	15,991,868	11,907,108	(12,684,184)
Total Net Position	\$ 42,463,395	\$ 49,460,008	\$ 91,923,403	\$ (12,684,184)

See accompanying Notes to the Financial Statements

City of Harrisonville

Statement of Activities

Year Ended December 31, 2024

Functions/Programs	Program Revenues				Net (Expenses), Revenues, and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental Activities								
General government	\$ (3,024,238)	\$ 79,304	\$ 19,791	\$ 3,110	\$ (2,922,033)	\$ -	\$ (2,922,033)	\$ -
Law enforcement	(4,394,664)	112,353	7,665	21,190	(4,253,456)	-	(4,253,456)	-
Community development	(786,162)	-	-	198	(785,964)	-	(785,964)	-
Public works	(1,373,046)	361,149	-	-	(1,011,897)	-	(1,011,897)	-
Airport	(284,657)	101,869	-	4,167,976	3,985,188	-	3,985,188	-
Municipal court	(132,914)	124,812	-	-	(8,102)	-	(8,102)	-
Emergency services	(3,071,255)	1,281,991	-	98,770	(1,690,494)	-	(1,690,494)	-
Community center	(223,418)	-	-	-	(223,418)	-	(223,418)	-
Parks and recreation	(2,470,234)	1,286,431	25,000	-	(1,158,803)	-	(1,158,803)	-
Interest and fees	(1,555,546)	-	-	-	(1,555,546)	-	(1,555,546)	-
Total Governmental Activities	(17,316,134)	3,347,909	52,456	4,291,244	(9,624,525)	-	(9,624,525)	-
Business-type Activities								
Electric	(12,124,116)	13,405,966	-	73,011	-	1,354,861	1,354,861	-
Water and sewer	(6,011,253)	6,501,857	-	2,032,021	-	2,522,625	2,522,625	-
Refuse	(741,399)	820,803	-	-	-	79,404	79,404	-
Total Business-type Activities	(18,876,768)	20,728,626	-	2,105,032	-	3,956,890	3,956,890	-
Total Primary Government	\$ (36,192,902)	\$ 24,076,535	\$ 52,456	\$ 6,396,276	(9,624,525)	3,956,890	(5,667,635)	-

See accompanying Notes to the Financial Statements

City of Harrisonville

Statement of Activities Year Ended December 31, 2024

Component Unit	Program Revenues				Net (Expenses), Revenues, and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit
					Governmental Activities	Business-Type Activities	
Market Place TIF	\$ (468,657)	\$ -	\$ -	\$ -	-	-	(468,657)
General Revenues							
Property taxes					1,558,583	-	290,244
Sales taxes					8,169,030	-	720,316
Franchise taxes					2,202,643	-	-
Other taxes					960,044	-	-
Interest					1,742,705	596,820	-
Other revenue					1,908,904	57,418	25
Gain on disposal of assets					32,750	-	-
Transfers					1,892,480	(1,892,480)	-
Total General Revenues and Transfers					18,467,139	(1,238,242)	1,010,585
<i>Changes in Net Position</i>					8,842,614	2,718,648	541,928
Net Position (Deficit), Beginning of Year, as reported					32,893,072	48,149,679	(13,226,112)
Change in reporting entity					1,271,500	(1,271,500)	-
Error correction					-	41,247	-
Change in accounting principle					(543,791)	(178,066)	-
Net Position (Deficit), Beginning of Year, as restated					33,620,781	46,741,360	(13,226,112)
Net Position (Deficit), End of Year					\$ 42,463,395	\$ 49,460,008	\$ (12,684,184)

See accompanying Notes to the Financial Statements

City of Harrisonville

Governmental Funds Balance Sheet December 31, 2024

	General Fund	Special Revenue Funds			Nonmajor Funds	Total Governmental Funds
		Emergency Services Fund	Park and Recreation Fund	Debt Service Fund		
Assets						
Cash and cash equivalents	\$ 3,812,221	\$ -	\$ 422,533	\$ -	\$ -	\$ 4,234,754
Investments	7,960,098	-	-	-	-	7,960,098
Accounts receivable, net	49,480	348,881	75,763	-	-	474,124
Taxes receivable	1,109,691	405,582	339,357	-	54,357	1,908,987
Intergovernmental receivable	671,146	14,337	-	-	-	685,483
Due from other funds	134,035	9,147	7,958	-	-	151,140
Due from component unit	275,000	-	-	-	-	275,000
Inventory	152,607	44,094	-	-	-	196,701
Prepaid expenses	254,034	72,412	21,957	-	-	348,403
Restricted cash and cash equivalents	8,920	-	-	73,803	29,234	111,957
Restricted investments	20,996,545	-	39,270	3,087,438	394,432	24,517,685
Total Assets	\$ 35,423,777	\$ 894,453	\$ 906,838	\$ 3,161,241	\$ 478,023	\$ 40,864,332
Liabilities						
Overdrawn cash	\$ -	\$ 1,212,355	\$ -	\$ -	\$ -	\$ 1,212,355
Accounts payable	65,442	-	315	-	-	65,757
Retainage payable	181,805	-	15,000	-	-	196,805
Accrued expenses	122,230	62,781	23,694	-	-	208,705
Court bonds payable	6,630	-	-	-	-	6,630
Customer deposits	2,290	-	-	-	-	2,290
Due to other funds	-	-	52,585	-	92,679	145,264
Unearned revenue	-	-	55,244	-	-	55,244
Total Liabilities	378,397	1,275,136	146,838	-	92,679	1,893,050
Deferred Inflows of Resources						
Unavailable property tax revenue	63,036	-	14,251	-	-	77,287
Unavailable grant revenue	18,382	-	-	-	-	18,382
Total Deferred Inflows of Resources	81,418	-	14,251	-	-	95,669
Fund Balances						
Nonspendable						
Inventory	152,607	44,094	-	-	-	196,701
Prepaid expenses	254,034	72,412	21,957	-	-	348,403
Restricted for						
Debt service	-	-	-	3,161,241	385,344	3,546,585
Capital improvements	20,996,545	-	39,270	-	-	21,035,815
Assigned to						
Community services	-	-	684,522	-	-	684,522
Unassigned	13,560,776	(497,189)	-	-	-	13,063,587
Total Fund Balances (Deficit)	34,963,962	(380,683)	745,749	3,161,241	385,344	38,875,613
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	\$ 35,423,777	\$ 894,453	\$ 906,838	\$ 3,161,241	\$ 478,023	\$ 40,864,332

See accompanying Notes to the Financial Statements

City of Harrisonville

Governmental Funds

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

December 31, 2024

Fund balance - total governmental funds	\$ 38,875,613
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	57,908,558
Less accumulated depreciation	(27,154,484)
A portion of the City's property taxes receivable are collected after year-end, but are not available soon enough to pay for current year's operations, and therefore are not reported as revenues in the governmental funds.	
	95,669
The net pension asset is not available to pay for the current-period expenditures, and therefore, is not reported in the funds. The following is the detail of the net effect of these differences in the treatment of the net pension asset and related deferred items:	
Net pension asset	2,388,618
Deferred outflows due to pension	1,879,308
Deferred inflows due to pension	(466,250)
Internal Service Funds are used by management to charge the costs of certain vehicle activities to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.	
	284,094
Unamortized debt issuance costs are not available to pay for current-period expenditures and therefore are not reported in the governmental funds.	
	32,763
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:	
Accrued interest payable	(434,836)
Long-term debt payable	(30,053,223)
Compensated absences	(892,435)
Net Position of Governmental Activities	\$ 42,463,395

See accompanying Notes to the Financial Statements

City of Harrisonville

Governmental Funds Revenues, Expenditures, and Changes in Fund Balances Year Ended December 31, 2024

	General Fund	Special Revenue Funds			Nonmajor Funds	Total Governmental Funds
		Emergency Services Fund	Park and Recreation Fund	Debt Service Fund		
Revenues						
Taxes	\$ 8,277,776	\$ 2,275,343	\$ 1,777,503	\$ -	\$ 719,888	\$ 13,050,510
Licenses and permits	399,720	-	-	-	-	399,720
Intergovernmental revenues	4,201,548	98,770	25,000	1,713,822	-	6,039,140
Charges for services	254,955	1,281,991	1,286,431	-	-	2,823,377
Court fees and fines	124,812	-	-	-	-	124,812
Interest income	1,566,967	-	6,216	122,750	46,772	1,742,705
Miscellaneous	74,442	38,127	22,460	-	2,984	138,013
Total Revenues	14,900,220	3,694,231	3,117,610	1,836,572	769,644	24,318,277
Expenditures						
Current						
General government	2,893,682	-	-	-	-	2,893,682
Law enforcement	3,887,541	-	-	-	-	3,887,541
Community development	710,441	-	-	-	11,070	721,511
Public works	959,936	-	-	-	-	959,936
Airport	126,665	-	-	-	-	126,665
Municipal court	132,286	-	-	-	-	132,286
Emergency services	-	3,363,094	-	-	-	3,363,094
Park and recreation	-	-	2,268,241	-	-	2,268,241
Capital outlay	6,537,048	802,511	242,375	-	-	7,581,934
Debt service						
Principal, interest, and fees	248,268	117,993	121,493	1,773,909	579,088	2,840,751
Total Expenditures	15,495,867	4,283,598	2,632,109	1,773,909	590,158	24,775,641
<i>Excess (Deficit) of Revenues Over Expenditures</i>	<i>(595,647)</i>	<i>(589,367)</i>	<i>485,501</i>	<i>62,663</i>	<i>179,486</i>	<i>(457,364)</i>
Other Financing Sources (Uses)						
Proceeds from sale of assets	-	11,600	21,150	-	-	32,750
Insurance reimbursements	-	57,069	-	-	-	57,069
Transfers in	2,465,020	978,364	-	313,735	-	3,757,119
Transfers (out)	(978,364)	(513,600)	(372,675)	-	-	(1,864,639)
Total Other Financing Sources (Uses)	1,486,656	533,433	(351,525)	313,735	-	1,982,299
<i>Net Change in Fund Balances</i>	<i>891,009</i>	<i>(55,934)</i>	<i>133,976</i>	<i>376,398</i>	<i>179,486</i>	<i>1,524,935</i>
Beginning Fund Balances (Deficit), as previously reported	34,072,953	(324,749)	718,597	2,784,843	262,828	37,514,472
Change in reporting entity	-	-	(106,824)	-	(56,970)	(163,794)
Beginning Fund Balances (Deficit), as restated	34,072,953	(324,749)	611,773	2,784,843	205,858	37,350,678
Ending Fund Balances (Deficit)	\$ 34,963,962	\$ (380,683)	\$ 745,749	\$ 3,161,241	\$ 385,344	\$ 38,875,613

See accompanying Notes to the Financial Statements

City of Harrisonville

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

Year Ended December 31, 2024

Net change in fund balances - total governmental funds	\$ 1,524,935
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 these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	7,581,934
Current year depreciation	(1,432,421)
Some revenues reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(141,828)
Internal service funds are used by management to charge the costs of certain vehicle activities internally to individual funds. The net revenue of activities of the Internal Service Fund is reported with governmental activities.	91,925
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. In the Statement of Activities, interest is accrued on outstanding debt whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences:	
Repayment of principal on bonds, financed purchase, and other debt	1,282,396
Change in bond premiums and discounts	2,809
Change in interest payable	11,557
Change in deferred bond issuance costs	(9,484)
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 the governmental funds:	
Change in compensated absences	(68,144)
Change in net pension asset and related deferrals	(1,065)
Change in Net Position of Governmental Activities	<u><u>\$ 8,842,614</u></u>

See accompanying Notes to the Financial Statements

City of Harrisonville

Proprietary Funds Statement of Net Position

December 31, 2024

	Business-Type Activities - Enterprise Funds				Governmental Activities
			Nonmajor Enterprise Funds	Total	Internal Service Fund
	Electric Fund	CWSS Fund			
Assets					
Current Assets					
Cash and cash equivalents	\$ 1,048,930	\$ 694,982	\$ 248,053	\$ 1,991,965	\$ 126,090
Investments	6,204,311	6,189,595	-	12,393,906	-
Accounts receivable, net	1,757,868	938,835	54,588	2,751,291	-
Intergovernmental receivable	-	206,959	-	206,959	-
Inventory	478,259	217,874	-	696,133	-
Prepaid expenses	48,633	134,988	-	183,621	-
Total Current Assets	9,538,001	8,383,233	302,641	18,223,875	126,090
Noncurrent Assets					
Restricted assets					
Cash and cash equivalents	-	1,547,310	-	1,547,310	-
Investments	-	2,718,835	-	2,718,835	-
Net pension asset	278,132	453,795	-	731,927	-
Capital assets					
Nondepreciable	220,624	9,491,628	-	9,712,252	-
Depreciable, net	5,758,899	32,566,567	-	38,325,466	448,439
Total Noncurrent Assets	6,257,655	46,778,135	-	53,035,790	448,439
Total Assets	15,795,656	55,161,368	302,641	71,259,665	574,529
Deferred Outflow of Resources					
Deferred pension outflow	287,276	468,712	-	755,988	-
Total Deferred Outflow of Resources	287,276	468,712	-	755,988	-
Liabilities					
Current Liabilities					
Accounts payable	881,289	44,135	62,069	987,493	-
Retainage payable	-	90,850	-	90,850	-
Accrued expenses	16,743	34,189	-	50,932	-
Accrued interest payable	-	80,055	-	80,055	-
Customer deposits	1,547,310	-	-	1,547,310	-
Due to other funds	-	5,876	-	5,876	-
Current maturities of long-term debt	-	1,243,955	-	1,243,955	188,871
Total Current Liabilities	2,445,342	1,499,060	62,069	4,006,471	188,871
Long-Term Liabilities					
Compensated absences	30,502	203,481	-	233,983	-
Certificates of participation	-	10,422,702	-	10,422,702	-
Revenue bonds	-	7,645,100	-	7,645,100	-
Financed purchases	-	247,389	-	247,389	-
Leases	-	-	-	-	101,564
Total Long-Term Liabilities	30,502	18,518,672	-	18,549,174	101,564
Total Liabilities	2,475,844	20,017,732	62,069	22,555,645	290,435
Net Position					
Net investment in capital assets	5,979,523	24,769,782	-	30,749,305	-
Restricted	-	2,718,835	-	2,718,835	-
Unrestricted	7,627,565	8,123,731	240,572	15,991,868	284,094
Total Net Position	\$ 13,607,088	\$ 35,612,348	\$ 240,572	\$ 49,460,008	\$ 284,094

See accompanying Notes to the Financial Statements

City of Harrisonville

Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Nonmajor Enterprise Funds			Total	Internal Service Fund
	Electric Fund	CWSS Fund	Funds		
Operating Revenues					
Charges for services	\$ 13,372,114	\$ 6,500,841	\$ 820,803	\$ 20,693,758	\$ 254,424
Miscellaneous	33,852	1,016	-	34,868	-
Total Operating Revenues	<u>13,405,966</u>	<u>6,501,857</u>	<u>820,803</u>	<u>20,728,626</u>	<u>254,424</u>
Operating Expenses					
Salaries and fringe benefits	966,526	1,946,716	-	2,913,242	-
Contractual services	410,314	218,846	730,376	1,359,536	74,031
Purchased services	42,369	382,817	-	425,186	-
Repairs and maintenance	29,589	203,160	-	232,749	-
Supplies	183,178	362,342	-	545,520	-
Insurance expenses	115,857	319,464	-	435,321	-
Cost of power purchased	8,766,519	-	-	8,766,519	-
Depreciation and amortization	536,994	1,631,423	-	2,168,417	72,315
Other operating	1,072,770	515,008	11,023	1,598,801	-
Total Operating Expenses	<u>12,124,116</u>	<u>5,579,776</u>	<u>741,399</u>	<u>18,445,291</u>	<u>146,346</u>
<i>Operating Income (Loss)</i>	1,281,850	922,081	79,404	2,283,335	108,078
Nonoperating Revenues (Expenses)					
Interest income	213,847	382,973	-	596,820	-
Interest expense	-	(431,477)	-	(431,477)	(16,153)
Lease income	-	57,418	-	57,418	-
Total Nonoperating Revenues (Expenses)	<u>213,847</u>	<u>8,914</u>	<u>-</u>	<u>222,761</u>	<u>(16,153)</u>
<i>Income (Loss) Before Contributions and Transfers</i>	1,495,697	930,995	79,404	2,506,096	91,925
Contributions and Transfers					
Capital grants - federal	73,011	2,032,021	-	2,105,032	-
Transfers (out)	(962,460)	(884,840)	(45,180)	(1,892,480)	-
Net Contributions and Transfers	<u>(889,449)</u>	<u>1,147,181</u>	<u>(45,180)</u>	<u>212,552</u>	<u>-</u>
<i>Changes in Net Position</i>	606,248	2,078,176	34,224	2,718,648	91,925
Beginning Net Position, as previously reported	13,055,940	33,615,891	1,477,848	48,149,679	192,169
Change in reporting entity	-	-	(1,271,500)	(1,271,500)	-
Error correction	-	41,247	-	41,247	-
Change in accounting principle	(55,100)	(122,966)	-	(178,066)	-
Beginning Net Position, as restated	<u>13,000,840</u>	<u>33,534,172</u>	<u>206,348</u>	<u>46,741,360</u>	<u>192,169</u>
Ending Net Position	<u>\$ 13,607,088</u>	<u>\$ 35,612,348</u>	<u>\$ 240,572</u>	<u>\$ 49,460,008</u>	<u>\$ 284,094</u>

See accompanying Notes to the Financial Statements

City of Harrisonville

Proprietary Funds Statement of Cash Flows

Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Electric Fund	CWSS Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
Cash Flows from Operating Activities					
Cash received from customers	\$ 13,604,133	\$ 6,270,864	\$ 820,262	\$ 20,695,259	\$ 254,424
Cash paid to suppliers	(10,334,264)	(2,349,981)	(739,591)	(13,423,836)	(74,031)
Cash paid to employees	(1,058,194)	(1,931,938)	-	(2,990,132)	-
Other cash received for nonoperating revenues	-	57,418	-	57,418	-
Movement of operations to governmental fund	-	-	165,701	165,701	-
Net Cash Provided by Operating Activities	2,211,675	2,046,363	246,372	4,504,410	180,393
Cash flows from Noncapital Financing Activities					
Transfers to other funds	(962,460)	(884,840)	(45,180)	(1,892,480)	-
Net Cash (Used) by Noncapital Financing Activities	(962,460)	(884,840)	(45,180)	(1,892,480)	-
Cash Flows from Capital and Related Financing Activities					
Proceeds from issuance of long-term debt	-	97,376	-	97,376	36,967
Capital contributions received	73,011	2,032,021	-	2,105,032	-
Acquisition of capital assets	(300,878)	(3,312,817)	-	(3,613,695)	(220,383)
Payment of long-term debt principal	-	(1,117,817)	-	(1,117,817)	(50,462)
Payment of interest expense	-	(475,601)	-	(475,601)	(16,153)
Net Cash (Used) by Capital and Related Financing Activities	(227,867)	(2,776,838)	-	(3,004,705)	(250,031)
Cash Flows from Investing Activities					
Interest received on investments	213,847	382,973	-	596,820	-
Purchase of investments	(1,570,301)	(168,779)	-	(1,739,080)	-
Net Cash Provided (Used) by Investing Activities	(1,356,454)	214,194	-	(1,142,260)	-
<i>Net Change in Cash and Cash Equivalents</i>	<i>(335,106)</i>	<i>(1,401,121)</i>	<i>201,192</i>	<i>(1,535,035)</i>	<i>(69,638)</i>
Cash and Cash Equivalents, Beginning of year	1,384,036	3,643,413	46,861	5,074,310	195,728
Cash and Cash Equivalents, End of year	1,048,930	2,242,292	248,053	3,539,275	126,090
Less Restricted Cash and Cash Equivalents	-	(1,547,310)	-	(1,547,310)	-
Unrestricted Cash and Cash Equivalents	\$ 1,048,930	\$ 694,982	\$ 248,053	\$ 1,991,965	\$ 126,090

See accompanying Notes to the Financial Statements

City of Harrisonville

Proprietary Funds Statement of Cash Flows

Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Electric Fund	CWSS Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating income (loss)	\$ 1,281,850	\$ 922,081	\$ 79,404	\$ 2,283,335	\$ 108,078
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	536,994	1,631,423	-	2,168,417	72,315
(Increase) decrease in					
Accounts receivable, net	98,790	(24,034)	(541)	74,215	-
Intergovernmental receivable	-	(206,959)	-	(206,959)	-
Inventory	56,963	721	-	57,684	-
Prepaid expenses	12,877	38,037	-	50,914	-
Net pension asset	63,621	153,767	-	217,388	-
Deferred pension outflows	(96,229)	(129,072)	-	(225,301)	-
Increase (decrease) in					
Accounts payable	216,492	(387,102)	1,808	(168,802)	-
Accrued expenses	3,365	6,315	-	9,680	-
Customer deposits	99,377	-	-	99,377	-
Compensated absences	(47,098)	11,015	-	(36,083)	-
Deferred pension inflows	(15,327)	(27,247)	-	(42,574)	-
Other cash received for nonoperating revenues	-	57,418	-	57,418	-
Other	-	-	165,701	165,701	-
Net Cash Provided by Operating Activities	<u>\$ 2,211,675</u>	<u>\$ 2,046,363</u>	<u>\$ 246,372</u>	<u>\$ 4,504,410</u>	<u>\$ 180,393</u>

See accompanying Notes to the Financial Statements

City of Harrisonville

Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2024

	<u>Custodial Funds</u>
Assets	
Cash and cash equivalents	\$ 361,876
Taxes receivable	<u>295,560</u>
Total Assets	<u>657,436</u>
Liabilities	
Due to others	<u>-</u>
Net Position Restricted for	
Other government units	<u>657,436</u>
Total Net Position	<u><u>\$ 657,436</u></u>

See accompanying Notes to the Financial Statements

City of Harrisonville

Fiduciary Funds Statement of Changes in Fiduciary Net Position Year Ended December 31, 2024

	<u>Custodial Funds</u>
Additions	
Donations	\$ 1,637,999
Miscellaneous	248
Total Additions	<u>1,638,247</u>
Deductions	
Debt service remittances	1,713,822
Administrative fees	21,727
Total Deductions	<u>1,735,549</u>
<i>Change in Net Position</i>	(97,302)
Net Position, Beginning of Year	754,738
Net Position, End of Year	<u><u>\$ 657,436</u></u>

See accompanying Notes to the Financial Statements

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

1. Summary of Significant Accounting Policies

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

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies and practices of the City.

Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is accountable for the component unit and the primary government is able to impose its will or the component unit may provide financial benefits or impose a financial burden on the primary government. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City is a primary government, which is governed by an elected board. As required by accounting principles generally accepted in the United States of America, the City has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The City has determined that the entities described in the following paragraphs meet the above criteria and therefore, have been included as component units in the City's basic financial statements.

Discretely Presented Component Unit

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

The Market Place TIF Fund accounts for the revenues and expenses associated with the Market Place Redevelopment Project.

Blended Component Unit

In addition to the criteria noted above, a blended component unit's governing body is the same, or substantially the same, as the City's Board of Aldermen, or the component unit provides services entirely to the City. In conformity with accounting principles generally accepted in the United States of America the financial statements of the component unit have been included in the financial reporting entity as a blended component unit.

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

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

Government-Wide and Fund Financial Statements

The basic financial statements include both the government-wide (the Statement of Net Position and the Statement of Activities) and fund financial statements.

Government-Wide Financial Statements

The government-wide statements display information about the primary government and its component unit. Interfund activity has been eliminated from these statements to minimize the duplication of internal 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 services for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

In the government-wide Statement of Net Position, both the governmental and business-type activities are consolidated and presented on the full accrual, economic resources basis of accounting. The consolidated presentation incorporates long-term assets and receivables as well as long-term debt and obligations, and it provides information to improve analysis and comparability.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a program or a function. Program revenues include charges for goods or services offered by the programs and grants and contributions that are restricted to meet operating and capital expenses of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The emphasis of fund financial statements is on major funds. Nonmajor funds are aggregated and presented in a single column.

Governmental Fund Types: The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Consequently, the emphasis on near-term inflows and outflows of resources do not present the long-term impact of transactions. It is necessary to convert the governmental fund data to arrive at the government-wide financial statements. Therefore, reconciliations have been provided following the Governmental Funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance identifying categories that required conversion from the fund statements.

The City reports the following major governmental funds:

General Fund: The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

Emergency Services Fund: The Emergency Services Fund is used to account for operations of the City's fire, emergency medical services, and emergency management services.

Park and Recreation Fund: The Park and Recreation Fund is used to account for the operations of the City's parks, community center, and aquatics center. The fund is financed by sales tax and charges for services.

Debt Service Fund: The Debt Service Fund accounts for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on long-term obligations other than obligations payable from the operations of other funds or proprietary fund types.

The other governmental funds of the City are considered nonmajor. They are special revenue and debt service funds, which account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary Fund Types: Proprietary funds include enterprise funds, which provide goods or services to users in exchange for charges or fees, and internal service funds, which provide goods or services to other funds of the City. The focus of proprietary fund measurement is upon determination of operating income, changes in net position, and cash flows. Operating revenues and expenses are distinguished from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of enterprise funds are charges to customers for services. Operating expenses consist of cost of sales and services, administrative expenses, depreciation of capital assets, and payment of debt.

The City reports the following major proprietary funds:

Electric Fund: The Electric Fund accounts for electric service provided for most City residents. All activities necessary to provide such services are accounted for in this fund, including billings, collections, operations, capital improvements, and financing and related debt service.

Combined Water and Sanitary Sewer (CWSS) Fund: The CWSS Fund accounts for water and sanitary sewer services provided to the residents of the City, as well as a limited number of customers outside of city limits. All activities necessary to provide such services are accounted for in this fund, including billings, collections, operations, capital improvements, and financing and related debt service.

Internal Service Fund: The Vehicle and Equipment Replacement Fund (VERF), the only internal service fund of the City, accounts for the costs of leases and replacement of the City's vehicle fleet, which is funded on a cost-reimbursement basis. This internal service fund is a governmental activity.

The other enterprise funds are considered nonmajor. These funds account for the assets, liabilities, revenues, and expenses relating to refuse operations.

Fiduciary Fund Types: Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate the City's programs. Activities that are reported as fiduciary include:

Custodial Funds: The custodial funds account for assets held by the City as an agent for other governments. Custodial fund activity includes collections and disbursements for the Highway 71/291

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

(Partners in Progress) Transportation Development District and deposits held for the Hospital Interchange Transportation Development District.

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

Adoption of New Accounting Standards

GASB Statement No. 100, *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62*. This statement prescribes the accounting for each type of accounting change and error correction. Additionally, this statement makes changes to how these changes and corrections are presented in the financial statements and disclosures.

GASB Statement No. 101, *Compensated Absences*. This statement updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures.

Cash, Cash Equivalents, and Investments

The City maintains a cash and investment pool, which a majority of the City's funds share. Interest earned is allocated to individual funds based on their proportionate share of the pool.

Missouri state statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of state and local government entities, certificates of deposit, and repurchase agreements. For purposes of the cash flow statement, all investments with an original maturity of three months or less at the time of purchase are considered to be cash equivalents.

Investments of the City are reported at fair value.

Fair Value

The fair value measurement and disclosure framework provides for a fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. There have been no significant changes from the prior year in the methodologies used to measure fair value. The levels of the fair value hierarchy are described below:

- | | |
|----------|--|
| Level 1: | Inputs using quoted prices in active markets for identical assets or liabilities |
| Level 2: | Inputs using significant other observable inputs including quoted prices for similar assets or liabilities |
| Level 3: | Inputs are significant unobservable inputs |

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

Accounts Receivable

Accounts receivable in the governmental activities consists of miscellaneous receivables for services provided to citizens. Accounts receivable in the business-type activities represent billed and unbilled charges for electric, water, sewer, and refuse services. Accounts receivable are shown net of allowances for uncollectible accounts.

Prepaid Expenses

Prepaid expenses reflect the payment of expenses that benefit more than one fiscal period. The amount is amortized using the consumption method over the period the expense is for.

Inventories

Inventories are valued at cost, determined on a first-in, first-out method or market. Inventory primarily consists of materials and supplies. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Internal Balances

Activity between funds that is representative of borrowing/lending arrangements outstanding at the end of the year is referred to as either "due to/due from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Capital Assets

Capital assets include land, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items) and are included in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, excluding land, are defined by the City as assets with a cost of \$5,000 or greater and a useful life of at least one year. All land purchases are capitalized regardless of cost. All purchased capital assets are valued and recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

In conformity with GASB 34, infrastructure, such as streets and storm sewers, has been capitalized. Additionally, the City elected to depreciate its infrastructure assets. Depreciation is provided in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

Building and improvements	15 - 50 years
Machinery and equipment	5 - 40 years
Vehicles	5 - 20 years
Street infrastructure	7 - 50 years
Transmission lines and mains	30 - 50 years

Expenses for maintenance and repairs are charged to expense; renewals and betterments are capitalized. Capital asset additions that are not completed by year end have been reported as construction in progress. There was no interest capitalized during the year ended December 31, 2024.

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

Compensated Absences

Employees earn paid time off (PTO) based on the number of years of service to the City. Outstanding PTO is payable upon termination of employment, which is limited to specified amounts for years of service provided to the City. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements for amounts that are more likely than not to be used or otherwise paid. A liability for these amounts is reported in governmental funds for leave that has been used but not yet paid.

Unearned Revenue

Unearned revenue in the governmental funds arise when assets are recognized before revenue recognition criteria have been satisfied.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and/or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position and/or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The City reports the following deferred outflows of resources and deferred inflows of resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Unavailable revenue (not collected within the period of availability) - Reported only at the modified accrual level		✓
Deferred charge on debt refundings	✓	
Deferred pension costs or cost reductions	✓	✓

Unavailable Revenue

For governmental funds, unavailable revenue are receivables that were not collected within a time period soon enough after year end to be considered available to meet current operating needs and therefore do not qualify for recognition as revenue.

Long-term Obligations and Debt Premiums and Discounts

In the government-wide financial statements and proprietary fund financial statements, long-term debt and obligations are reported in the statement of net position as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Long-term debt is reported net of the applicable premium or discount. Issuance costs are expensed as incurred.

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

Leases

The City leases its vehicle fleet. The City recognizes an intangible right-to-use lease asset and a lease liability.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Lease assets are reported with capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Pensions

For purposes of measuring the net pension liability (asset), 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.

Net Position

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

Net Investment in Capital Assets: This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted: This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted: This consists of net position that does not meet the definition of restricted or net investment in capital assets.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City first applies restricted net position.

Fund Balance Classification

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

Nonspendable fund balance: This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

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

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board of Aldermen – the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Board removes the specified use by taking the same type of action imposing the commitment.

Assigned fund balance This classification reflects the amounts constrained by the City’s “intent” to be used for specific purposes but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

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

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Revenue Recognition

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable at that time. All unpaid taxes levied November 1 become delinquent after December 31 of that year. In the governmental funds, revenues are considered available and recognized if collected within 60 days after year end, and proceeds of long-term debt are reported as other financing sources.

Program Revenues

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the City’s taxpayers are reported as program revenues. These include 1) charges for city court fines, licenses and permits, planning and zoning services, parks and recreation services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental revenues are reported as general. All taxes are classified as general revenues, even if restricted for a specific purpose.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and services. All other revenues and expenses are considered nonoperating.

Use of Estimates

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

2. Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. The pool is comprised of deposits, certificates of deposit, and obligations of U.S. Treasuries and agencies.

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

Per state statute and City policy, the City may invest in certificates of deposit, repurchase agreements, obligations of the U.S. Treasury and U.S. agencies, and obligations of state and local government entities.

Interest Rate Risk

Interest rate risk is the risk that the fair value of the City's investments will decrease as a result of changes in interest rates. The City's investment policy limits investment maturities to five years as a means of managing its exposure to fair value losses. To minimize the risk of loss the City matches investments to anticipated cash flows and diversifies the investment types to the extent practicable.

The City categorizes its investments within the fair value hierarchy established by GAAP as discussed in Note 1. The carrying amounts or fair values and the maturities of the City's investments at December 31, 2024 are as follows:

Investment Type	Maturity	Not Subject to Fair Value Hierarchy	Fair Value Level 1	Total
Money market funds	1/15/2025 - 8/30/2028	\$ -	\$ 8,907,993	\$ 8,907,993
Government and U.S. Treasury money market funds	N/A	-	27,236,520	27,236,520
U.S. Treasury T-bills	2/25/2025 - 4/29/2025	742,461	-	742,461
U.S. Treasury notes	2/28/2025 - 12/31/2028	-	7,885,674	7,885,674
U.S. agency notes	6/13/2025 - 3/15/2028	-	2,817,876	2,817,876
		<u>\$ 742,461</u>	<u>\$ 46,848,063</u>	<u>\$ 47,590,524</u>

Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, or by a single collateral pool established by the financial institution. The City's policy requires all deposits placed in financial institutions be in accordance with state statutes, which requires that the City's deposits be collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. The City's certificates of deposit are classified as investments, but are considered deposits for custodial risk determination. As of December 31, 2024, all bank balances on deposit were entirely insured or collateralized.

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All trades, where applicable, will be executed by delivery vs. payment to ensure that fixed income securities are deposited in eligible financial institutions prior to the release of funds. All fixed income securities are perfected in the name, or for the account of the City, and are held by a third-party custodian as evidenced by safekeeping receipts.

Credit Risk

Credit risk is the risk that the City will not recover its investment due to the ability of the counterparty to fulfill their obligation. The City minimizes credit risk by limiting its investments to certificates of deposit, U.S. government and

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

agency obligations, and other debt securities given the highest available rating by a nationally recognized statistical rating organization.

	Carrying Amount or Fair Value	Aaa (Moody's)	Unrated
Money market funds	\$ 8,907,993	\$ 8,907,993	\$ -
Government and U.S. Treasury money market funds	27,236,520	-	27,236,520
U.S. Treasury T-bills	742,461	742,461	-
U.S. Treasury notes	7,885,674	7,885,674	-
U.S. agency notes	2,817,876	2,817,876	-
	<u>\$ 47,590,524</u>	<u>\$ 20,354,004</u>	<u>\$ 27,236,520</u>

Concentration of Credit Risk

The City's investment policy does not limit the amount that can be invested with any one issuer. Investments in any one issuer and type of investment that represent more than 5% of the City's investments consist of the following:

- Goldman Sachs Square Treasury Instruments Fund holds 55.1% of the investments balance, which is a money market portfolio that is comprised of U.S. short-term debt obligations.
- Money market funds held at Commerce Bank comprises 18.7% of the investments balance.
- U.S. Treasury notes held at Commerce Bank comprise 16.6% of the investments balance.

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

3. Restricted Assets

Restricted cash and investments and net position are restricted for the following:

	Restricted Cash and Investments	Restricted Net Position
<i>Governmental Activities</i>		
General Fund		
Court bonds	\$ 6,630	\$ -
Refundable permits	2,290	-
Unspent proceeds from Series 2023 COP	20,846,503	20,846,503
Unspent proceeds from financing	150,042	150,042
	<u>21,005,465</u>	<u>20,996,545</u>
Park and Recreation Fund		
Unspent proceeds from Series 2023 COP	24,270	24,270
Unspent proceeds from financing	15,000	15,000
	<u>39,270</u>	<u>39,270</u>
Debt Service Fund		
Assets held for debt service	73,803	73,803
Assets held in escrow	3,087,438	3,087,438
	<u>3,161,241</u>	<u>3,161,241</u>
Nonmajor Governmental Funds		
TIF debt service reserves	29,234	29,234
TIF debt service reserves held in escrow	394,432	394,432
	<u>423,666</u>	<u>423,666</u>
Total Governmental Activities	<u><u>\$ 24,629,642</u></u>	<u><u>\$ 24,620,722</u></u>
<i>Business-Type Activities</i>		
CWSS Fund		
Assets held for debt service	\$ 448,102	\$ 448,102
Unspent proceeds from the Series 2020 COP	2,270,733	2,270,733
Refundable customer deposits	1,547,310	-
Total Business-Type Activities	<u><u>\$ 4,266,145</u></u>	<u><u>\$ 2,718,835</u></u>

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

4. Net Investment in Capital Assets

The City's net investment in capital assets at December 31, 2024, consist of the following:

	Governmental Activities	Business-Type Activities
Capital assets		
Capital assets not being depreciated	\$ 2,890,755	\$ 9,712,252
Depreciable capital assets, net of accumulated depreciation	28,311,758	38,325,466
Total capital assets	31,202,513	48,037,718
Plus:		
Unspent debt proceeds	21,035,815	2,270,733
Deferred charge on refunding	32,763	-
Unamortized original issue bond discounts	307,607	-
	21,376,185	2,270,733
Less:		
Revenue bonds	2,250,000	8,433,100
Certificates of participation	27,295,000	10,005,000
Notes from direct borrowing and direct placements	706,777	385,944
Lease liability	290,435	-
Unamortized original issue bond premiums	109,053	735,102
Total related debt	30,651,265	19,559,146
Net investment in capital assets	<u>\$ 21,927,433</u>	<u>\$ 30,749,305</u>

5. Accounts Receivable

The City presents accounts receivables net of allowance for doubtful accounts as follows:

	Accounts Receivable	Allowance	Net Accounts Receivable
General Fund	\$ 49,480	\$ -	\$ 49,480
Emergency Services Fund	1,449,323	1,100,442	348,881
Park and Recreation Fund	146,108	70,345	75,763
Electric Fund	1,892,642	134,774	1,757,868
Sewer Fund	1,014,004	75,169	938,835
Nonmajor Enterprise Funds	67,858	13,270	54,588
	<u>\$ 4,619,415</u>	<u>\$ 1,394,000</u>	<u>\$ 3,225,415</u>

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

6. Assessed Valuation, Tax Levy, & Legal Debt Margin

The assessed valuation of the tangible property and the tax levy per \$100 assessed valuation of that property were as follows:

	2024
Assessed Valuation	
Real estate	\$ 162,655,188
Personal property	40,237,776
Total	\$ 202,892,964
	2024
Tax Rate Per \$100 of Assessed Valuation	
General levy	\$ 0.5193
Parks levy	0.1174
Total	\$ 0.6367

The legal debt margin at December 31, 2024, was computed as follows:

	General Obligation Bonds		
	Ordinary (1)	Additional (2)	Total
Constitutional debt limit	\$ 20,289,296	\$ 20,289,296	\$ 40,578,592
General Obligation Bonds payable	-	-	-
Legal Debt Margin	\$ 20,289,296	\$ 20,289,296	\$ 40,578,592

(1) Under Article VI, Section 26(b) and (c), Missouri Constitution, the City, by a vote of its qualified electors voting therein, may incur an indebtedness for any purposes authorized in the charter of the City or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the City.

(2) Under Article VI, Section 26(d) and (e), Missouri Constitution, the City, by a vote of its qualified electors voting therein, may become indebted not exceeding in the aggregate an additional ten percent for the purpose of acquiring rights-of-way, construction, extending, and improving streets and avenues, and/or sanitary or storm sewer systems; and purchasing or constructing waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed twenty percent of the value of the taxable tangible property in the City.

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

7. Capital Assets

Governmental Activities

Capital asset activity for the year ended December 31, 2024, for the City's governmental activities was as follows:

	Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024
Governmental Activities				
Non-depreciable Capital Assets				
Land	\$ 838,674	\$ -	\$ -	\$ 838,674
Construction in progress	806,928	1,475,902	230,749	2,052,081
Total capital assets not being depreciated	1,645,602	<u>\$ 1,475,902</u>	<u>\$ 230,749</u>	2,890,755
Depreciable Capital Assets				
Building and improvements	23,623,042	\$ 1,094,060	\$ -	24,717,102
Machinery and equipment	6,329,122	207,218	57,300	6,479,040
Vehicles	3,731,603	125,642	391,442	3,465,803
Infrastructure	15,445,997	5,035,503	-	20,481,500
Leased assets				
Vehicles	460,106	95,355	59,860	495,601
Total depreciable capital assets	49,589,870	<u>\$ 6,557,778</u>	<u>\$ 508,602</u>	55,639,046
Less Accumulated Depreciation				
Building and improvements	11,194,240	\$ 432,903	\$ -	11,627,143
Machinery and equipment	4,364,185	305,999	57,300	4,612,884
Vehicles	2,807,140	218,284	391,442	2,633,982
Infrastructure	7,805,240	486,203	-	8,291,443
Leased assets				
Vehicles	159,735	61,347	59,246	161,836
Total accumulated depreciation	26,330,540	<u>\$ 1,504,736</u>	<u>\$ 507,988</u>	27,327,288
Total depreciable capital assets, net	<u>23,259,330</u>			<u>28,311,758</u>
Total Governmental Activities Capital Assets, net	<u>\$ 24,904,932</u>			<u>\$ 31,202,513</u>

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

Depreciation expense for governmental activities was charged to functions as follows:

Governmental Activities Depreciation Charged to the Functions:

General	\$ 61,207
Public safety	158,778
Streets	400,452
Community development	23,274
Airport	161,987
Emergency services	228,662
Parks and recreation	185,611
Community center	223,418
Leased assets held by the government's Internal Service Fund is charged to the various functions based on their usage of the assets	61,347
	<u>\$ 1,504,736</u>

Business-type Activities

Capital asset activity for the year ended December 31, 2024, for the City's business-type activities was as follows:

	Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024
Business-Type Activities				
<i>Electric</i>				
Non-depreciable Capital Assets				
Land	\$ 99,716	\$ -	\$ -	\$ 99,716
Construction in progress	126,317	-	5,409	120,908
Total capital assets not being depreciated	226,033	<u>\$ -</u>	<u>\$ 5,409</u>	220,624
Depreciable Capital Assets				
Buildings and improvements	1,273,080	\$ 94,342	\$ -	1,367,422
Machinery and equipment	1,046,423	26,758	-	1,073,181
Vehicles	1,166,225	-	-	1,166,225
Infrastructure	12,213,529	185,187	-	12,398,716
Total depreciable capital assets	15,699,257	<u>\$ 306,287</u>	<u>\$ -</u>	16,005,544
Less Accumulated Depreciation	9,709,651	<u>\$ 536,994</u>	<u>\$ -</u>	10,246,645
Total depreciable capital assets, net	5,989,606			5,758,899

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

	Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024
CWSS				
Non-depreciable Capital Assets				
Land	1,488,315	\$ 939,900	\$ -	2,428,215
Construction in progress	5,296,138	1,816,265	48,990	7,063,413
Total capital assets not being depreciated	6,784,453	<u>\$ 2,756,165</u>	<u>\$ 48,990</u>	9,491,628
Depreciable Capital Assets				
Buildings and improvements	32,262,959	\$ 61,205	\$ -	32,324,164
Machinery and equipment	3,835,893	237,261	-	4,073,154
Vehicles	589,001	-	-	589,001
Infrastructure	22,167,551	439,620	-	22,607,171
Total depreciable capital assets	58,855,404	<u>\$ 738,086</u>	<u>\$ -</u>	59,593,490
Less Accumulated Depreciation	25,395,500	<u>\$ 1,631,423</u>	<u>\$ -</u>	27,026,923
Total depreciable capital assets, net	33,459,904			32,566,567
Business-Type Activities Capital Assets, net	<u>\$ 46,459,996</u>			<u>\$ 48,037,718</u>

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

8. Long-Term Obligations

Governmental Activities

Long-term obligations and activities of the City's governmental activities for the year ended December 31, 2024, are as follows:

	Balance December 31, 2023	Additions	Retirements	Balance December 31, 2024	Amounts Due Within One Year
2018 Tax Increment and Sales Tax Refunding Revenue Bonds	\$ 2,750,000	\$ -	\$ 500,000	\$ 2,250,000	\$ 500,000
Unamortized bond premium	11,701	-	2,340	9,361	-
2023A Certificates of Participation	25,305,000	-	295,000	25,010,000	295,000
Unamortized discount	(318,215)	-	(10,608)	(307,607)	-
2023B Certificates of Participation	2,480,000	-	195,000	2,285,000	195,000
Unamortized premium	110,769	-	11,077	99,692	-
	30,339,255	-	992,809	29,346,446	990,000
Direct Placement and Borrowings					
Fire truck financed purchase	399,000	-	54,000	345,000	54,000
2021 Facility and equipment financed purchase	600,173	-	238,396	361,777	238,390
	999,173	-	292,396	706,777	292,390
Leases	303,930	36,967	50,462	290,435	188,871
Compensated Absences	824,291	68,144	-	892,435	358,729
Total	\$ 32,466,649	\$ 105,111	\$ 1,335,667	\$ 31,236,093	\$ 1,829,990

Tax Increment Revenue Bonds

On April 26, 2018, the City issued Series 2018 Annual Appropriation-Supported Tax Increment and Sales Tax Refunding Revenue Bonds (Harrisonville Towne Center Project), in the amount of \$5,580,000, for the purpose of refunding the remaining \$6,245,000 of the outstanding Series 2007 Tax Increment Revenue Bonds. The bonds are special, limited obligations of the City, payable solely from and secured as to payments of principal and interest by a pledge of certain payments in lieu of taxes and economic activity taxes generated within the Towne Center TIF District, subject to annual appropriation. The bonds mature on November 1 of each year with interest payments due May 1 and November 1 of each year. Principal payments range from \$400,000 to \$585,000 and interest ranges from 2.00% to 3.00%, through November 1, 2028.

Certificates of Participation

On May 3, 2023, the City issued Series 2023 Refunding and Improvement Certificates of Participation, in the total amount of \$27,785,000. This issuance includes Series 2023A and 2023B. The Series 2023A, in the amount of \$25,305,000, was issued for the purpose of refunding the outstanding aggregate principal amount of \$4,730,000 of Series 2014 Transportation Sales Tax Revenue Bonds that were issued by the Highway 71/291 Partners in Progress Transportation Development District (the "District") and for financing certain transportation projects within the City. Net revenues of the Highway 71/291 Partners in Progress Transportation Development District's 1% sales tax imposed on retail sales within the boundaries of the District are pledged for payments of the Series 2023A issue. The Series

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

2023B, in the amount of \$2,480,000, was issued for the purpose of refunding a portion of the City's outstanding 2021 financing agreement with Zions Bank in the amount of \$2,202,100, and to finance improvements to the City's community center and acquisition of equipment. The certificates mature on March 1 of each year with interest payments due March 1 and September 1 of each year. Principal payments range from \$195,000 to \$1,670,000, and interest ranges from 4.00% to 5.00%. The Series 2023A certificates mature on March 1, 2053, and the Series 2023B certificates mature on March 1, 2033. The certificates are eligible for prepayment on or after March 1, 2028.

Financed Purchases

On October 26, 2020, the City entered into an agreement in the amount of \$556,000, in order to finance the purchase of a fire truck. Principal payments are due October 1 and interest is due April 1 and October 1 of each year. Principal payments range from \$51,000 to \$60,000, with interest at 1.625%, through October 1, 2030. In the event of default, the lender may take legal action or recover the possession of the equipment.

On February 10, 2021, the City entered into an agreement in the amount of \$3,993,700, in order to finance several projects and equipment throughout the City. Of this amount, \$3,507,190 was expended on governmental activities and \$485,810 on business-type activities. Principal payments are due annually on November 1 in the amounts ranging from \$86,900 to \$1,055,200, and interest payments are due semi-annually on May 1 and November 1 at 1.35%. In the event of default, the bank has the right to possession, lease, or sell the financed facilities.

Leases

The City leases a portion of its vehicle fleet under a master lease agreement. The individual payment terms and lengths vary by each vehicle. Interest is deemed to be 7.00%. Amounts relating to the leases are reflected in the financial statements as right-to-use assets and lease liabilities.

Annual debt service requirements to maturity for the above obligations, excluding compensated absences and unamortized premiums, are as follows:

Year Ending December 31,	Bonds and Certificates of Participation		Direct Borrowings		Leases		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2025	\$ 1,065,000	\$ 1,318,031	\$ 296,657	\$ 11,327	\$ 188,871	\$ 1,694	\$ 2,881,580
2026	1,115,000	1,276,731	94,338	7,171	83,909	7,342	2,584,491
2027	1,170,000	1,232,469	89,896	5,451	13,166	1,276	2,512,258
2028	1,225,000	1,186,369	106,886	3,707	4,489	325	2,526,776
2029	670,000	1,138,069	59,000	2,909	-	-	1,869,978
2030-2034	3,745,000	5,130,719	60,000	-	-	-	8,935,719
2035-2039	3,565,000	4,259,378	-	-	-	-	7,824,378
2040-2044	4,685,000	3,355,928	-	-	-	-	8,040,928
2045-2049	6,115,000	2,156,022	-	-	-	-	8,271,022
2050-2053	6,190,000	591,538	-	-	-	-	6,781,538
	<u>\$ 29,545,000</u>	<u>\$ 21,645,254</u>	<u>\$ 706,777</u>	<u>\$ 30,565</u>	<u>\$ 290,435</u>	<u>\$ 10,637</u>	<u>\$ 52,228,668</u>

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

Business-type Activities

Long-term debt of the business-type activities for the year ended December 31, 2024, is summarized as follows:

	Balance December 31, 2023	Additions	Retirements	Balance December 31, 2024	Amounts Due Within One Year
2020 Certificates of Participation	\$ 10,005,000	\$ -	\$ -	\$ 10,005,000	\$ 315,000
Unamortized premium	760,883	-	28,181	732,702	-
Revenue Bonds					
Series 2003	245,000	-	245,000	-	-
Unamortized premium	624	-	624	-	-
Series 2005	210,000	-	105,000	105,000	105,000
Unamortized premium	4,799	-	2,399	2,400	-
Series 2009	1,629,200	-	219,100	1,410,100	223,400
Series 2017	7,374,000	-	456,000	6,918,000	462,000
	<u>20,229,506</u>	<u>-</u>	<u>1,056,304</u>	<u>19,173,202</u>	<u>1,105,400</u>
Direct Placement and Borrowings					
2021 Facility and equipment financed					
purchase	281,827	-	68,710	213,117	69,643
Excavator financed purchase	99,458	-	24,007	75,451	28,912
MWRP Loan	-	97,376	-	97,376	40,000
	<u>381,285</u>	<u>97,376</u>	<u>92,717</u>	<u>385,944</u>	<u>138,555</u>
Compensated Absences	270,066	-	36,083	233,983	121,125
Total	<u>\$ 20,880,857</u>	<u>\$ 97,376</u>	<u>\$ 1,185,104</u>	<u>\$ 19,793,129</u>	<u>\$ 1,365,080</u>

Certificates of Participation

On December 30, 2020, the City issued Series 2020 Refunding and Improvement Certificates of Participation in the amount of \$11,625,000. Of this amount, \$1,620,000 refunded the Series 2012 Refunding Certificates of Participation and \$10,005,000 was used to fund a storm water and sewer system improvement project. Principal is due in annual installments on November 1 through 2050, with interest ranging from 2.50% to 4.00%.

Revenue Bonds

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

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

In 2010, the City issued \$3,288,541 in Series 2009 Combined Waterworks and Sewerage System Revenue Bonds (State Direct Loan Program – ARRA); with an original amount not to exceed \$4,300,000. Proceeds were used to fund certain improvements to the City's sewer system. Principal is due in annual installments through July 1, 2030, including interest at 30% of the Revenue Bond Index as published in The Bond Buyer.

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

In 2017, the City issued Series 2017 Combined Waterworks and Sewerage System Revenue Bonds (State Direct Loan Program) in an amount not to exceed \$9,544,000. Proceeds were used to fund certain improvements to the City's water treatment plant. Principal is due in varying installments semi-annually on January 1 and July 1 each year, with interest at 1.15% through 2038.

As of December 31, 2024, the sinking funds and the reserve funds were adequately funded, and the City was in compliance with its rate covenants for all bonds.

Financed Purchases

On February 10, 2021, the City entered into an agreement in the amount of \$3,993,700, in order to finance several projects and equipment throughout the City. Of this amount, \$3,507,190 was expended on governmental activities and \$485,810 on business-type activities. Principal payments are due annually on November 1 in the amounts ranging from \$86,900 to \$1,055,200, and interest payments are due semi-annually on May 1 and November 1 at 1.35%. In the event of default, the bank has the right to possession, lease, or sell the financed facilities.

On March 9, 2023, the City entered into an agreement to finance an excavator. Principal and interest payments of \$16,016 are due semi-annually through March 2027 with interest at 4.61%. In the event of default, the lender has the rights to possession of the equipment.

MWRP Loan

In 2023, the City entered into a financial assistance agreement with the Missouri Department of Natural Resources (DNR) relating to the Lake Harrisonville principal spillway repairs project. The agreement contained a grant provision along with an interest-free loan provision. The agreement is governed by the Multipurpose Water Resource Act and was funded by the Multipurpose Water Resource Program Fund (MWRP Fund). As of December 31, 2024, the City fully extinguished the grant portion of the agreement and used \$97,376 of the available \$700,000 loan. The payment schedule approved by the DNR requires monthly payments of \$20,000 until the balance is paid off, which is expected to be in 2058.

City of Harrisonville

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December 31, 2024

Annual debt service requirements to maturity for the above obligations, excluding compensated absences, as of December 31, 2024, are as follows:

Year Ending December 31,	Bonds and Certificates of Participation		Direct Borrowings		Total
	Principal	Interest	Principal	Interest	
2025	\$ 1,105,400	\$ 417,017	\$ 138,555	\$ 5,171	\$ 1,666,143
2026	1,027,900	390,486	99,445	2,882	1,520,713
2027	1,055,600	368,445	90,860	1,106	1,516,011
2028	1,078,200	345,642	57,084	375	1,481,301
2029	1,111,000	322,278	-	-	1,433,278
2030-2034	4,927,000	1,263,556	-	-	6,190,556
2035-2039	4,388,000	751,073	-	-	5,139,073
2040-2044	1,725,000	373,675	-	-	2,098,675
2045-2049	1,665,000	171,375	-	-	1,836,375
2050	355,000	8,875	-	-	363,875
	<u>\$ 18,438,100</u>	<u>\$ 4,412,422</u>	<u>\$ 385,944</u>	<u>\$ 9,534</u>	<u>\$ 23,246,000</u>

Component Unit

Developer Obligations

Certain developers have incurred certain costs that are eligible for reimbursement under the Market Place TIF Plan. These obligations are special limited obligations of the City, payable only to the extent that tax increment financing revenues are available upon retirement of the tax increment revenue note discussed below. At December 31, 2024, the total obligations under these agreements were \$5,326,059.

Tax Increment Revenue Note

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

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

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

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

As of December 31, 2024, the remaining principal balance was \$7,528,458, with accrued interest of \$112,927.

9. Employee Pension Plan

General Information about the Pension Plan

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

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

2024 Valuation

Benefit Multiplier	2.00% for life
Final Average Salary	3 Years
Member Contributions	0%

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

Employees Covered by Benefit Terms. At June 30, 2024, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Retirees or beneficiaries currently receiving benefits	87	23	9	119
Inactive employees entitled to but not yet receiving benefits	59	23	26	108
Active employees	77	24	19	120
	<u>223</u>	<u>70</u>	<u>54</u>	<u>347</u>

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year. With an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates were 12.8% for General, 17.1% for Police, and 12.1% for Fire, of annual covered payroll.

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

Net Pension Asset (Liability). The employer's net pension asset (liability) was measured as of June 30, 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 29, 2024. The roll-forward of total pension liability from February 29, 2024 to June 30, 2024 reflects expected service cost and interest reduced by actual benefit payments.

Actuarial Assumptions. The total pension asset in the February 29, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary Increase	2.75% to 6.75% including wage inflation for the General Division
	2.75% to 6.55% including wage inflation for the Police Division
	2.75% to 7.15% including wage inflation for the Fire Division
Investment rate of return	7.00%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Tables for males and females of General groups, and 75% of the PubS-2010 Employee Mortality Table for males and females of Police and Fire groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above-described tables.

The actuarial assumptions used in the February 29, 2024 valuation were based on the results of an actuarial experience study covering the period March 1, 2015 through February 29, 2020.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash/Leverage	-25.00%	-0.29%

Discount Rate. The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) (a) - (b)
General Division			
Balance at beginning of year	\$ 25,275,751	\$ 27,709,891	\$ (2,434,140)
Changes for the year			
Service cost	475,689	-	475,689
Interest on total pension liability	1,737,988	-	1,737,988
Difference between expected and actual experience of the total pension liability	488,526	-	488,526
Contributions - employer	-	548,092	(548,092)
Net investment income	-	1,415,859	(1,415,859)
Benefit payments, including refunds	(1,385,783)	(1,385,783)	-
Administrative expenses	-	(26,086)	26,086
Other (net transfers)	-	72,881	(72,881)
Net Changes	1,316,420	624,963	691,457
Balance at end of year	26,592,171	28,334,854	(1,742,683)
Police Division			
Balance at beginning of year	7,600,545	7,885,767	(285,222)
Changes for the year			
Service cost	204,756	-	204,756
Interest on total pension liability	527,913	-	527,913
Difference between expected and actual experience of the total pension liability	(439,180)	-	(439,180)
Contributions - employer	-	271,789	(271,789)
Net investment income	-	410,594	(410,594)
Benefit payments, including refunds	(324,658)	(324,658)	-
Administrative expenses	-	(7,759)	7,759
Other (net transfers)	-	(455,104)	455,104
Net Changes	(31,169)	(105,138)	73,969
Balance at end of year	7,569,376	7,780,629	(211,253)

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset)
	(a)	(b)	(a) - (b)
Fire Division			
Balance at beginning of year	3,608,648	4,347,595	(738,947)
Changes for the year			
Service cost	183,953	-	183,953
Interest on total pension liability	252,353	-	252,353
Difference between expected and actual experience of the total pension liability	54,466	-	54,466
Contributions - employer	-	143,522	(143,522)
Net investment income	-	261,960	(261,960)
Benefit payments, including refunds	(191,292)	(191,292)	-
Administrative expenses	-	(4,415)	4,415
Other (net transfers)	-	517,367	(517,367)
Net Changes	299,480	727,142	(427,662)
Balance at end of year	3,908,128	5,074,737	(1,166,609)
Total Plan Balances at end of year	\$ 38,069,675	\$ 41,190,220	\$ (3,120,545)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following present the Net Pension Liability (Asset) of the employer, calculated using the discount rate of 7.00%, as well as what the employer's Net Pension Liability (Asset) would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
General Division			
Total Pension Liability	\$ 30,152,401	\$ 26,592,171	\$ 23,657,814
Plan Fiduciary Net Position	28,334,854	28,334,854	28,334,854
Net Pension Liability (Asset)	1,817,547	(1,742,683)	(4,677,040)
Police Division			
Total Pension Liability	8,721,254	7,569,376	6,635,466
Plan Fiduciary Net Position	7,780,629	7,780,629	7,780,629
Net Pension Liability (Asset)	940,625	(211,253)	(1,145,163)
Fire Division			
Total Pension Liability	4,630,945	3,908,128	3,337,863
Plan Fiduciary Net Position	5,074,737	5,074,737	5,074,737
Net Pension (Asset)	(443,792)	(1,166,609)	(1,736,874)
Total Net Pension Liability (Asset)	\$ 2,314,380	\$ (3,120,545)	\$ (7,559,077)

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

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

For the year ended December 31, 2024, the employer recognized pension expense of \$959,214. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred (Inflow) of Resources	Net Deferred Outflows (Inflows) of Resources
General Division			
Differences between expected and actual experience	\$ 721,579	\$ -	\$ 721,579
Assumption changes	-	-	-
Difference between projected and actual earnings on pension plan investments	792,699	-	792,699
Contributions subsequent to the measurement date	285,693	-	285,693
	<u>1,799,971</u>	<u>-</u>	<u>1,799,971</u>
Police Division			
Differences between expected and actual experience	126,076	(390,261)	(264,185)
Assumption changes	-	(16,079)	(16,079)
Difference between projected and actual earnings on pension plan investments	232,002	-	232,002
Contributions subsequent to the measurement date	140,340	-	140,340
	<u>498,418</u>	<u>(406,340)</u>	<u>92,078</u>
Fire Division			
Differences between expected and actual experience	148,296	(53,754)	94,542
Assumption changes	4,360	(6,156)	(1,796)
Difference between projected and actual earnings on pension plan investments	109,069	-	109,069
Contributions subsequent to the measurement date	75,182	-	75,182
	<u>336,907</u>	<u>(59,910)</u>	<u>276,997</u>
Total	<u>\$ 2,635,296</u>	<u>\$ (466,250)</u>	<u>\$ 2,169,046</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition in the net pension asset in the year ending December 31, 2025.

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

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

Year Ending June 30,	Net Deferred Outflows and (Inflows) of Resources			
	General Division	Police Division	Fire Division	Total
2025	\$ 111,432	\$ (142,570)	\$ (13,803)	\$ (44,941)
2026	934,212	99,212	122,696	1,156,120
2027	369,310	(29,636)	64,665	404,339
2028	99,324	24,732	28,257	152,313
2029	-	-	-	-
Thereafter	-	-	-	-
	<u>\$ 1,514,278</u>	<u>\$ (48,262)</u>	<u>\$ 201,815</u>	<u>\$ 1,667,831</u>

Payable to the Pension Plan

At December 31, 2024, the City had \$77,811 of payments due to the Plan.

10. Interfund Receivables, Payables, and Transfers

Interfund balances as of December 31, 2024, are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 134,035	\$ -
Emergency Services Fund	9,147	-
Park and Recreation Fund	7,958	52,585
Nonmajor Governmental Funds	-	92,679
CWSS Fund	-	5,876
	<u>\$ 151,140</u>	<u>\$ 151,140</u>

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds have not been paid or received as of December 31, 2024, balances of interfund amounts receivable or payable have been recorded within the financial statements.

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

Transfers between funds of the City for the year ended December 31, 2024, were as follows:

Funds Transferred From	Funds Transferred To	Amount
Emergency Services Fund	General Fund	\$ 513,600
Park and Recreation Fund	General Fund	58,940
Electric Fund	General Fund	962,460
CWSS Fund	General Fund	884,840
Nonmajor Enterprise Funds	General Fund	45,180
General Fund	Emergency Services Fund	978,364
Park and Recreation Fund	Debt Service Fund	313,735
		<u>\$ 3,757,119</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the Enterprise Funds and General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

11. Tax Abatements

The City provides tax abatements through the Enhanced Enterprise Zones (EEZ) Program. The Enhanced Enterprise Zones Program is designed to attract new or expanding businesses to the area. Under Sections 135.950-135.970, RSMo., in order for a manufacturer, distributor, or certain service industries to qualify for the 50% tax abatement for 10 years, the business must meet certain minimum criteria depending on the type of business facility. Taxes abated through the EEZ program was \$9,661.

The City also provides tax abatements through the tax increment financing agreements to promote new investment, infrastructure improvements, and job growth by providing financial assistance and incentives to redevelopers. Pursuant to Section 99.800 of RSMo., 50% of the incremental increase in taxes generated by economic activities may be redirected. Taxes abated through the TIF program was \$47,009.

12. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has transferred its risk by obtaining coverage from a public self-insured insurance pool. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

13. Claims & Adjustments

The City participates in federal and state programs that are fully or partially funded by grants or loans received from other governmental units. Expenditures financed by grants and loans are subject to audit by the appropriate government. If expenditures are disallowed due to noncompliance with program regulations, the City may be required to reimburse the grantor government. The City believes that disallowed expenditures, if any, based upon subsequent audits will not have a material effect on the City's financial position.

14. Commitments and Contingencies

Litigation

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

Promissory Note Receivable

On March 18, 2011, the City received a promissory note from Harrisonville Housing Associates, L.P., Clarkton, Missouri, in the amount of \$750,490 with 0% interest. The note calls for repayment of principal annually in an amount equal to 50% of cash flow allowed by the Missouri Housing Development Commission and the United States Department of Agriculture, Rural Housing Service (Rural Development) (the Agency). Such payment is due 30 days after the date that the audit of Harrisonville Housing Associates, L.P., is approved by the Agency. In any event, all remaining indebtedness is due and payable on March 18, 2062. The note is secured by a Deed of Trust.

Since the ultimate collectability is uncertain, City management has established an allowance for an uncollectible note receivable that is equal to the outstanding balance of the note receivable of \$742,196 at December 31, 2024. Funding for the loan was made available with a Community Development Block Grant (CDBG), which is available for re-use from collections of principal for other eligible CDBG activity.

Long-term Contract

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

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

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

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

MoPEP operations are governed by a committee ("Pool Committee") consisting of one representative from each MoPEP Member and is currently comprised of 35 members as of December 31, 2024.

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

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

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

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

MCMEUC's audited financial statements are available on its website at www.mpua.org.

Commitments

The City had the following commitments for ongoing projects at December 31, 2024:

	Remaining Amount	Amount of Contract
Royal Street extension project	\$ 808,761	\$ 1,663,849
South Sanitary Sewer extension project	\$ 317,993	\$ 2,226,495

15. Fund Deficit

The City has a deficit fund balance in the Emergency Services Fund in the amount of \$380,683 and deficit unassigned fund balance of \$497,189.

City of Harrisonville

Notes to the Financial Statements

December 31, 2024

16. Restatement

As of January 1, 2024, the City combined the Park Fund and the Aquatics Center Fund with the Community Center Fund and renamed the Fund to be the Park and Recreation Fund. As a result of the combination of funds, fund balances and net position have been restated as noted below.

During the year ended December 31, 2024, the City identified an error in a previously added capital asset of the CWSS Fund. The error resulted in a duplicated asset with accumulated depreciation that was erroneously calculated. The correction was made to beginning net positions as noted below.

Additionally, during the year ended December 31, 2024, the City adopted new accounting guidance, GASB Statement No. 101 – *Compensated Absences*, which requires retrospective reporting as noted below.

	Reporting Units Affected by Restatements of Beginning Balances						
	Funds					Government-Wide	
	Park Fund	Park and Recreation Fund	Electric Fund	CWSS Fund	Aquatics Center Fund	Governmental Activities	Business-type Activities
December 31, 2023, as previously reported	\$ 56,970	\$ 718,597	\$ 13,055,940	\$ 33,615,891	\$ 1,271,500	\$ 32,893,072	\$ 48,149,679
Change in reporting entity							
Cash	284,785	(450,486)	-	-	165,701	(165,701)	165,701
Investments	(264,170)	264,170	-	-	-	-	-
Accounts receivable, net	(73,197)	73,197	-	-	-	-	-
Due from other funds	(7,958)	7,958	-	-	-	-	-
Prepaid expenses	(24,430)	26,346	-	-	(1,916)	1,916	(1,916)
Capital assets	-	-	-	-	(3,358,263)	3,358,263	(3,358,263)
Accumulated depreciation	-	-	-	-	1,922,969	(1,922,969)	1,922,969
Accounts payable	253	(262)	-	-	9	(9)	9
Unavailable revenue	27,747	(27,747)	-	-	-	-	-
Error Correction							
Capital assets	-	-	-	(61,870)	-	-	(61,870)
Accumulated depreciation	-	-	-	103,117	-	-	103,117
Change in accounting principle							
Compensated absences	-	-	(55,100)	(122,966)	-	(543,791)	(178,066)
December 31, 2023, as restated	\$ -	\$ 611,773	\$ 13,000,840	\$ 33,534,172	\$ -	\$ 33,620,781	\$ 46,741,360

Required Supplementary Information

City of Harrisonville

Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Property taxes	\$ 991,240	\$ 991,240	\$ 1,287,217	\$ 295,977
City sales tax	3,480,270	3,480,270	3,847,848	367,578
Franchise tax	2,091,120	2,091,120	2,202,643	111,523
Other	959,300	959,300	940,068	(19,232)
Licenses and permits	261,864	261,864	399,720	137,856
Intergovernmental revenues	4,833,529	33,522,320	4,201,548	(29,320,772)
Charges for services	413,092	340,717	254,955	(85,762)
Court fees and fines	94,970	94,970	124,812	29,842
Miscellaneous				
Interest income	315,848	315,848	1,566,967	1,251,119
Other	71,350	71,350	74,442	3,092
Total Revenues	13,512,583	42,128,999	14,900,220	(27,228,779)
Expenditures				
Current				
General government	3,450,564	3,573,422	2,893,682	679,740
Law enforcement	4,274,998	4,419,665	3,887,541	532,124
Community development	880,669	885,669	710,441	175,228
Public works	949,859	1,352,122	959,936	392,186
Airport	212,773	292,144	126,665	165,479
Municipal court	146,159	146,159	132,286	13,873
Capital outlay	5,734,000	35,541,756	6,537,048	29,004,708
Debt service				
Principal, interest, and fees	263,043	263,163	248,268	14,895
Total Expenditures	15,912,065	46,474,100	15,495,867	30,978,233
<i>Excess (Deficit) of Revenues Over Expenditures</i>	<i>(2,399,482)</i>	<i>(4,345,101)</i>	<i>(595,647)</i>	<i>3,749,454</i>
Other Financing Sources (Uses)				
Issuance of debt	-	153,000	-	(153,000)
Operating transfers in	2,459,078	2,459,078	2,465,020	5,942
Operating transfers (out)	(1,060,063)	(1,069,105)	(978,364)	90,741
Total Other Financing Sources (Uses)	1,399,015	1,542,973	1,486,656	(56,317)
<i>Net Change in Fund Balance</i>	<i>(1,000,467)</i>	<i>(2,802,128)</i>	<i>891,009</i>	<i>3,693,137</i>
Beginning Fund Balance	8,567,958	8,567,958	34,072,953	25,504,995
Ending Fund Balance	\$ 7,567,491	\$ 5,765,830	\$ 34,963,962	\$ 29,198,132

See accompanying Notes to the Budgetary Comparison Schedules

City of Harrisonville

Budgetary Comparison Schedule – Emergency Services Fund

Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes				
City sales tax	\$ 2,292,525	\$ 2,292,525	\$ 2,275,343	\$ (17,182)
Intergovernmental revenues	-	9,500	98,770	89,270
Charges for services	1,642,100	1,736,746	1,281,991	(454,755)
Miscellaneous				
Interest income	60	60	-	(60)
Other	47,300	47,300	38,127	(9,173)
Total Revenues	<u>3,981,985</u>	<u>4,086,131</u>	<u>3,694,231</u>	<u>(391,900)</u>
Expenditures				
Current				
Emergency services	3,335,227	4,341,504	3,363,094	978,410
Capital outlay	901,467	901,467	802,511	98,956
Debt service				
Principal, interest, and fees	117,954	117,954	117,993	(39)
Total Expenditures	<u>4,354,648</u>	<u>5,360,925</u>	<u>4,283,598</u>	<u>1,077,327</u>
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(372,663)	(1,274,794)	(589,367)	685,427
Other Financing Sources (Uses)				
Proceeds from sale of assets	-	-	11,600	11,600
Insurance reimbursements	-	-	57,069	57,069
Operating transfers in	886,263	895,805	978,364	82,559
Operating transfers (out)	(513,600)	(513,600)	(513,600)	-
Total Other Financing Sources (Uses)	<u>372,663</u>	<u>382,205</u>	<u>533,433</u>	<u>151,228</u>
<i>Net Change in Fund Balance</i>	-	(892,589)	(55,934)	836,655
Beginning Fund Balance (Deficit)	(1,462,955)	(324,749)	(324,749)	-
Ending Fund Balance (Deficit)	<u>\$ (1,462,955)</u>	<u>\$ (1,217,338)</u>	<u>\$ (380,683)</u>	<u>\$ 836,655</u>

See accompanying Notes to the Budgetary Comparison Schedules

City of Harrisonville

Budgetary Comparison Schedule – Park and Recreation Fund

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Property taxes	\$ 141,000	\$ 141,000	\$ 239,613	\$ 98,613
City sales tax	1,453,259	1,453,259	1,517,914	64,655
Other	12,365	12,365	19,976	7,611
Intergovernmental revenues	-	-	25,000	25,000
Charges for services	1,299,084	1,299,084	1,286,431	(12,653)
Miscellaneous				
Interest income	200	200	6,216	6,016
Other	40,400	40,400	22,460	(17,940)
Total Revenues	<u>2,946,308</u>	<u>2,946,308</u>	<u>3,117,610</u>	<u>171,302</u>
Expenditures				
Current				
Administration	706,438	709,483	691,160	18,323
Buildings and grounds	453,592	500,252	412,650	87,602
Outdoor pool	296,520	313,985	226,725	87,260
Aquatics center	177,806	177,806	162,097	15,709
Maintenance	472,456	500,034	410,952	89,082
Recreation programs	212,489	211,071	179,605	31,466
Fitness	62,160	70,880	84,535	(13,655)
Athletics	127,339	120,939	100,517	20,422
Capital outlay	-	247,195	242,375	4,820
Debt service				
Principal, interest, and fees	64,443	64,443	121,493	(57,050)
Total Expenditures	<u>2,573,243</u>	<u>2,916,088</u>	<u>2,632,109</u>	<u>283,979</u>
<i>Excess (Deficit) of Revenues Over Expenditures</i>	373,065	30,220	485,501	455,281
Other Financing Sources (Uses)				
Proceeds from sale of assets	-	-	21,150	21,150
Issuance of debt	-	170,496	-	(170,496)
Operating transfers (out)	(373,065)	(373,065)	(372,675)	390
Total Other Financing Sources (Uses)	<u>(373,065)</u>	<u>(202,569)</u>	<u>(351,525)</u>	<u>(148,956)</u>
<i>Net Change in Fund Balance</i>	-	(172,349)	133,976	306,325
Beginning Fund Balance, as previously reported	223,391	718,597	718,597	-
Change in reporting entity	-	-	(106,824)	(106,824)
Beginning Fund Balance, as restated	<u>223,391</u>	<u>718,597</u>	<u>611,773</u>	<u>(106,824)</u>
Ending Fund Balance	<u>\$ 223,391</u>	<u>\$ 546,248</u>	<u>\$ 745,749</u>	<u>\$ 199,501</u>

See accompanying Notes to the Budgetary Comparison Schedules

City of Harrisonville

Budgetary Comparison Schedule – Debt Service Fund

Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ 1,713,822	\$ 1,713,822
Interest income	1,030	1,030	122,750	121,720
Total Revenues	<u>1,030</u>	<u>1,030</u>	<u>1,836,572</u>	<u>1,835,542</u>
Expenditures				
Debt service				
Principal	195,000	195,000	490,000	(295,000)
Interest and fees	120,625	120,625	1,283,909	(1,163,284)
Total Expenditures	<u>315,625</u>	<u>315,625</u>	<u>1,773,909</u>	<u>(1,458,284)</u>
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(314,595)	(314,595)	62,663	377,258
Other Financing Sources (Uses)				
Operating transfers in	314,595	314,125	313,735	(390)
Total Other Financing Sources (Uses)	<u>314,595</u>	<u>314,125</u>	<u>313,735</u>	<u>(390)</u>
<i>Net Change in Fund Balance</i>	-	(470)	376,398	376,868
Beginning Fund Balance	223,391	223,391	2,784,843	2,561,452
Ending Fund Balance	<u>\$ 223,391</u>	<u>\$ 222,921</u>	<u>\$ 3,161,241</u>	<u>\$ 2,938,320</u>

See accompanying Notes to the Budgetary Comparison Schedules

City of Harrisonville

Notes to the Budgetary Comparison Schedules

Year Ended December 31, 2024

Budgets and Budgetary Accounting

The City uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to December, Administration submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditure plans for all fund types and the proposed means of financing them. The primary basis of budgetary control is at the department level.
2. One public hearing is conducted by the Board of Aldermen in August to obtain taxpayers' comments on the proposed budget and tax levy.
3. Prior to January 1, ordinances are passed by the Board of Aldermen which provide for legally adopted budgets for all funds of the City, except for the Towne Center TIF Fund.
4. Formal budgetary integration is employed as a management control device for all funds of the City.
5. Budgets are adopted on a basis consistent with GAAP. Budgeted amounts are amended during the year by the Board of Aldermen.

City of Harrisonville

Schedule of Changes in Net Pension Asset and Related Ratios

Year Ended December 31, 2024

Missouri Local Government Employees Retirement System (LAGERS)

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Total Pension Liability										
Service cost	\$ 864,398	\$ 707,041	\$ 611,632	\$ 631,590	\$ 650,667	\$ 651,813	\$ 595,775	\$ 576,243	\$ 594,597	\$ 592,093
Interest on the total pension liability	2,518,254	2,282,137	2,153,400	2,197,682	2,080,408	2,015,512	1,890,390	1,797,529	1,673,775	1,580,623
Benefit Changes	-	1,168,051	-	-	-	-	-	-	-	-
Difference between expected and actual experience	103,812	965,560	768,017	62,621	572,917	(380,787)	422,754	11,392	(492,706)	(68,776)
Changes of assumptions	-	-	-	(659,234)	-	-	-	-	852,733	-
Benefit payments	(1,901,733)	(1,754,857)	(1,727,294)	(1,816,205)	(1,542,692)	(1,244,212)	(1,178,211)	(1,051,857)	(777,773)	(861,393)
<i>Net Change in Total Pension Liability</i>	<u>1,584,731</u>	<u>3,367,932</u>	<u>1,805,755</u>	<u>416,454</u>	<u>1,761,300</u>	<u>1,042,326</u>	<u>1,730,708</u>	<u>1,333,307</u>	<u>1,850,626</u>	<u>1,242,547</u>
Total Pension Liability, Beginning	<u>36,484,944</u>	<u>33,117,012</u>	<u>31,311,257</u>	<u>30,894,803</u>	<u>29,133,503</u>	<u>28,091,177</u>	<u>26,360,469</u>	<u>25,027,162</u>	<u>23,176,536</u>	<u>21,933,989</u>
Total Pension Liability, Ending	<u>38,069,675</u>	<u>36,484,944</u>	<u>33,117,012</u>	<u>31,311,257</u>	<u>30,894,803</u>	<u>29,133,503</u>	<u>28,091,177</u>	<u>26,360,469</u>	<u>25,027,162</u>	<u>23,176,536</u>
Plan Fiduciary Net Position										
Contributions - employer	963,403	846,256	688,065	604,592	603,058	626,631	600,629	549,378	586,924	685,868
Pension plan net investment income	2,088,413	1,413,071	29,286	8,830,970	428,908	1,997,427	3,412,078	3,029,700	(78,361)	499,642
Benefit payments, including refunds	(1,901,733)	(1,754,857)	(1,727,294)	(1,816,205)	(1,542,692)	(1,244,212)	(1,178,211)	(1,051,857)	(777,773)	(861,393)
Pension plan administrative expense	(38,260)	(42,623)	(29,833)	(26,504)	(32,269)	(27,534)	(19,123)	(18,037)	(16,911)	(17,429)
Other (net transfers)	135,144	(90,697)	326,918	936,412	42,207	93,578	151,573	(25,782)	(6,963)	296,476
<i>Net Change in Plan Fiduciary Net Position</i>	<u>1,246,967</u>	<u>371,150</u>	<u>(712,858)</u>	<u>8,529,265</u>	<u>(500,788)</u>	<u>1,445,890</u>	<u>2,966,946</u>	<u>2,483,402</u>	<u>(293,084)</u>	<u>603,164</u>
Plan Fiduciary Net Position, Beginning	<u>39,943,253</u>	<u>39,572,103</u>	<u>40,284,961</u>	<u>31,755,696</u>	<u>32,256,484</u>	<u>30,810,594</u>	<u>27,843,648</u>	<u>25,360,246</u>	<u>25,653,330</u>	<u>25,050,166</u>
Plan Fiduciary Net Position, Ending	<u>41,190,220</u>	<u>39,943,253</u>	<u>39,572,103</u>	<u>40,284,961</u>	<u>31,755,696</u>	<u>32,256,484</u>	<u>30,810,594</u>	<u>27,843,648</u>	<u>25,360,246</u>	<u>25,653,330</u>
Employer Net Pension (Asset)	<u>\$ (3,120,545)</u>	<u>\$ (3,458,309)</u>	<u>\$ (6,455,091)</u>	<u>\$ (8,973,704)</u>	<u>\$ (860,893)</u>	<u>\$ (3,122,981)</u>	<u>\$ (2,719,417)</u>	<u>\$ (1,483,179)</u>	<u>\$ (333,084)</u>	<u>\$ (2,476,794)</u>
Plan fiduciary net position as a percentage of the total pension liability	108.20%	109.48%	119.49%	128.66%	102.79%	110.72%	109.68%	105.63%	110.77%	110.69%
Covered payroll	\$ 7,321,006	\$ 6,886,454	\$ 6,225,132	\$ 5,229,901	\$ 5,844,218	\$ 5,782,370	\$ 5,863,833	\$ 5,217,578	\$ 5,254,719	\$ 5,466,344
Employer's net pension asset as a percentage of covered payroll	(42.62%)	(50.22%)	(103.69%)	(171.58%)	(14.73%)	(54.01%)	(46.38%)	(28.43%)	(6.34%)	(45.31%)

City of Harrisonville

Schedule of Contributions

Year Ended December 31, 2024

Missouri Local Government Employees Retirement System (LAGERS)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,015,619	\$ 918,673	\$ 707,031	\$ 712,588	\$ 584,779	\$ 646,169	\$ 610,839	\$ 563,293	\$ 572,884	\$ 622,293
Contributions in relation to the actuarially determined contribution	1,014,283	918,673	707,031	683,890	576,067	638,989	610,839	556,600	560,847	622,293
Contribution deficiency (excess)	<u>\$ 1,336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,698</u>	<u>\$ 8,712</u>	<u>\$ 7,180</u>	<u>\$ -</u>	<u>\$ 6,693</u>	<u>\$ 12,037</u>	<u>\$ -</u>
Covered payroll	\$ 7,484,451	\$ 7,118,624	\$ 6,731,627	\$ 6,085,079	\$ 5,582,763	\$ 5,868,177	\$ 5,855,455	\$ 5,566,093	\$ 5,420,430	\$ 5,469,323
Contributions as a percentage of covered payroll	13.55%	12.91%	10.50%	11.24%	10.32%	10.89%	10.43%	10.00%	10.35%	11.38%

See accompanying Notes to the Schedule of Contributions

City of Harrisonville

Notes to the Schedule of Contributions

Year Ended December 31, 2024

Valuation Date: February 29, 2024

Notes: The roll-forward of total pension liability from February 29, 2024 to June 30, 2024 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: Level Percentage of Payroll, Closed

Remaining Amortization Period: 7 to 18 years for the General Division
5 to 18 years for the Police Division
7 to 18 years for the Fire Division

Asset Valuation Method: 5-Year smoothed market; 20% corridor

Inflation: 2.75% wage inflation; 2.25% price inflation

Salary Increases: 2.75% to 6.75% including wage inflation for the General Division
2.75% to 6.55% including wage inflation for the Police Division
2.75% to 7.15% including wage inflation for the Fire Division

Investment Rate of Return: 7.00%, 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, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Tables for males and females of General groups, and 75% of the PubS-2010 Employee Mortality Table for males and females of Police and Fire groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above-described tables.

Other Information: None

Supplementary Information

City of Harrisonville

Nonmajor Governmental Funds Combining Balance Sheets

December 31, 2024

	Special Revenue Fund	Debt Service Fund	Total Nonmajor Governmental Funds
	Park Fund	Towne Center TIF Fund	
Assets			
Taxes receivable	\$ -	\$ 54,357	\$ 54,357
Restricted cash and cash equivalents	-	29,234	29,234
Restricted investments	-	394,432	394,432
Total Assets	<u>\$ -</u>	<u>\$ 478,023</u>	<u>\$ 478,023</u>
Liabilities			
Due to other funds	\$ -	\$ 92,679	\$ 92,679
Total Liabilities	<u>-</u>	<u>92,679</u>	<u>92,679</u>
Fund Balances			
Restricted for			
Debt Service	-	385,344	385,344
Total Fund Balances	<u>-</u>	<u>385,344</u>	<u>385,344</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 478,023</u>	<u>\$ 478,023</u>

City of Harrisonville

Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Year Ended December 31, 2024

	Special Revenue Fund	Debt Service Fund	Total Nonmajor Governmental Funds
	Park Fund	Towne Center TIF Fund	
Revenues			
Taxes	\$ -	\$ 719,888	\$ 719,888
Interest income	-	46,772	46,772
Miscellaneous	-	2,984	2,984
Total Revenues	-	769,644	769,644
Expenditures			
Current			
Community development	-	11,070	11,070
Debt service			
Principal	-	500,000	500,000
Interest and fees	-	79,088	79,088
Total Expenditures	-	590,158	590,158
<i>Excess (Deficit) of Revenues Over Expenditures</i>	-	179,486	179,486
Beginning Fund Balances, as previously reported	56,970	205,858	262,828
Change in reporting entity	(56,970)	-	(56,970)
Beginning Fund Balances, as restated	-	205,858	205,858
Ending Fund Balances	<u>\$ -</u>	<u>\$ 385,344</u>	<u>\$ 385,344</u>

City of Harrisonville

Nonmajor Governmental Funds Budgetary Comparison Schedule Park Fund

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Current				
Park	-	-	-	-
Total Expenditures	-	-	-	-
<i>Excess (Deficit) of Revenues Over Expenditures</i>	-	-	-	-
Beginning Fund Balance, as previously reported	56,970	56,970	56,970	-
Change in reporting entity	(56,970)	(56,970)	(56,970)	-
Beginning Fund Balance, as restated	-	-	-	-
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Harrisonville

Nonmajor Enterprise Funds Combining Statements of Net Position

December 31, 2024

	Business-Type Activities - Enterprise Funds		
	Refuse Fund	Aquatic Center Fund	Total Nonmajor Enterprise Funds
Assets			
Current Assets			
Cash and cash equivalents	\$ 248,053	\$ -	\$ 248,053
Accounts receivable, net	54,588	-	54,588
Total Assets	<u>302,641</u>	<u>-</u>	<u>302,641</u>
Liabilities			
Current Liabilities			
Accounts payable	62,069	-	62,069
Total Liabilities	<u>62,069</u>	<u>-</u>	<u>62,069</u>
Net Position			
Unrestricted (deficit)	240,572	-	240,572
Total Net Position	<u>\$ 240,572</u>	<u>\$ -</u>	<u>\$ 240,572</u>

City of Harrisonville

Nonmajor Enterprise Funds
Combining Statements of Revenues, Expenses, and Changes in Net Position
Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds		
	Refuse Fund	Aquatic Center Fund	Total Nonmajor Enterprise Funds
Operating Revenues			
Charges for services	\$ 820,803	\$ -	\$ 820,803
Total Operating Revenues	<u>820,803</u>	<u>-</u>	<u>820,803</u>
Operating Expenses			
Contractual services	730,376	-	730,376
Miscellaneous	11,023	-	11,023
Total Operating Expenses	<u>741,399</u>	<u>-</u>	<u>741,399</u>
Operating Income (Loss)	79,404	-	79,404
Transfers (out)	<u>(45,180)</u>	<u>-</u>	<u>(45,180)</u>
<i>Change in Net Position</i>	34,224	-	34,224
Beginning Net Position, as previously reported	206,348	1,271,500	1,477,848
Change in reporting entity	-	(1,271,500)	(1,271,500)
Beginning Net Position, as restated	<u>206,348</u>	<u>-</u>	<u>206,348</u>
Ending Net Position	<u>\$ 240,572</u>	<u>\$ -</u>	<u>\$ 240,572</u>

City of Harrisonville

Nonmajor Enterprise Funds Combining Statements of Cash Flows Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds		
	Refuse Fund	Aquatic Center Fund	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities			
Cash received from customers	\$ 820,262	\$ -	\$ 820,262
Cash paid to suppliers	(739,591)	-	(739,591)
Movement of operations to governmental fund	-	165,701	165,701
Net Cash Provided by Operating Activities	80,671	165,701	246,372
Cash Flows from Noncapital Financing Activities			
Transfers to other funds	(45,180)	-	(45,180)
Net Cash (Used) by Noncapital Financing Activities	(45,180)	-	(45,180)
<i>Net Increase in Cash and Cash Equivalents</i>	<i>35,491</i>	<i>165,701</i>	<i>201,192</i>
Cash and Cash Equivalents, Beginning of year	212,562	(165,701)	46,861
Cash and Cash Equivalents, End of year	248,053	-	248,053
Less Restricted Cash and Cash Equivalents	-	-	-
Unrestricted Cash and Cash Equivalents	\$ 248,053	\$ -	\$ 248,053
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income	\$ 79,404	\$ -	\$ 79,404
Adjustments to reconcile operating income to net cash provided by operating activities			
(Increase) decrease in			
Accounts receivable	(541)	-	(541)
Increase (decrease) in			
Accounts payable	1,808	-	1,808
Other	-	165,701	165,701
Net Cash Provided by Operating Activities	\$ 80,671	\$ 165,701	\$ 246,372

City of Harrisonville

Fiduciary Funds – Custodial Funds Combining Statements of Fiduciary Net Position

December 31, 2024

	Highways 71/291 TDD	Hospital Interchange TDD	Total Custodial Funds
Assets			
Cash and cash equivalents	\$ 355,391	\$ 6,485	\$ 361,876
Taxes receivable	295,560	-	295,560
Total Assets	<u>650,951</u>	<u>6,485</u>	<u>657,436</u>
Liabilities			
Due to others	<u>-</u>	<u>-</u>	<u>-</u>
Net Position Restricted for			
Other government units	<u>650,951</u>	<u>6,485</u>	<u>657,436</u>
Total Net Position	<u><u>\$ 650,951</u></u>	<u><u>\$ 6,485</u></u>	<u><u>\$ 657,436</u></u>

City of Harrisonville

Fiduciary Funds – Custodial Funds
Combining Statements of Changes in Fiduciary Net Position
Year Ended December 31, 2024

	Highway 71/291 TDD	Hospital Interchange TDD	Total Custodial Funds
Additions			
Sales tax collected	\$ 1,637,999	\$ -	\$ 1,637,999
Miscellaneous	248	-	248
Total Additions	<u>1,638,247</u>	<u>-</u>	<u>1,638,247</u>
Deductions			
Debt service remittances	1,713,822	-	1,713,822
Administrative fees	21,727	-	21,727
Total Deductions	<u>1,735,549</u>	<u>-</u>	<u>1,735,549</u>
<i>Changes in Net Position</i>	(97,302)	-	(97,302)
Net Position, Beginning of Year	748,253	6,485	754,738
Net Position, End of Year	<u><u>\$ 650,951</u></u>	<u><u>\$ 6,485</u></u>	<u><u>\$ 657,436</u></u>

Other Reporting Requirements



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Harrisonville, Missouri, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Harrisonville's basic financial statements, and have issued our report thereon, dated June 26, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

KPM CPAs, PC

KPM CPAS, PC
Springfield, Missouri
June 26, 2025



Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Harrisonville, Missouri's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Harrisonville, Missouri's major federal programs for the year ended December 31, 2024. The City of Harrisonville, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Harrisonville, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Harrisonville, Missouri, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Harrisonville, Missouri's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City of Harrisonville, Missouri's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Harrisonville, Missouri's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Harrisonville, Missouri's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
June 26, 2025

City of Harrisonville

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number	Pass-through Grantor's Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development				
Missouri Department of Economic Development Community Development Block Grants	14.228	B-21-DC-29-0001	\$ -	\$ 97,070
Total U.S. Department of Housing and Urban Development			-	97,070
U.S. Department of the Interior				
Missouri Department of Natural Resources Historic Preservation Fund Grants-In-Aid	15.904	023AF00890-001	-	3,110
Total U.S. Department of the Interior			-	3,110
U.S. Department of Transportation				
Missouri Department of Transportation Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	21-110C-2	-	4,105,977
COVID-19 Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	21-110C-3 20-110C-1	- -	32,000 30,000
			-	4,167,977
<i>Highway Safety Cluster</i>				
State and Community Highway Safety	20.600	24-PT-02-021 24-PT-02-077	- -	590 4,355
<i>Total Highway Safety Cluster</i>			-	4,945
Alcohol Open Container Requirements	20.607	24-154-AL-038	-	1,559
National Priority Safety Programs	20.616	24-M3DA-04-007 24-M2HVE-05-010	- -	21,190 1,160
			-	22,350
Total U.S. Department of Transportation			-	4,196,831
U.S. Department of Treasury				
Direct				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	1,945,557
Missouri Department of Natural Resources COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	DNR-SW-CE88BD66C70C DNR-SW-68CCD9C15DA5 DNR-SW-428B47E534F5 DNR-LI-140D50A4B132	- - - -	101,645 289,681 147,244 199,987
Total U.S. Department of Treasury			-	2,684,114
U.S. Department of Homeland Security				
Missouri State Emergency Management Agency Hazard Mitigation Grant	97.039	FEMA DR-4490-MO	-	828,065
Direct				
Assistance to Firefighters Grant	97.044	EMW-2022-FG-00012	-	32,615
Total U.S. Department of Homeland Security			-	860,680
Total Expenditures of Federal Awards			\$ -	\$ 7,841,805

See accompanying Notes to the Schedule of Expenditures of Federal Awards

City of Harrisonville

Notes to the Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of Harrisonville, Missouri, under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Harrisonville, Missouri, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Harrisonville, Missouri.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The City of Harrisonville, Missouri, has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

4. Coronavirus State and Local Fiscal Recovery Funds

Included in the Schedule for the year ended December 31, 2024, is \$1,081,112 of federal expenditures under the Coronavirus State and Local Fiscal Recovery Funds, ALN 21.027, that were paid in a previous fiscal year. The expenditures were identified and approved in the current fiscal year as federal expenditures and have been reported in the current fiscal year Schedule in accordance with reporting requirements. The following pass-through grantor numbers affected by this are as follows:

Direct	\$	946,616
DNR-SW-CE88BD66C70C		60,700
DNR-SW-68CCD9C15DA5		29
DNR-SW-428B47E534F5		73,767
	\$	<u>1,081,112</u>

City of Harrisonville

Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

Section I: Summary of Auditors' Results

Financial Statements	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal Control over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No
Federal Awards	
Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for major federal program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	No
Identification of major federal programs:	
Assistance Listing Number(s)	Name of Federal Program or Cluster
97.039	Hazard Mitigation Grant
20.106	Airport Improvement Program, Infrastructure Investment
21.027	COVID 19 – Coronavirus State and Local Fiscal Recovery Funds
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Section II: Financial Statement Findings

None

Section III: Federal Award Findings and Questioned Costs

None

City of Harrisonville

Summary Schedule of Prior Audit Findings

Year Ended December 31, 2024

There were no prior year audit findings.

Statistical Section

City of Harrisonville

Statistical Section

Financial Trends – These schedules contain trend information to assist the reader in understanding how the City’s financial performance and wellbeing have changed over time.

Revenue Capacity – These schedules contain information to assist the reader in assessing the factors affecting the City’s ability to generate its property and sales taxes.

Debt Capacity – These schedules present information to assist the reader in assessing the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

Demographic and Economic Information – These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which the City’s financial activities take place and to help make comparisons over time and with other governments.

Operating Information – These schedules contain information about the City’s operations and resources to assist the reader in understanding how the City’s financial information relates to the services the City provides and the activities it performs.

City of Harrisonville

Net Position by Component

Last Ten Fiscal Years

	Year Ended December 31									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities										
Net investment in capital assets	\$ 21,927,433	\$ 13,282,903	\$ 17,783,349	\$ 19,752,510	\$ 19,382,968	\$ 19,592,986	\$ 19,696,449	\$ 19,097,020	\$ 18,094,342	\$ 17,620,666
Restricted	24,620,722	24,337,840	7,323,371	6,626,553	2,458,533	2,546,782	2,559,902	3,252,840	3,674,556	1,000,182
Unrestricted (deficit)	(4,084,760)	(4,727,671)	7,532,272	1,420,266	1,187,635	98,336	(153,985)	(680,762)	(405,005)	2,337,987
Total Net Position	<u>\$ 42,463,395</u>	<u>\$ 32,893,072</u>	<u>\$ 32,638,992</u>	<u>\$ 27,799,329</u>	<u>\$ 23,029,136</u>	<u>\$ 22,238,104</u>	<u>\$ 22,102,366</u>	<u>\$ 21,669,098</u>	<u>\$ 21,363,893</u>	<u>\$ 20,958,835</u>
Business-Type Activities										
Net investment in capital assets	\$ 30,749,305	\$ 30,879,491	\$ 27,876,318	\$ 26,219,786	\$ 26,367,288	\$ 26,494,501	\$ 27,265,490	\$ 27,393,693	\$ 27,020,727	\$ 25,377,303
Restricted	2,718,835	3,636,239	3,196,023	3,180,537	2,226,202	3,444,181	3,424,730	3,106,087	3,196,059	1,745,814
Unrestricted	15,991,868	13,633,949	14,398,869	15,144,911	14,826,350	12,439,236	10,931,370	8,923,292	7,755,565	9,818,049
Total Net Position	<u>\$ 49,460,008</u>	<u>\$ 48,149,679</u>	<u>\$ 45,471,210</u>	<u>\$ 44,545,234</u>	<u>\$ 43,419,840</u>	<u>\$ 42,377,918</u>	<u>\$ 41,621,590</u>	<u>\$ 39,423,072</u>	<u>\$ 37,972,351</u>	<u>\$ 36,941,166</u>
Primary Government										
Net investment in capital assets	\$ 52,676,738	\$ 44,162,394	\$ 45,659,667	\$ 45,972,296	\$ 45,750,256	\$ 46,087,487	\$ 46,961,939	\$ 46,490,713	\$ 45,115,069	\$ 42,997,969
Restricted	27,339,557	27,974,079	10,519,394	9,807,090	4,684,735	5,990,963	5,984,632	6,358,927	6,870,615	2,745,996
Unrestricted	11,907,108	8,906,278	21,931,141	16,565,177	16,013,985	12,537,572	10,777,385	8,242,530	7,350,560	12,156,036
Total Net Position	<u>\$ 91,923,403</u>	<u>\$ 81,042,751</u>	<u>\$ 78,110,202</u>	<u>\$ 72,344,563</u>	<u>\$ 66,448,976</u>	<u>\$ 64,616,022</u>	<u>\$ 63,723,956</u>	<u>\$ 61,092,170</u>	<u>\$ 59,336,244</u>	<u>\$ 57,900,001</u>

Note: Beginning net position was restated in 2024.

City of Harrisonville

Changes in Net Position by Component

Last Ten Fiscal Years

	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental Activities										
General government	\$ 3,157,152	\$ 7,896,458	\$ 2,484,574	\$ 2,024,385	\$ 1,834,267	\$ 1,839,069	\$ 1,889,277	\$ 1,947,920	\$ 1,722,897	\$ 1,583,748
Law enforcement/public safety	4,394,664	4,236,936	3,114,179	2,464,102	3,105,508	3,080,641	2,888,428	2,944,912	2,877,989	2,645,741
Community development	786,162	779,505	312,839	246,632	486,445	379,232	391,307	462,686	504,401	439,050
Public works/streets	1,373,046	1,724,186	1,136,143	1,017,662	1,228,054	1,860,140	1,134,081	1,038,983	1,157,722	1,001,075
Codes	-	-	480,832	255,013	-	-	-	-	-	-
Animal control	-	-	228,216	164,340	170,161	179,637	214,988	188,968	192,369	192,396
Airport	284,657	337,845	384,680	379,809	269,445	243,365	283,122	310,155	339,387	308,994
Emergency services	3,071,255	3,532,556	2,604,292	2,508,026	2,795,717	2,776,094	2,568,186	2,465,996	2,497,603	2,310,217
Community center	223,418	1,609,996	1,650,826	1,120,216	1,550,888	1,493,221	1,478,927	1,478,570	1,488,614	1,458,666
Parks and recreation	2,470,234	693,106	620,071	489,436	532,222	580,630	534,155	578,632	606,756	550,704
Debt issuance costs	-	-	-	72,291	-	-	-	-	-	-
Interest on long-term debt	1,555,546	1,281,109	235,605	266,298	263,666	276,475	519,512	535,073	526,562	559,742
Total Governmental Activities Expenses	17,316,134	22,091,697	13,252,257	11,008,210	12,236,373	12,708,504	11,901,983	11,951,895	11,914,300	11,050,333
Business-Type Activities										
Electric	12,124,116	11,790,136	11,037,402	10,918,845	10,514,816	10,493,564	9,998,594	10,310,545	10,344,770	10,969,788
Water and sewer	6,011,253	5,768,979	5,136,886	4,469,633	4,604,935	4,286,057	3,995,319	4,140,949	4,079,377	3,953,599
Refuse	741,399	720,030	697,654	577,720	577,344	583,900	587,774	505,148	505,064	494,997
Aquatic center	-	269,921	159,670	104,124	96,670	273,973	253,097	288,454	262,529	247,561
Total Business-Type Activities Expenses	18,876,768	18,549,066	17,031,612	16,070,322	15,793,765	15,637,494	14,834,784	15,245,096	15,191,740	15,665,945
Total Primary Government Expenses	36,192,902	40,640,763	30,283,869	27,078,532	28,030,138	28,345,998	26,736,767	27,196,991	27,106,040	26,716,278
Program Revenue										
Governmental Activities										
Charges for services										
General government	204,116	686,272	2,627,240	2,331,769	1,896,764	1,854,682	1,688,654	1,756,474	1,964,977	1,859,509
Law enforcement/public safety	112,353	130,931	99,139	121,367	123,239	215,624	225,969	219,959	222,035	227,768
Public works	361,149	21,101	-	-	-	-	-	-	-	-
Airport	101,869	207,127	-	-	-	-	-	-	-	-
Emergency services	1,281,991	1,410,662	1,040,677	1,117,650	1,306,953	1,311,828	1,344,572	1,180,436	1,351,037	1,332,256
Community center	-	949,574	902,173	820,257	538,652	935,680	876,717	843,257	852,482	880,798
Others	1,286,431	52,475	264,859	219,348	203,791	259,970	267,417	239,739	125,741	68,955
Operating grants and contributions	52,456	2,785,456	370,666	165,193	853,827	515,130	632,508	521,480	537,687	293,635
Capital grants and contributions	4,291,244	179,616	-	-	-	16,050	44,502	42,678	352,785	-
Total Governmental Activities Program	7,691,609	6,423,214	5,304,754	4,775,584	4,923,226	5,108,964	5,080,339	4,804,023	5,406,744	4,662,921

City of Harrisonville

Changes in Net Position by Component

Last Ten Fiscal Years

	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Business-Type Activities										
Charges for services	20,728,626	20,428,954	19,329,648	18,794,707	17,473,767	16,800,663	17,677,076	17,102,175	16,846,118	16,830,615
Operating grants and contributions	-	443,858	61,000	-	-	14,824	196,493	232,190	-	-
Capital grants and contributions	2,105,032	836,646	-	-	-	-	-	-	-	91,811
Total Business-Type Activities Program	22,833,658	21,709,458	19,390,648	18,794,707	17,473,767	16,815,487	17,873,569	17,334,365	16,846,118	16,922,426
Total Primary Government Program Revenue	30,525,267	28,132,672	24,695,402	23,570,291	22,396,993	21,924,451	22,953,908	22,138,388	22,252,862	21,585,347
Net (Expense) Revenue										
Governmental Activities	(9,624,525)	(15,668,483)	(7,947,503)	(6,232,626)	(7,313,147)	(7,599,540)	(6,821,644)	(7,147,872)	(6,507,556)	(6,387,412)
Business-Type Activities	3,956,890	3,160,392	2,359,036	2,724,385	1,680,002	1,177,993	3,038,785	2,089,269	1,654,378	1,256,481
Total Primary Government Net Expense	(5,667,635)	(12,508,091)	(5,588,467)	(3,508,241)	(5,633,145)	(6,421,547)	(3,782,859)	(5,058,603)	(4,853,178)	(5,130,931)
General Revenue										
Governmental Activities										
Taxes										
Property taxes	1,558,583	1,639,975	1,297,442	1,012,058	1,358,224	1,164,401	1,133,550	807,004	780,924	971,143
Sales taxes	8,169,030	7,687,677	7,425,319	5,853,798	4,648,796	4,435,690	4,193,888	4,151,829	4,215,750	4,530,932
Franchise taxes	2,202,643	2,090,231	627,726	416,932	497,716	450,147	491,198	534,629	545,349	1,904,019
Other taxes	960,044	952,887	689,546	811,452	321,812	413,943	403,931	414,216	437,378	345,644
Federal sources	-	-	1,016,798	1,016,798	-	-	-	-	-	-
Investment earnings	1,742,705	1,089,201	149,967	61,976	221,181	202,604	158,282	124,751	56,623	41,110
Miscellaneous	1,941,654	1,151,733	147,633	332,773	186,851	195,329	124,634	495,273	237,768	271,252
Transfers	1,892,480	1,883,183	1,432,735	1,314,668	869,599	873,194	974,013	925,375	905,183	-
Total Governmental Activities	18,467,139	16,494,887	12,787,166	10,820,455	8,104,179	7,735,308	7,479,496	7,453,077	7,178,975	8,064,100
Business-Type Activities										
Investment earnings	596,820	646,341	(67,385)	84,936	388,318	423,453	187,254	181,214	246,329	239,868
Miscellaneous	57,418	150,498	67,060	46,118	42,221	28,076	26,001	105,613	60,480	153,871
Transfers	(1,892,480)	(1,883,183)	(1,432,735)	(1,314,668)	(869,599)	(873,194)	(974,013)	(935,375)	(905,183)	(200,000)
Total Business-Type Activities	(1,238,242)	(1,086,344)	(1,433,060)	(1,183,614)	(439,060)	(421,665)	(760,758)	(648,548)	(598,374)	193,739
Total Primary Government General Revenue	17,228,897	15,408,543	11,354,106	9,636,841	7,665,119	7,313,643	6,718,738	6,804,529	6,580,601	8,257,839
Change in Net Position										
Governmental Activities	8,842,614	826,404	4,839,663	4,587,829	791,032	135,768	657,852	305,205	671,419	1,676,688
Business-Type Activities	2,718,648	2,074,048	925,976	1,540,771	1,240,942	756,328	2,278,027	1,440,721	1,056,004	1,450,220
Total Primary Government Change in Net Position	\$ 11,561,262	\$ 2,900,452	\$ 5,765,639	\$ 6,128,600	\$ 2,031,974	\$ 892,096	\$ 2,935,879	\$ 1,745,926	\$ 1,727,423	\$ 3,126,908

Note: In 2024, the aquatics activities are included in governmental activities, parks and recreation expenses. Prior to 2024, these activities were reported as business-type activities.

City of Harrisonville

Governmental Fund Balances

Last Ten Fiscal Years

	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Nonspendable	\$ 406,641	\$ 351,987	\$ 695,935	\$ 580,196	\$ 934,649	\$ 1,097,610	\$ 1,331,404	\$ 1,087,340	\$ 222,988	\$ 211,284
Restricted	20,996,545	21,149,206	2,501,423	1,834,626	291,936	34,217	115,946	115,209	111,610	115,021
Unassigned	13,560,776	12,571,760	7,262,535	5,420,122	4,933,405	4,339,212	4,352,607	4,814,142	5,810,251	5,336,961
Total General Fund	<u>\$ 34,963,962</u>	<u>\$ 34,072,953</u>	<u>\$ 10,459,893</u>	<u>\$ 7,834,944</u>	<u>\$ 6,159,990</u>	<u>\$ 5,471,039</u>	<u>\$ 5,799,957</u>	<u>\$ 6,016,691</u>	<u>\$ 6,144,849</u>	<u>\$ 5,663,266</u>
All Other Governmental Funds										
Nonspendable	\$ 138,463	\$ 130,707	\$ 24,492	\$ 49,067	\$ 99,463	\$ 43,209	\$ 36,827	\$ 31,659	\$ 135,774	\$ 129,281
Restricted	3,585,855	3,168,972	299,565	1,403,644	2,069,601	518,325	498,540	1,189,792	1,280,789	1,313,363
Committed	-	-	-	-	-	-	-	60,532	-	-
Assigned	684,522	701,165	-	-	-	-	-	-	308,293	243,727
Unassigned	(497,189)	(559,325)	(267,669)	(236,958)	(366,732)	(186,703)	(158,223)	(70,154)	(70,973)	-
Total All Other Governmental Funds	<u>\$ 3,911,651</u>	<u>\$ 3,441,519</u>	<u>\$ 1,215,753</u>	<u>\$ 1,802,332</u>	<u>\$ 374,831</u>	<u>\$ 377,144</u>	<u>\$ 1,211,829</u>	<u>\$ 1,653,883</u>	<u>\$ 1,686,371</u>	<u>\$ 1,306,763</u>

Note: In 2024, the aquatics activities are included in governmental activities. Prior to 2024, these activities were reported as business-type activities.

City of Harrisonville

Changes in Governmental Fund Balances

Last Ten Fiscal Years

	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Taxes										
Property	\$ 1,718,793	\$ 1,402,478	\$ 1,297,442	\$ 1,012,058	\$ 1,358,224	\$ 1,164,401	\$ 1,133,550	\$ 807,004	\$ 967,740	\$ 971,143
Sales	8,169,030	7,687,677	7,425,319	5,853,798	4,648,796	4,435,690	4,193,888	4,151,829	4,695,188	4,530,932
Franchise	2,202,643	2,090,231	627,726	416,932	497,716	450,147	491,198	534,629	1,450,532	1,904,019
Other	960,044	952,887	689,546	811,452	321,812	326,325	321,835	316,737	347,882	345,644
Licenses, fees, and permits	399,720	340,697	404,841	285,637	238,514	142,494	145,427	156,648	189,068	148,648
Fines and forfeitures	124,812	97,580	-	-	120,676	211,234	216,846	212,799	222,035	227,768
Charges for services	2,823,377	2,801,339	4,529,247	4,324,754	3,710,209	4,207,472	4,022,356	3,853,708	4,062,842	3,992,870
Intergovernmental	6,039,140	1,147,837	1,387,464	1,181,991	853,827	512,553	651,475	576,643	485,312	293,635
Investment earnings	1,742,705	1,211,047	149,967	61,976	221,181	202,604	158,282	124,751	56,623	41,110
Miscellaneous	138,013	149,204	156,708	332,773	168,660	312,235	217,988	155,757	241,132	271,252
Total Revenues	24,318,277	17,880,977	16,668,260	14,281,371	12,139,615	11,965,155	11,552,845	10,890,505	12,718,354	12,727,021
Expenditures										
General government	3,025,968	2,886,322	2,597,190	2,568,339	1,636,756	1,754,862	1,822,525	1,770,539	1,593,951	1,578,198
Law enforcement/public safety	3,887,541	3,741,912	3,220,538	2,650,376	2,865,508	2,984,290	2,876,073	2,729,997	2,568,837	2,545,685
Community development	721,511	693,524	317,641	309,725	441,171	356,871	369,190	412,561	455,440	431,365
Public works/streets	959,936	851,199	809,362	784,004	833,382	890,508	826,215	811,558	837,799	759,010
Codes	-	-	481,501	390,847	-	-	-	-	-	-
Animal control	-	-	218,247	174,771	161,308	175,362	209,266	175,523	178,943	194,045
Airport	126,665	188,940	254,049	199,285	112,744	98,270	203,025	179,513	196,537	177,497
Emergency services	3,363,094	3,715,601	2,752,057	2,462,249	2,534,304	2,589,847	2,391,496	2,201,925	2,307,984	2,224,086
Community center	-	1,466,290	1,502,920	927,949	1,171,387	1,163,679	1,143,305	1,104,224	1,123,877	1,122,009
Park and recreation	2,268,241	389,656	538,874	491,122	447,901	518,865	472,138	493,664	474,849	463,685
Towne Center project	-	-	-	-	-	-	-	-	7,075	7,654
Capital outlay	7,581,934	630,148	2,265,604	3,295,426	1,418,414	1,170,970	996,397	992,525	950,944	733,845
Debt service										
Principal*	2,840,751	2,465,286	1,600,665	3,214,490	1,272,749	1,237,399	7,409,843	1,133,777	1,105,726	1,030,336
Interest and fiscal fees*	-	-	184,986	215,680	202,707	234,580	497,522	425,877	467,297	500,477
Total Expenditures	24,775,641	17,028,878	16,743,634	17,684,263	13,098,331	13,175,503	19,216,995	12,431,683	12,269,259	11,767,892
Excess (Deficit) of Revenues Over Expenditures	(457,364)	852,099	(75,374)	(3,402,892)	(958,716)	(1,210,348)	(7,664,150)	(1,541,178)	449,095	959,129

City of Harrisonville

Changes in Governmental Fund Balances

Last Ten Fiscal Years

	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Other Financing Sources (Uses)										
Other sources (uses)	89,819	(1,956,983)	108,222	-	3,569	5,923	58,718	441,220	-	-
Proceeds of long-term debt	-	28,044,000	-	3,248,890	2,202,000	-	5,580,000	-	-	-
Refunded debt	-	(2,202,100)	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	(72,291)	-	-	-	-	-	-
Transfers in	3,757,119	3,886,435	2,407,627	2,485,657	2,143,507	2,184,954	2,413,759	2,586,847	2,034,398	2,851,276
Transfers (out)	(1,864,639)	(2,102,437)	(974,892)	(1,170,989)	(1,273,908)	(1,311,760)	(1,439,746)	(1,661,472)	(2,034,398)	(2,851,276)
Total Other Financing	1,982,299	25,668,915	1,540,957	4,491,267	3,075,168	879,117	6,612,731	1,366,595	-	-
Net Change in Fund Balances	1,524,935	26,521,014	1,465,583	1,088,375	2,116,452	(331,231)	(1,051,419)	(174,583)	449,095	959,129
Fund Balances - Beginning of Year, as restated	37,350,678	10,993,458	9,050,697	7,962,322	5,845,870	6,177,101	7,228,520	7,403,103	7,349,637	6,390,508
Fund Balances - End of Year	<u>\$ 38,875,613</u>	<u>\$ 37,514,472</u>	<u>\$ 10,516,280</u>	<u>\$ 9,050,697</u>	<u>\$ 7,962,322</u>	<u>\$ 5,845,870</u>	<u>\$ 6,177,101</u>	<u>\$ 7,228,520</u>	<u>\$ 7,798,732</u>	<u>\$ 7,349,637</u>
Debt Service as a Percentage of Noncapital Expenditures	16.5%	15.0%	12.3%	23.8%	12.6%	12.3%	43.4%	13.6%	13.9%	13.9%

* Beginning in 2023, debt service principal contains amounts for interest and fiscal fees.

Note: Beginning fund balances were restated in years 2017, 2023, and 2024.

Note: In 2024, the aquatics activities are included in governmental activities, parks and recreation expenses. Prior to 2024, these activities were reported as business-type activities.

City of Harrisonville

Assessed Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year Ended December 31,	Real Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate (per \$100)
2024	\$ 162,655,188	\$ 40,237,776	\$ 202,892,964	\$ 0.64
2023	158,955,443	44,166,212	203,121,655	0.62
2022	140,155,488	36,829,826	176,985,314	0.64
2021	138,205,591	29,352,207	167,557,798	0.64
2020	118,877,304	29,405,489	148,282,793	0.65
2019	118,040,319	29,079,287	147,119,606	0.64
2018	106,573,191	23,764,255	130,337,446	0.67
2017	96,807,843	23,807,868	120,615,711	0.69
2016	96,409,365	25,097,110	121,506,475	0.69
2015	94,992,339	25,948,277	120,940,616	0.69

Source: Cass County Assessor's Office

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

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

Tax rates are per \$100 of assessed value.

City of Harrisonville

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

Fiscal Year Ended December 31,	City Direct Rates			Overlapping Rates			Total Direct and Overlapping
	General Fund	Park Fund	Total Direct	State	Other	Total Overlapping Rates	
2024	\$ 0.5193	\$ 0.1174	\$ 0.6367	\$ 0.03	\$ 5.48	\$ 5.51	\$ 6.15
2023	0.5029	0.1136	0.6165	0.03	5.48	5.51	6.13
2022	0.5253	0.1187	0.6440	0.03	5.48	5.51	6.15
2021	0.5253	0.1187	0.6440	0.03	5.48	5.51	6.15
2020	0.5295	0.1197	0.6492	0.03	5.60	5.63	6.28
2019	0.5240	0.1185	0.6425	0.03	5.60	5.63	6.27
2018	0.5430	0.1228	0.6658	0.03	6.18	6.21	6.88
2017	0.5672	0.1283	0.6955	0.03	6.18	6.21	6.91
2016	0.5672	0.1283	0.6955	0.03	6.18	6.21	6.91
2015	0.5672	0.1283	0.6955	0.03	6.18	6.21	6.91

Source: Cass County Collector

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

Tax rates are per \$100 of assessed value.

City of Harrisonville

Principal Property Taxpayer

Current and Ten Years Ago

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Wal-Mart	\$ 3,050,760	1	1.50%	\$ 3,285,390	2	2.70%
Church & Dwight/USA Detergents	3,240,700	2	1.60%	7,407,360	1	6.10%
Sapp Bros, Inc.	2,875,800	3	1.42%			
MMPF II Harrisonville SPE, LLC	2,918,640	4	1.44%	2,045,130	4	1.68%
Harrisonville Marketplace II, LLC	2,610,960	5	1.29%			
Love's Travel Stops & Country Store	2,015,500	6	0.99%			
Advanced Drainage	4,159,220	7	2.05%			
UFP Real Estate, LLC	1,140,460	8	0.56%	798,290	9	0.66%
Spire Missouri	2,117,120	9	1.04%			
Mill-Walk Mall	2,011,450	10	0.99%	1,372,020	7	1.13%
Sutherlands Lumber Co				1,466,810	5	1.21%
Harrisonville MP LLC				1,377,660	6	1.13%
HFMD Properties				2,420,110	3	1.99%
Harrisonville Crossings Properties				930,630	8	0.77%
H.V. Hotel Investment, LLC				746,450	10	0.61%
	<u>\$ 26,140,610</u>		<u>12.88%</u>	<u>\$ 21,849,850</u>		<u>17.98%</u>

Source: Cass County Collector

City of Harrisonville

Property Tax Levy and Collections

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
2024	\$ 1,291,820	\$ 1,066,250	82.54%	\$ 110,870	\$ 1,177,120	91.12%	\$ 114,700	8.88%
2023	1,252,245	1,102,949	88.08%	101,554	1,204,503	96.19%	47,742	3.81%
2022	1,139,785	1,021,429	89.62%	58,553	1,079,982	94.75%	59,803	5.25%
2021	946,689	898,718	94.93%	38,205	936,923	98.97%	9,766	1.03%
2020	962,652	898,475	93.33%	62,781	961,256	99.85%	1,396	0.15%
2019	917,339	857,577	93.49%	58,375	915,952	99.85%	1,387	0.15%
2018	892,396	830,520	93.07%	60,856	891,376	99.89%	1,020	0.11%
2017	856,393	813,075	94.94%	43,318	856,393	100.00%	-	0.00%
2016	838,882	774,804	92.36%	64,078	838,882	100.00%	-	0.00%
2015	845,078	826,840	97.84%	18,238	845,078	100.00%	-	0.00%

Source: Collector's Annual Settlement Document

City of Harrisonville

Direct and Overlapping Sales Tax Rates

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>City Rate</u>		<u>Cass County</u>		<u>State</u>		<u>Total</u>	
2024	\$	2.375	\$	1.625	\$	4.225	\$	8.225
2023		2.375		1.625		4.225		8.225
2022		2.375		1.625		4.225		8.225
2021		1.875		1.625		4.225		7.725
2020		1.875		1.625		4.225		7.725
2019		1.875		1.625		4.225		7.725
2018		1.875		2.000		4.225		8.100
2017		1.875		2.000		4.225		8.100
2016		1.875		1.750		4.225		7.850
2015		1.875		1.750		4.225		7.850

Source: Missouri Department of Revenue

City of Harrisonville

Taxable Retail Sales

Last Ten Fiscal Years

(in thousands)

	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Retail Sales	\$ 343,527	\$ 319,068	\$ 308,106	\$ 283,014	\$ 250,016	\$ 235,832	\$ 228,237	\$ 225,610	\$ 223,335	\$ 217,311

Source: Missouri Department of Revenue

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

City of Harrisonville

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ended December 31,	Governmental Activities					Business-Type Activities				Total Primary Government	Percentage of Personal Income	Debt Per Capita
	Certificates of Participation	TIF Revenue Bonds	Promissory Notes	Other Financed Purchases	Leases	Revenue Bonds	Certificates of Participation	Promissory Notes	Other Financed Purchases			
2024	\$ 27,295,000	\$ 2,250,000	\$ -	\$ 706,777	\$ 290,435	\$ 8,433,100	\$ 10,005,000	\$ 97,376	\$ 288,568	\$ 49,366,256	15.41%	\$ 4,878
2023	27,785,000	2,750,000	-	999,173	303,930	9,458,200	10,005,000	-	381,285	51,682,588	16.30%	5,106
2022	-	3,265,000	9,026	3,270,792	185,965	10,726,000	10,005,000	-	367,808	27,829,591	9.70%	2,750
2021	815,000	3,765,000	27,495	3,537,988	-	11,862,800	10,005,000	27,048	27,048	30,067,379	11.65%	2,971
2020	3,286,000	4,250,000	45,783	556,000	-	13,075,300	10,005,000	61,331	61,331	31,340,745	13.37%	3,235
2019	2,425,000	4,720,000	63,532	-	-	14,555,361	-	94,771	94,771	21,953,435	9.93%	2,178
2018	3,185,000	5,180,000	80,931	-	-	15,103,034	-	127,391	127,391	23,803,747	9.48%	2,341
2017	3,930,000	6,245,000	100,774	50,796	-	11,401,066	-	159,974	159,974	22,047,584	9.50%	2,182
2016	4,650,000	6,585,000	126,602	98,744	-	8,181,700	-	190,250	190,250	20,022,546	8.63%	1,982
2015	5,350,000	6,920,000	152,066	144,006	-	9,045,400	-	220,526	220,526	22,052,524	9.51%	2,196

City of Harrisonville

Computation of Legal Debt Margin

December 31, 2024

	General Obligation Bonds		Total
	Ordinary (1)	Additional (2)	
Assessed valuation	\$ 202,892,964	\$ -	\$ 202,892,964
Constitutional debt limit	20,289,296	20,289,296	40,578,592
Less general obligation bonds payable	-	-	-
	<u>\$ 20,289,296</u>	<u>\$ 20,289,296</u>	<u>40,578,592</u>
Cash and securities available for retirement			-
			<u>\$ 40,578,592</u>

- (1) Article VI, Sections 26(b) and (c) of the State Constitution permits the City, by vote of two-thirds of the voting electorate, to incur an indebtedness for City purposes not to exceed 10% of the taxable tangible property therein as shown by the last completed assessment.
- (2) Article VI, Sections 26(d) and (e) of the State Constitution provides that the City may become indebted not to exceed the aggregate and additional 10% for the purpose of acquiring rights-of-ways; constructing, extending, and improving streets and avenues and/or sanitary storm systems; and purchasing or constructing waterworks and electric or other light plants; provided that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuation.

City of Harrisonville

Computation of Direct and Estimated Overlapping Debt

December 31, 2024

Taxing Jurisdiction	Gross Debt Less Sinking Fund (1)	Approximate Percentage Applicable to Harrisonville (1)	Approximate Amount Applicable to Harrisonville (1)
School Districts, Cass R-IX	\$ 26,480,000	65%	\$ 17,212,000
Direct debt obligations of the City of Harrisonville (general obligation bonds), net of debt service funds	-	100%	-
Total direct and estimated overlapping debt	<u>\$ 26,480,000</u>		<u>\$ 17,212,000</u>

(1) On the basis of assessed valuation

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

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

City of Harrisonville

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	(1) Population	Personal Income	(2) Per Capita Personal Income	(3) School Enrollment	(2) Unemployment Rate
2024	10,121	\$ 320,370,134	\$ 31,654	2,106	3.00%
2023	10,121	317,111,172	31,332	2,126	3.10%
2022	10,121	286,970,834	28,354	2,142	2.70%
2021	10,121	258,095,621	25,501	2,154	6.50%
2020	9,689	234,483,489	24,201	2,212	4.60%
2019	10,078	221,020,618	21,931	2,311	3.50%
2018	10,169	251,082,779	24,691	2,375	3.10%
2017	10,103	232,000,000	22,963	2,600	4.60%
2016	10,104	232,000,000	22,961	2,425	5.70%
2015	10,040	232,000,000	23,108	2,459	5.70%

Data Sources:

(1) U.S. Census Bureau

(2) Missouri Economic Research and Information Center and U.S. Census Bureau

(3) School District

City of Harrisonville

Principal Employers

Current and Ten Years Ago

Employer	2024		2015	
	Employees	Rank	Employees	Rank
Wal-Mart Distribution Center	782	1	628	1
Cass Medical Center	486	2	395	2
Church & Dwight Co., Inc.	377	3	229	6
Cass County Government	343	4	278	5
Wal-Mart	303	5	300	4
Cass R-IX Schools	282	6	381	3
City of Harrisonville	242	7	220	8
Casco Area Workshop	180	8	196	7
Advanced Drainage	110	9		
Crown Care Center	103	10	103	9
Family Center			91	10
Total Employment	3,208		2,821	

Source: Harrisonville Area Chamber of Commerce and Economic Development

City of Harrisonville

Full-time Equivalent Government Employees

Last Ten Fiscal Years

Function/Program	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General government										
Management	3	3	3	4	4	4	3	3	3	3
Finance	13	13	13	13	9	10	8	8	7	6
Codes (1)			5	5						
Community development/Codes (1)	6	6	2	1	5	3	4	4	5	5
Police										
Officers	27	27	24	21	23	25	23	23	20	23
Civilians	10	10	10	8	8	7	6	6	8	6
Animal Control	3.5	3.5	2.5	2	3	3	3	2	2	2
Court	1.5	1.5	1.5	1	1	2	2	2	2	1
Fire/EMS										
Firefighters (2)	23	22								
Director	1	1								
Director/Firefighters/ EMTs (2)			17	22	20	20	20	20	18	19
Fire Marshall	1	1								
Clerk	1.5	1.5	1.5	2	1	1	1	1	1	1
Public works										
Engineering	1	1								1
Streets	7	8	8	8	8	8	8	9	8	8
Electric	7	9	8	8	7	9	9	8	8	11
Water	15	14	14	11	13	13	13	10	12	12
Wastewater	4	5	5	5	4	4	4	4	4	4
Airport							1	1	1	1
Community center/parks	31	29.25	18	22	10	10	10	10	11	11
Total	<u>155.5</u>	<u>155.75</u>	<u>132.5</u>	<u>133</u>	<u>116</u>	<u>119</u>	<u>115</u>	<u>111</u>	<u>110</u>	<u>114</u>

(1) For all years except 2020 and 2021, the codes department is combined with community development

(2) For 2014-2022, the firefighter and director categories are combined with paramedics

(2) For 2023, the paramedics and EMTs are combined with the firefighter category

City of Harrisonville

Schedule of Property Value, Construction Permits and Value, and Deposits at Local Banks

Last Ten Fiscal Years

Year	Construction Permits and Value (1) and (2)				Total Property Value (3)	Total Deposits at Local Banks (4)
	Residential		Commercial			
	Number	Value	Number	Value		
2024	260	\$ 5,367,448	152	\$ 22,292,452	\$ 202,892,964	\$ 541,030
2023	256	9,001,810	124	17,196,168	203,121,655	471,701
2022	154	23,615,376	260	14,062,181	176,985,314	548,252
2021	300	10,561,187	151	21,341,221	167,557,798	511,731
2020	231	857,324	118	7,258,714	147,119,606	456,710
2019	187	3,605,901	99	4,672,937	145,846,397	359,057
2018	227	4,262,714	113	6,469,647	135,221,334	348,575
2017	775	7,344,761	110	7,465,028	130,337,446	347,380
2016	241	6,672,912	8	10,622,390	120,615,711	340,592
2015	180	2,202,655	59	8,042,346	121,506,475	348,202

(1) Permit totals include additions to existing structures

(2) Information obtained from Codes Administration Department

(3) Assessed valuation

(4) Information obtained from FDIC.gov

City of Harrisonville

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police										
Patrol units	28	28	23	23	23	24	24	20	21	21
Police stations	1	1	1	1	1	1	1	1	1	1
Fire										
Fire stations	1	1	1	1	1	1	1	1	1	1
Fire hydrants	803	803	792	792	792	792	792	792	678	678
Streets										
Miles	67	67	66	66	66	66	66	64	69	69
Streetlights	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	900	900
Miles of storm sewers	18	18	17	17	17	17	17	17	9	9
Parks										
Parks	6	6	6	6	6	6	6	6	6	6
Acreage	451	451	451	451	451	451	451	450	250	250
Golf courses	1	1	1	1	1	1	1	1	2	2
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	4	4	4	4	4	4	4	4	4	4
Community centers	2	2	2	2	2	2	2	2	7	7
Sewer										
Sanitary sewer (miles)	65	65	64	64	64	64	64	63	54	54
Plant capacity (mgl)	2	2	2	2	2	2	2	2	2	2
Treatment plants	1	1	1	1	1	1	1	1	1	1
Service connections	4,111	4,111	4,103	4,103	4,103	4,103	4,103	3,629	4,106	4,083
Maximum daily capacity of treatment plant in gallons	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Water										
Water mains (miles)	63	63	64	63	63	63	63	63	56	56
Service connections	4,186	4,186	4,178	4,178	4,178	4,178	4,178	4,105	4,188	3,955
Daily average consumption in gallons	929,000	929,000	929,000	929,000	929,000	880,000	880,000	880,000	950,000	950,000

Source: City Department Heads



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

In planning and performing our audit of the basic financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Harrisonville, Missouri, for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We became aware of other matters to bring to your attention. The following paragraphs summarize our comments and suggestions regarding these matters.

1. Overdrawn Cash

During the year, the Emergency Services Fund had an overdrawn cash balance of \$1,212,355, which was up from \$1,039,855 in the preceding year. The City maintains a pooled cash account, which a majority of the City's funds share and is common practice in governmental entities. However, when pooled cash accounts are utilized, it is imperative that each funds' share of the pooled cash is monitored regularly to ensure that positive cash balances are maintained in all funds.

We Recommend:

City management review and monitor each funds' share of the balance on an ongoing basis, but no less than monthly, to ensure that no funds have overdrawn cash. Further, management and the Board may consider implementing a policy or procedure that addresses overdrawn cash and loan or transfer requirements to ensure that funds do not have overdrawn cash.

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2. Emergency Services Fund

The Emergency Services Fund is used to account for the operations of the City's fire, emergency medical services, and emergency management services. During the current year, the Emergency Services Fund experienced deficit spending of \$589,367, before other sources and transfers. The Fund had a beginning fund deficit of \$324,749, and transfers in of \$978,364. The ending fund deficit was \$380,683. The City's General Fund subsidizes the Emergency Services Fund through interfund loans and transfers.

We Recommend:

The City review the Emergency Services Fund to determine its sustainability with the current resources available. Because the Fund is subsidized by the General Fund, and is not expected to have strong positive results going forward, the City should transfer enough funds from the General Fund to the Emergency Services Fund to establish both positive cash and positive fund balances. The City should then routinely monitor the activity of the Emergency Services Fund to determine additional funding as needed throughout the year to maintain positive, or null, balances. This will provide additional clarity to the Board and management throughout the year of the amount of subsidies that is required to run the operations for further analysis.

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the City in the near future. We encourage management to review the following information and determine which standards may be applicable to the City. For the complete text of these and other GASB standards, visit www.gasb.org and click on the "Standards & Guidance" tab.

GASB Statement No. 102 – *Certain Risk Disclosures*

This standard requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. This standard is effective for the City's fiscal year beginning January 1, 2025.

GASB Statement No. 103 – *Financial Reporting Model Improvements*

This standard changes and improves key components of the financial reporting model. Improvements and notable changes are made to management's discussion and analysis, unusual or infrequent items, presentation of proprietary fund statements, presentation of and information about major component units, and budgetary comparison information. This standard is effective for the City's fiscal year beginning January 1, 2026.

GASB Statement No. 104 – *Disclosure of Certain Capital Assets*

This standard establishes requirements for certain types of capital assets to be disclosed separately for purposes of note disclosures. This new standard also establishes requirements for capital assets held for sale and requires additional disclosure for those capital assets. This standard is effective for the City's fiscal year beginning January 1, 2026.

The GASB is working on several comprehensive projects that will likely have substantial impacts to government entities and will result in significant changes to government financial statements in the future. Information about completed, ongoing, or projected projects, visit www.gasb.org and click on the "Projects" tab. The most impactful of the projects that are worth watching are as follows:

The *Revenue and Expense Recognition* project aims to develop a comprehensive, principles-based model that would establish categorization, recognition, and measurement guidance applicable to a wide range of revenue and expense transactions. Currently, the GASB is redeliberating the preliminary views proposals. The final pronouncement is projected to be released in the fourth quarter of 2025.

Subsequent Events – Reexamination of Statement 56 aims to improve the accounting and financial reporting for subsequent events. The exposure draft was issued in November 2024 and written comments concluded February 21, 2025. The final pronouncement is expected to occur in the fourth quarter of 2025.

Other topics that the GASB is researching are cybersecurity risk disclosures, GAAP structure, and note disclosures relating to the new revenue and expense recognition project.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional studies of these matters or to assist you in implementing the recommendations.

We appreciate this opportunity to serve as the City of Harrisonville, Missouri's independent auditors and the courtesies and assistance extended to us by the City's employees.

Respectfully submitted,

A handwritten signature in black ink that reads "KPM CPAs, PC". The signature is written in a cursive, flowing style.

KPM CPAs, PC
Springfield, Missouri
June 26, 2025



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

We have audited the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Harrisonville, Missouri, for the year ended December 31, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 12, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Harrisonville, Missouri, are described in Note 1 to the financial statements. The City adopted the provisions of GASB Statement No. 100 – *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62*, and GASB Statement No. 101 – *Compensated Absences* during the year. The application of existing policies was not changed during the current year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the City's financial statements was management's estimate of the allowance for doubtful accounts for accounts receivable which are based on the aged and used, but unbilled, accounts receivable balances. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

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Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

- Fund Balance and Net Position restatements
- Accounts receivable restatements and adjustments
- Prepaid expense adjustments
- Capital assets restatements and current year related depreciation expense
- Pension activity
- Accounts payable and accrued expense adjustments
- Long-term debt adjustments

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 26, 2025.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to pension schedules, budgetary comparison schedules, and the Management's Discussion and Analysis, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

We were not engaged to report on the introductory section or statistical section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

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

Sincerely,

A handwritten signature in black ink that reads "KPM CPAs, PC". The signature is written in a cursive, slightly slanted style.

KPM CPAs, PC
Springfield, Missouri
June 26, 2025